

PERSONAL LINE OF CREDIT  
AGREEMENT AND DISCLOSURE  
(SEPTEMBER 2006)

In this Agreement, “you” or “your” means the person(s) who opened the Personal Line of Credit Account with National Exchange Bank & Trust, Fond du Lac or any of its offices and, any person(s) who are contractually liable for or have signed the application for a Personal Line of Credit Account with National Exchange Bank. The term “you” or “your” also applies to joint owners, individually and collectively. “Account” means a single or joint Personal Line of Credit Account opened and established pursuant to this Personal Line of Credit Agreement and Disclosure.

This is the Agreement and Disclosure that covers your Account. Please read it and keep it for your records. You accept and agree to be bound by the terms of this Agreement once your application for the Account has been approved. If you are opening a joint Account, each of you will be jointly liable for the repayment of the full amount of credit extended on the Account.

**1. YOUR ACCOUNT AND CREDIT LINE:** If your application for Personal Line of Credit is approved, National Exchange Bank will establish the Account with a line of credit to be used with your designated checking account. The maximum amount of credit provided for your Account will be the amount specified in your Account acceptance notice or other amount(s) as may be fixed by National Exchange Bank from time to time (your “Credit Line”), which will appear on each Checking Account statement. You agree not to allow the unpaid principal balance on your Account to exceed this amount. While National Exchange Bank is under no obligation to extend additional credit to you, National Exchange Bank may, at its option, make an extension upon request. If you exceed your Credit Line, you agree to repay immediately the amount in excess of your Credit Line, without notice or demand from National Exchange Bank.

**2. ACTIVATION:** National Exchange Bank will credit your Checking Account whenever your balance falls below zero (\$0.00) or the minimum designated by you. Advances from your Account to your Checking Account will be in multiples of \$100 (or the balance of your Credit Line if available credit is less than \$100) sufficient to pay those items or fees posted to your Checking Account.

You will also be able to request advances to your Checking Account either verbally or in writing. Requests may be made by you at any of National Exchange Bank's offices or by telephone. You agree to be bound by any limitations placed by National Exchange Bank on your ability to make such requests.

**3. LIABILITY AND PAYMENTS:** You assume all liability and agree to pay for Advances made to you or on your behalf, through checks or other charges on your Checking Account, through the use of your CheckCard or ATM Card, or by any

other means, and you agree to pay, at such place as National Exchange Bank designates, all extensions of credit, charges and fees in accordance with your Checking Account statement and the terms of this Agreement. You also agree to pay all Finance Charges, and other charges and fees relating to your Account as set forth below. Payment will be applied as follows: First, to previously accrued and unpaid finance charges, then to charges and fees, and then to Advances.

**4. PAYMENT SCHEDULE AND CHARGES:** The minimum monthly payment on your Account will be automatically deducted from your Checking Account on the date your Checking Account statement is produced when your Account has an outstanding balance for any month. The minimum payment amount will be 5% of the outstanding balance on your Account or \$25.00, whichever amount is greater. If the outstanding balance on your Account is less than \$25.00, then the entire balance will be deducted.

You agree to have on deposit in your Checking Account, on the Payment Due Date, an amount at least equal to your minimum payment amount. If you do not, National Exchange Bank may, at its option, make an Advance from your Account, and then deduct the minimum payment from your Checking Account.

Payments of the minimum payment amount or additional payments may be made at any National Exchange Bank office at any time, but will not affect your obligation to pay succeeding monthly payments so long as any balance is outstanding on your Account. The outstanding balance, including principal and other charges, may be prepaid in full or in part at any time.

**A. ANNUAL FEE** - National Exchange Bank will assess an annual fee of \$10.00 for your Personal Line of Credit Account for Relationship Checking and Personal Interest Bearing account holders. Free Checking account holders will be assessed a \$25.00 fee for the Personal Line of Credit.

**B. LATE CHARGE** - National Exchange Bank may assess a fee of \$10.00 for each billing cycle in which the Bank receives less than the minimum payment due. This fee will be charged on the 10th day after the payment due date.

**C. RETURN CHECK CHARGE** - National Exchange Bank may assess a fee for each payment check returned unpaid. See Account Services Additional Transactions brochure for current fee.

**D. ACCEPTING PAYMENTS** - National Exchange Bank can accept late or partial payments, as well as payments that are marked “paid in full” or with other restrictive endorsements, without losing any of its rights under this Agreement.

**5. COMPUTATION OF FINANCE CHARGES:** National Exchange Bank will compute Finance Charges on your Account in the following manner:

**A. Finance Charges** begin to accrue on the date each Advance is made, until paid in full.

**B. Finance Charges** are calculated by adding the daily interest charges which result from multiplying the

outstanding balance each day of the statement period, by the daily periodic rate. The Annual Percentage Rate is 14.90%.

**C. To calculate daily balances,** the beginning balance of your Account each day is added to any new advances, and all payments or credits are subtracted. The daily balance each day of the statement period (excluding the last statement date but including the current statement date) is multiplied by the appropriate daily periodic rate(s). All of the daily finance charges are added to obtain your total finance charge.

**6. ENTIRE BALANCE DUE:** All obligations on your Account will become due immediately, or after notice and the opportunity to cure if required by Wis. Stats. §425.105, at the option of National Exchange Bank in the event of (a) any action or event which would materially impair your ability to pay amounts due under this Agreement, including, without limitation, your death, the death of your spouse or surety to this agreement, changes in marital status or domicile, or your insolvency or being subject to bankruptcy or insolvency proceedings, (b) your failure to pay at least the minimum payment amount when due on two occasions within any twelve month period, or (c) failure to observe or perform any other covenant or duty contained in this Agreement.

**7. SECURITY** - Unless a lien would be prohibited by law or would render a nontaxable account taxable, you hereby grant to National Exchange Bank a security interest and lien in all deposit accounts you may have with National Exchange Bank from time to time and in collateral securing other loans you may have with National Exchange Bank to the extent permitted by law to secure payment of the Agreement. National Exchange Bank may, at any time after the occurrence of any event of default, notice and opportunity to cure, if required by Wis. Stats. §425.105, set-off any amount unpaid under this Agreement against any deposit or other credit balances you may have with National Exchange Bank. You agree to maintain in good condition and repair any collateral for the loans made hereunder, not permit its value to be impaired and keep it free from all liens and security interests prior in right to those of National Exchange Bank.

**8. AMENDMENT:** National Exchange Bank reserves the right to amend the terms of this agreement including, but not limited to, each of the provisions in paragraph 4 above. Such amendments will be as National Exchange Bank may from time to time determine and as will be permitted by law upon fifteen (15) days prior written notice unless such amendment requires ninety (90) days prior written notice under Wis. Stats. §422.415. Any amendments to the finance charges or minimum payment amount will be applicable to all outstanding balances as well as future balances unless you close your account before the effective date thereof.

**9. ERRORS:** National Exchange Bank will provide you with a periodic statement showing all transactions for the previous billing period. Unless you notify National Exchange Bank of any alleged errors in accordance with the billing error resolution provided below, National Exchange Bank will

consider the statement correct for all purposes.

**10. ASSIGNMENT OF ACCOUNT:** You understand this Account may be sold or assigned by National Exchange Bank to another creditor without your consent. You will be notified if an assignment of your Account is made.

**11. TERMINATION OF ACCOUNT--REDUCTION OF CREDIT:** National Exchange Bank may terminate or reduce the Credit Line on your Account at any time upon sending written notice to the last address shown on our records and your rights under this agreement will also be terminated or modified accordingly. In the event your Account is terminated or your Credit Line reduced for reasons other than those listed in Paragraph 6, you agree to continue to make each required payment until all obligations due to National Exchange Bank are paid in full.

This agreement may be terminated by National Exchange Bank without notice and National Exchange Bank may demand immediate payment of the full loan balance, if borrower's spouse terminates the loan account under Section §766.565 (5), Wis. Statute.

**12. CHECKING:** You agree that if your Checking Account to which your Account is related is closed or blocked for usage, your Account will also be closed.

**13. CANCELLATION:** You may cancel this Agreement at any time by written notice addressed to National Exchange Bank. If you have a joint Account, anyone authorized to use your Account may sign the written notice. Such cancellation may be effective immediately after National Exchange Bank has received such notice or upon receipt of notice under Wis. Stats. §766.565. If your Account is canceled, you are still required to pay everything you owe National Exchange Bank, including any amounts that have not yet been billed to you in accordance with the terms of this Agreement unless otherwise limited by Wis. Stats. §422.4155.

**14. NOTICES--ADDRESSES :** If you move, a written notice of address change must be provided to National Exchange Bank so that the records can be changed. You agree that all notices regarding your Account may be sent to any joint owner whose name and address appears on National Exchange Bank's billing records.

**15. OTHER AGREEMENTS:** This Agreement is in addition to any other agreement, terms or conditions relating to your Checking Account or any other service or product you may have with National Exchange Bank. All such other agreements, terms and conditions will continue to be effective.

**16. INTERPRETATION:** This Agreement will be governed, except to the extent governed by Federal law, by the laws of the State of Wisconsin. Each provision will be interpreted in such a manner as to be effective and valid, but if any part of this Agreement shall be declared invalid, such decision will not invalidate the remaining provisions.

**FAIR CREDIT ACT BILLING ACT DISCLOSURES  
YOUR BILLING RIGHTS**

This notice contains important information about your rights and National Exchange Bank's responsibilities under the Fair Credit Billing Act.

**NOTIFY US IN CASE OF ERRORS OR QUESTIONS  
ABOUT YOUR PERSONAL LINE OF CREDIT  
ACCOUNT STATEMENT.**

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 from your statement at:

National Exchange Bank & Trust  
130 S. Main St.  
P.O. Box 988  
Fond du Lac, WI 54936-0988

Write to us as soon as possible. We must hear from you no later than 60 days after we send 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:

- Your name and account number.
- The dollar amount of the suspected error.
- 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.

You have authorized us to pay your bill automatically from your Checking Account, and you can stop the payment on the amount you think is wrong. To stop the payment, your letter must reach us three (3) 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.

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 did not 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 (10) 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; and, we must tell you the name of anyone we report you to, that the matter has been settled between us when it finally is.

If we do not follow these rules, we cannot collect the first \$50 of the questioned amount, even if your bill was correct.

# Personal Line of Credit Overdraft Protection Agreement and Disclosure

