

## Citizens PLUS Agreement and Disclosure Statement

Interest Rate and Interest Charges	
Annual Percentage Rate (APR) for Advances	<b>21.00%</b>
Paying Interest	You will be charged interest from the transaction date.

Fees	
Annual Fee	None
Penalty Fees	
• Late Payment	<b>\$5</b>

**How We Will Calculate Your Balance:** We use a method called "average daily balance (including current transactions)." See your account agreement for more details.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

**Introduction.** This Credit Agreement and Disclosure ("Agreement") governs your line of credit (the "Credit Line" or the "Credit Line Account") issued through CITIZENS BANK OF KENTUCKY. In this Agreement, the words "Borrower," "you," "your," and "Applicant" mean each and every person who signs the application. The words "we," "us," "our," and "Lender" mean CITIZENS BANK OF KENTUCKY. **You agree to the following terms and conditions:**

**Promise to Pay.** You promise to pay CITIZENS BANK OF KENTUCKY, the total of all credit advances, accrued interest and interest charges, together with all fees, charges, costs and expenses for which you are responsible under this Agreement. You will pay your Credit Line according to the payment terms set forth below. **If there is more than one Borrower, each is jointly and severally liable on this Agreement. This means we can require any Borrower to pay all amounts due under this Agreement, including credit advances made to any Borrower. Each Borrower authorizes any other Borrower, on his or her signature alone, to cancel the Credit Line, to request and receive credit advances, and to do all other things necessary to carry out the terms of this Agreement.**

**Payment Auto Draft .** Payments not satisfied by the payment due date will be automatically deducted from the designated checking account.

**Minimum Payment.** Your "Regular Payment" will be based on a percentage of your outstanding balance as shown below or \$20.00, whichever is greater. Your payments will be due monthly. This means that you have a monthly billing cycle.

<u>Range of Balances</u>	<u>Number of Billing Cycles</u>	<u>Regular Payment Calculation</u>
All Balances	1	5.000% of your outstanding balance

Your "Minimum Payment" is your Regular Payment, plus any amounts past due and all fees and charges.

In any event, if your Credit Line balance falls below \$20.00, you agree to pay your balance in full. You agree to pay not less than the Minimum Payment on or before the due date indicated on your periodic billing statement.

**How Your Payments Are Applied.** Unless otherwise agreed or required by applicable law, payments and other credits will be applied first to accrued interest; then to unpaid principal; and then to late payment fees and other penalty fees or collection costs.

**Receipt of Payments.** All payments must be made in U.S. dollars and must be received by us at: CITIZENS BANK OF KENTUCKY, PO BOX

1488, PAINTSVILLE, KY 41240-1488. Payments must be received consistent with any payment instructions, including any address change, provided on or with your periodic billing statement. If a payment is made consistent with our payment instructions but received after 5:00 P.M. EASTERN STANDARD TIME on a business day, we will apply your payment to your Credit Line on the next business day.

**Credit Limit.** This Agreement covers a revolving line of credit which will be your "Credit Limit" under this Agreement. You may borrow against the Credit Line, repay any portion of the amount borrowed, and re-borrow up to the amount of the Credit Limit. Your Credit Limit is the maximum amount you may have outstanding at any one time. You agree not to attempt, request, or obtain a credit advance that will make your Credit Line Account balance exceed your Credit Limit. Your Credit Limit will not be increased should you exceed your Credit Line Account. If you exceed your Credit Limit, you agree to repay immediately the amount by which your Credit Line Account exceeds your Credit Limit, even if we have not yet billed you.

**Charges to your Credit Line.** We may charge your Credit Line to pay other fees and costs that you are obligated to pay under this Agreement or any other document related to your Credit Line. Any amount so charged to your Credit Line will be a credit advance and will decrease the funds available, if any, under the Credit Line. However, we have no obligation to provide any of the credit advances referred to in this paragraph.

**Credit Advances.** Beginning on the Opening Date of this Agreement, you may obtain credit advances under your Credit Line as follows:

**Overdrafts.** Writing a check on your designated checking account with us in excess of the available collected balance in the account.

If there is more than one person authorized to use this Credit Line Account, you agree not to give us conflicting instructions, such as one Borrower telling us not to give advances to the other.

**Transaction Requirements.** The following transaction limitations will apply to the use of your Credit Line:

**Overdraft Limitations.** There are no transaction limitations for writing a check in excess of your checking account balance.

**Limitation on All Access Devices.** You may not use any access device, whether described above or added in the future, for any illegal or unlawful transaction, and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness. Notwithstanding the foregoing, we may collect on any debt arising out of any illegal or unlawful transaction.

**Future Credit Line Services.** Your application for this Credit Line also serves as a request to receive any new services (such as access devices) which may be available at some future time as one of our services in connection with this Credit Line. You understand that this request is voluntary and that you may refuse any of these new services at the time they are offered. You further understand that the terms and conditions of this Agreement, together with any specific terms covering the new service, will govern any transactions made pursuant to any of these new services.

**Collateral.** This Credit Line Account is unsecured.

**Right of Setoff.** To the extent permitted by applicable law, we reserve a right of setoff in all your accounts with us (whether checking, savings, or some other account), including without limitation, all accounts you may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. You authorize us, to the extent permitted by applicable law, to charge or setoff all sums owing on this Agreement against any and all such accounts, and, at our option, to administratively freeze all such accounts to allow us to protect our charge and setoff rights provided in this paragraph.

**Periodic Statements.** If you have a balance owing on your Credit Line Account or have any account activity, we will send you a periodic statement, unless prohibited by applicable law. It will show, among other things, credit advances, interest charges, fees, other charges, payments made, other credits, your "Previous Balance," and your "New Balance." Your statement also will identify the Minimum Payment you must make for that billing period and the date it is due.

**When Interest Begins To Accrue.** Interest on credit advances under your Credit Line will begin to accrue on the date credit advances are posted to your Credit Line. There is no "grace period" which would allow you to avoid paying interest on your Credit Line credit advances.

**Method Used to Determine the Balance on Which Interest Will Be Computed.** We figure the interest charge on your Credit Line Account by applying the periodic rate to the "average daily balance" of your Credit Line Account. To get the average daily balance, we take the beginning balance of your Credit Line Account each day, add any new advances and subtract any payments or credits and any unpaid interest or other finance charges. This gives us a daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

**Method of Determining the Amount of Interest Charges.** The interest charged to your Credit Line is determined by applying the applicable daily "Periodic Rate" to the balance described herein. Then we multiply by the number of days in the billing cycle.

**Periodic Rate and Corresponding Annual Percentage Rate.** The Periodic Rate and the corresponding Annual Percentage Rate on your Credit Line are based upon an Annual Percentage Rate on ranges of balances as shown below. To determine the Periodic Rate that will apply to your account, we then divide the value of the interest rate by the number of days in a year (366 during leap years). To obtain the Annual Percentage Rate we multiply the Periodic Rate by the number of days in a year (366 during leap years). This result is the Annual Percentage Rate. In no event will the Periodic Rate or corresponding Annual Percentage Rate exceed the maximum rate allowed by law.

#### Current Rates

Range of Balance or Conditions	Interest Rate	Corresponding Annual Percentage Rate	Daily Periodic Rate
All Balances	21.000%	21.000%	0.05753%

**Notwithstanding any other provision of this Agreement, we will not charge interest on any undisbursed loan proceeds.**

**Fees Imposed On the Credit Line.** You agree to pay the following fees:

**Penalty Fees.** You agree to pay the following penalty fees:

**Late Payment Fee.** If you do not make your payment within 1 day after the "Payment Due Date" shown on your periodic statement, in addition to our rights in default, **we may charge you \$5.00.**

**Right to Credit Advances.** Beginning on the Opening Date, we will honor your requests for credit advances up to your Credit Limit so long as: (A) you are not in default under the terms of this Agreement; (B) this Agreement has not been terminated or suspended.

**Default.** We may declare you to be in default if any one or more of the following events occur: (A) you fail to pay a Minimum Payment when due; (B) any account holder dies; (C) you make any false or misleading statements on your Credit Line application; (D) you violate any provision of this Agreement or any other agreement with us; (E) any garnishment, attachment, or execution is issued against any material asset owned by you; (F) you exceed your Credit Limit; (G) you file for bankruptcy or other insolvency relief, or an involuntary petition under the provisions of the Bankruptcy Code is filed against you. (H) the designated checking account is closed or cancelled; (I) the designated checking account is overdrawn for more than thirty (30) consecutively days.

**Lender's Rights.** If you are in default, we will send notice to you setting forth a time period of at least thirty (30) days within which such default may be cured. During this cure period, without notice, we may suspend your Credit Line as provided below. If such default is not cured during this period, we may either terminate or continue suspension of your Credit Line Account.

**Termination.** We may change, suspend or terminate the Account under this Agreement at any time. In such cases, we will inform you by written notice sent to you at the address where we mail your statement, or if we are permitted in person or by phone. Any change or suspension may be temporary or permanent at our option. If the Account is terminated, you will still be obligated to pay the balance, finance charge, other charges and fees. If the Account is suspended or its terms are changed, you will still be responsible for full performance under this Agreement, including timely making all payments required. Our rights under this agreement, including but not limited to our right to automatically transfer funds from the checking account, will remain in effect with respect to any unpaid balance.

**Collection Costs.** We may hire or pay someone else to help collect this Agreement if you do not pay. You will pay us that amount. This includes, subject to any limits under applicable law, our reasonable attorneys' fees and our legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, you also will pay any court costs, in addition to all other sums provided by law.

**Delay in Enforcement.** We may delay or waive the enforcement of any of our rights under this Agreement without losing that right or any other right. If we delay or waive any of our rights, we may enforce that right at any time in the future without advance notice. For example, not terminating your account for non-payment will not be a waiver of our right to terminate your account in the future if you have not paid.

**Termination by you.** If you terminate this Agreement, you must notify us in writing at the address shown on your periodic billing statement or other designated address. Despite termination, your obligations under this Agreement will remain in full force and effect until you have paid us all amounts due under this Agreement.

**Prepayment.** You may prepay all or any amount owing under this Credit Line at any time without penalty, except we will be entitled to receive all accrued interest, fees, and other charges, if any. Payments in excess of your Minimum Payment will not relieve you of your obligation to continue to make your Minimum Payments. Instead, they will reduce the principal balance owed on the Credit Line. You agree not to send us payments marked "paid in full", "without recourse", or similar language. If you send such a payment, we may accept it without losing any of our rights under this Agreement, and you will remain obligated to pay any further amount owed to us. **All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: CITIZENS BANK OF KENTUCKY, PO BOX 1488, PAINTSVILLE, KY 41240-1488.**

**Notices.** All notices will be sent to your address as shown in your Credit Line application. Notices will be mailed to you at a different address if you give us written notice of a different address. You agree to advise us promptly if you change your mailing address.

**Credit Information and Related Matters.** You authorize us to release information about you to third parties as described in our privacy policy and our Fair Credit Reporting Act notice, provided you did not opt out of the applicable policy, or as permitted by law. You agree that, upon our request, you will provide us with a current financial statement, a new credit application, or both, on forms provided by us. You also agree we may obtain credit reports on you at any time, at our sole option and expense, for any reason, including but not limited to determining whether there has been an adverse change in your financial condition. Based upon a material adverse change in your financial condition (such as termination of employment or loss of income), we may suspend your Credit Line.

**Notice of Negative Information.** We may provide detailed information about your account to the credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report. Please notify us if we report any inaccurate information about you to any consumer reporting agency. Your written notice describing the specific inaccuracy should be sent to: Credit Operations, Citizens Bank of Kentucky, PO Box 1488 Paintsville KY 41240

**Transfer or Assignment.** Without prior notice or approval from you, we reserve the right to sell or transfer your Credit Line Account and our rights and obligations under this Agreement to another lender, entity, or person. Your rights under this Agreement belong to you only and may not be transferred or assigned. Your obligations, however, are binding on your heirs and legal representatives. Upon any such sale or transfer, we will have no further obligation to provide you with credit advances or to perform any other obligation under this Agreement.

**Jury Waiver.** We and you hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either us or you against the other.

**Governing Law.** This Agreement will be governed by federal law applicable to us and, to the extent not preempted by federal law, the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions. This Agreement has been accepted by us in the Commonwealth of Kentucky.

**Choice of Venue.** If there is a lawsuit, you agree upon our request to submit to the jurisdiction of the courts of JOHNSON County, Commonwealth of Kentucky.

**Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the

provisions of this Agreement.

**Interpretation.** You agree that this Agreement is the most reliable evidence of your agreements with us. If we go to court for any reason, we can use a copy, filmed or electronic, of any periodic statement, this Agreement, or any other document to prove what you owe us or that a transaction has taken place. The copy, microfilm, microfiche, or optical image will have the same validity as the original. You agree that, except to the extent you can show there is a billing error, your most current periodic statement is the most reliable evidence of your obligation to pay.

**Severability.** If a court finds that any provision of this Agreement is not valid or should not be enforced, that fact by itself will not mean that the rest of this Agreement will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Agreement even if a provision of this Agreement may be found to be invalid or unenforceable.

**Amendments.** You understand and agree to the terms and conditions in this Agreement. You acknowledge that, subject to applicable laws, we have the right to change the terms and conditions of the Credit Line program. You also understand and agree that you may be subject to other agreements with us regarding transfer instruments or access devices which may access your Credit Line.

## BILLING ERROR RIGHTS

### YOUR BILLING RIGHTS

#### KEEP THIS DOCUMENT FOR FUTURE USE

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

#### What To Do If You Find A Mistake On Your Statement

If you think there is an error on your statement, write us at:

**CITIZENS BANK OF KENTUCKY**  
PO Box 1488  
PAINTSVILLE, KY 41240-1366

You may also contact us on the Web: ([info@wercitizens.bank](mailto:info@wercitizens.bank))

In your letter, give us the following information:

- Account information: Your name and account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

Within 60 days after the error appeared on your statement.

At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

#### What Will Happen After We Receive Your Letter

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- If we made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
- If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us. If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

### **Important Military Lending Act (MLA) Information**

This notice is required to be provided to customers receiving a Citizens PLUS account and is only applicable to active duty members of the armed forces and their dependents under the Military Lending Act.

### **Notice of Military Annual Percentage Rate (MAPR)**

Federal law provided important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependents may not exceed an Annual Percentage (APR) of 36%. This rate must include, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts) and any participation fee charged (other than certain participation fees for a credit card account).

If you have any question regarding this disclosure or would like to have this disclosure provided to you in a verbal manner, please feel free to contact us at 866-462-2265.