



BLOOMFIELD STATE BANK

Chek-Guard Agreement and Disclosure under the Federal Truth in Lending Act

This Agreement is your contract. It also contains disclosures required by the Federal Truth in Lending Act. Please read all of it and keep it for your records because when you use your Chek-Guard Account, you have agreed to the terms of the Agreement.

In this Agreement the words you, your, and yours mean the borrower(s). The words we, us, and ours mean Bloomfield State Bank, Bloomfield, Indiana.

Chek-Guard Agreement

The following definitions apply to the terminology used in this Agreement and on your monthly statement:

- Account:** The Chek-Guard Account(s) approved by us for your use which is subject to the Terms and Conditions of this Agreement.
- Annual percentage rate:** The cost of your credit at a yearly rate.
- Billing Cycle:** The time interval between regular monthly billing statement dates.
- Borrower:** The natural person or an organization including a corporation, partnership, proprietorship, association, cooperative estate, trust, or government unit to whom credit is extended upon the request or application of that natural person or organization for any purpose, including consumer credit, business, commercial or agricultural use, or a natural person or organization who has agreed with us to pay obligations arising from the extension of such credit to another person.
- Closing Date:** The date of the last day of a Billing Cycle.
- Credit Line:** The maximum amount available to you as set for the Account by us from time to time.
- Finance charge:** The cost of credit extended to you on the Account resulting from applying the Periodic Rate to the Average Daily Balance.
- Loan Advances:** Extensions of credit by us to you by payment of checks or advances written against the Account.
- New Balance:** The Account balance outstanding on the Closing Date.
- Periodic Rate:** The percentage rate of finance charge imposed against a balance for a period. In this Agreement a "Daily Periodic Rate" is used.
- Previous Balance:** The balance of the Account at the beginning of the Billing Cycle (it is the same amount that was shown as "New Balance" on the Closing Date on the statement for the preceding Billing Cycle.)

Terms and Conditions

(Including Federal Truth in Lending Disclosures)

1. **Line of Credit.** We will extend to you a line of credit in the amount indicated below on your Chek-Guard Account to be used in connection with your checking account.
2. **Charges are Loans.** We are hereby authorized to charge your Chek-Guard Account, in increments of \$50.00, any amounts required to pay checks and other charges when your balance is insufficient. All charges made to the account shall constitute loans on the date the charge is made.
3. **Promise to Pay.** You, jointly and severally, promise to pay us the balance in use also and any finance charge imposed on the Chek-Guard Account by depositing monthly the minimum periodic payment or the balance in use, whichever is smaller, until the balance in use and all other charges, including interest, have been paid in full.
4. **Minimum Periodic Payment.** A minimum periodic payment of an amount equal to or greater than the amount shown in the payment table shall be made by you within 25 days of the statement date.

Minimum Payment Schedule

If New Balance Is:	Minimum Payment Will Be:
Less than \$10.....	New Balance in full
\$10 to \$200.....	\$10
\$201 to \$400.....	\$20
\$401 to \$600.....	\$30
\$601 to \$800.....	\$40
\$801 to \$1000.....	\$50
More than \$1000.....	1/20 th of balance



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In addition to the above, Minimum Payment will include any amount past due and any amount by which the new balance exceeds the credit line for the account.

5. **Conditions under which a finance charge will be imposed:** finance charge will be imposed on all Loan Advances from the date of the Loan Advance to the date paid. The finance charge accrued on Loan Advances between the Closing Date of the Billing Cycle and the date your account is credited will appear on your next statement. There is no time period within which to avoid the finance charge.
6. **The method of determining the balance upon which a finance charge will be imposed:** The finance charge is computed using a periodic daily rate of .04932% which is an annual percentage rate of 18%. The above periodic daily rate is applied to the outstanding balance each day after deducting all payments and/or credits for that day. Said daily charge is accumulated until the end of the Billing cycle, when it is posted as an accumulated finance charge on the periodic statement. In case the entire principal balance and finance charge on the loan were prepaid during the Billing Cycle, the periodic daily rate was also applied to daily loan balances from the end of the previous Billing Cycle to the date of such pre-payment.
7. **The conditions under which any other charges may be imposed:**
 - a. In the event of default under this Agreement we may charge reasonable costs of collecting amounts due, including reasonable attorney's fees and legal expenses.
 - b. A charge of \$1.00 a copy may be imposed for a copy of each statement that you request in connection with this account, except when exercising your billing rights.
 - c. There will be an annual fee of \$20.00 which will be charged to the checking account on the anniversary date of your Chek-Guard account.
 - d. A transfer fee of \$2.00 per transfer (Chek-Guard Advance) will be charged to the checking account.
8. **The conditions under which we may retain or acquire any security interest in any property to secure the payment of any credit extended on the Account:** If we now or hereafter hold any title, pledge or security interest in any of your property, it may be that the terms of the instrument creating such title, pledge or security interest will also secure your obligations on the Account. If you have pledged or shall hereafter pledge your personal residence as collateral security for any indebtedness of which we are or become the owner and holder, it is hereby understood that we hereby waive any claim we might otherwise acquire against said personal residence as collateral security for any obligation to us arising from use of the Account.
9. **Your Billing Rights, Keep This Notice for Future Use.** This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify Us In Case of Errors or Questions About Your Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at P.O. Box 407, Bloomfield, Indiana 47424, as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- a. Your name and account number
- b. The dollar amount of the suspected error
- c. Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your charges automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

Your Rights and Our Responsibilities After We Receive Your Written Notice

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

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If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. We must tell anyone we report you to that the matter has been settled between us when it finally is. And, we must tell you the name of anyone we reported you to.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

Additional Provisions

You also agree to all of the following:

Individual Liability. You as an Account Holder, will be liable for all credit obligations under an Account(s), whether obtained by you or a User of the Account. If there is more than one Account Holder, then each will be liable, jointly and severally, for all credit obtained under an Account(s).

Monthly Payments. Borrower(s) agree to have all monthly payments automatically deducted from Borrower(s) checking account 25 days after the statement date.

Checking Account. Upon acceptance of the Chek•Guard application the Borrower(s) shall open and/or maintain a checking account with the Bank. The Borrower(s) agree to maintain such a checking account as long as the Chek•Guard Agreement remains in effect.

If borrower terminates their checking account with Bank, all unpaid balances, plus interest, owed under the Chek•Guard Agreement, become immediately due and payable in full.

Prepayments. The Account may be prepaid in whole or in part, at any time but an additional advance of money would void the prepaid payments. All payments shall be applied to accrued interest and then to principal.

Termination. Either you or we may terminate or suspend your credit privileges under this Agreement at any time. The provisions of this Agreement shall otherwise remain in full force and effect until you pay all sums due us.

Transfer of Account. You cannot transfer an Account to any other person.

Change of Address. You will advise us promptly if you change your mailing address. We can accept address corrections received from the U.S. Postal Service. All written notices and statements by us to you will be sent to your address as it appears on our records.

Credit Reports. You authorize us to make or have made any credit, employment and Investigative Inquiries as we deem appropriate for the extension of credit or collection of amounts owing on the Account. We can furnish information concerning your Account or credit file to consumer reporting agencies and others who may properly receive this information.

Credit Line. You will not make any charges in excess of the amount of Credit Line available to you on an Account. However, if we agree in writing to temporarily allow you to exceed your Credit Line, you agree to repay the excess amount according to the terms of this Agreement. We can increase your Credit Line at our discretion.

Irregular Payments. We can accept late payments, partial payments, or checks and money orders marked "payments in full", without losing any of our rights under this Agreement.

Delay in Enforcement. We can delay enforcing our rights under this Agreement without losing them.

Amendment and Assignment. Upon such notice to you, if any, as may be required by law, the terms and conditions set forth in this Agreement may be amended by us at any time, which amendment(s); as to which there is any unpaid balance owing to us on the effective date of such amendment(s), and such amendment(s) shall also govern any transaction occurring after such effective date. We will have the right to assign the transfer our rights under this Agreement and any amounts you owe to us; and the term "us" shall be deemed to include each and every immediate and successive assignee.

Our Address: You should address letters and other notices to us at: Bloomfield State Bank, P.O. Box 407, Bloomfield, IN 47424

Severability. If any provision of this Agreement is held invalid, all valid provisions that are severable from the invalid provisions remain in effect.

Captions and Catchlines for Reference Only. Captions and catchlines are intended solely as aids to convenient reference, and no inference as to intent with respect to this Agreement may be drawn from them.

Change in Terms. That Bank can amend this Agreement including the Terms and Conditions upon notice to Borrower at Borrower's address on file at Bank 15 days before the date the changes will occur.

Law Governing. This Agreement is governed by Federal laws and the laws of Indiana as they each apply.