

HOME EQUITY APPLICATION DISCLOSURE

Kingston National Bank
Main Office
2 NORTH MAIN STREET
Post Office Box 613
Kingston, OH 45644

IMPORTANT TERMS OF OUR HOME EQUITY APPLICATION DISCLOSURE

This disclosure contains important information about our Key Equity Loan (the "Plan" or the "Credit Line"). You should read it carefully and keep a copy for your records.

AVAILABILITY OF TERMS. All of the terms of the Plan described herein are subject to change. If any of these terms change (other than the ANNUAL PERCENTAGE RATE) and you decide, as a result, not to enter into an agreement with us, you are entitled to a refund of any fees that you paid to us or anyone else in connection with your application.

SECURITY INTEREST. We will take a security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.

POSSIBLE ACTIONS. Under this Plan, we have the following rights:

Termination and Acceleration. We can terminate the Plan and require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happens:

- (a) You commit fraud or make a material misrepresentation at any time in connection with the Plan. This can include, for example, a false statement about your income, assets, liabilities, or any other aspect of your financial condition.
- (b) You do not meet the repayment terms of the Plan.
- (c) Your action or inaction adversely affects the collateral for the Plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien or the use of funds or the dwelling for prohibited purposes.

Suspension or Reduction. In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your credit limit during any period in which any of the following are in effect:

- (a) The value of your dwelling declines significantly below the dwelling's appraised value for purposes of the Plan. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstances.
- (b) We reasonably believe that you will be unable to fulfill your payment obligations under the Plan due to a material change in your financial circumstances.
- (c) You are in default under any material obligation of the Plan. We consider all of your obligations to be material. Categories of material obligations include, but are not limited to, the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the dwelling or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the dwelling, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions).
- (d) We are precluded by government action from imposing the annual percentage rate provided for under the Plan.
- (e) The priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit limit.
- (f) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.
- (g) The maximum annual percentage rate under the Plan is reached.

Change in Terms. We may make changes to the terms of the Plan if you agree to the change in writing at that time, if the change will unequivocally benefit you throughout the remainder of the Plan, or if the change is insignificant (such as changes relating to our data processing systems).

Fees and Charges. In order to open and maintain an account, you must pay certain fees and charges.

Lender Fees. The following fees must be paid to us:

Description	Amount	When Charged
Loan Origination Fee:	600.00	At Account Opening
Overlimit Charge:	20.00	at the time your credit line balance exceeds your credit limit.
Scheduled Fee Charges:	200.00	Early cancellation fee of \$200.00 will be charged if you cancel with 24 months from the loan date.

Late Charge. Your payment will be late if it is not received by us within **10 days after the "Payment Due Date" shown on your periodic statement.** If your payment is late we may charge you 10.000% of the unpaid amount of the payment or \$10.00, whichever is greater.

Third Party Fees. You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies.

These third party fees generally total between \$10.00 and \$400.00. Upon request, we will provide you with an itemization of the fees you will have to pay to third parties.

PROPERTY INSURANCE. You must carry insurance on the property that secures the Plan.

HOME EQUITY APPLICATION DISCLOSURE (Continued)

MINIMUM PAYMENT REQUIREMENTS. You can obtain advances of credit during the following period: 180 months (the "Draw Period"). Your Regular Payment will be based on a percentage of your outstanding balance as shown below or \$150.00, whichever is greater. Your payments will be due monthly.

<u>Range of Balances</u>	<u>Number of Payments</u>	<u>Regular Payment Calculation</u>
All Balances	180	1.500% of your outstanding balance

Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. The Minimum Payment will not fully repay the principal that is outstanding on your Credit Line and your final payment will be a single balloon payment.

A change in the ANNUAL PERCENTAGE RATE can cause the balance to be repaid more quickly or more slowly. When rates decrease, less interest is due, so more of the payment repays the principal balance. When rates increase, more interest is due, so less of the payment repays the principal balance. If this happens, we may adjust your payment as follows: your final payment may be increased.

In any event, if your Credit Line balance falls below \$150.00, you agree to pay your balance in full.

MINIMUM PAYMENT EXAMPLE. If you made only the minimum payment and took no other credit advances, it would take 7 years and 3 months to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 7.500%. During that period, you would make 87 monthly payments ranging from \$75.39 to \$150.00.

TRANSACTION REQUIREMENTS. The following transaction limitations will apply to the use of your Credit Line:

Credit Line Key Equity Loan Check and In Person Request Limitations. The following transaction limitations will apply to your Credit Line and the writing of Key Equity Loan Checks and requesting an advance in person.

Minimum Advance Amount. The minimum amount of any credit advance that can be made on your Credit Line is \$100.00. This means any Key Equity Loan Check must be written for at least the minimum advance amount.

NEGATIVE AMORTIZATION. Under some circumstances, your payments will not cover the finance charges that accrue and negative amortization will occur. Negative amortization will increase the amount that you owe us and reduce your equity in your home.

TAX DEDUCTIBILITY. You should consult a tax advisor regarding the deductibility of interest and charges for the Plan.

VARIABLE RATE FEATURE. The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate), the amount of the final payment, and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

THE INDEX. The annual percentage rate is based on the value of an index (referred to in this disclosure as the "Index"). The Index is the Lowest Wall Street Prime Rate as Published in the Midwest Edition of the Wall Street Journal. Information about the Index is available or published in the Wall Street Journal. We will use the most recent Index value available to us as of as of the first day of each and every month any annual percentage rate adjustment.

ANNUAL PERCENTAGE RATE. To determine the Periodic Rate that will apply to your account, we add a margin to the value of the Index, then divide the value by 365 days. 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**. A change in the Index rate generally will result in a change in the ANNUAL PERCENTAGE RATE. The amount that your ANNUAL PERCENTAGE RATE may change also may be affected by the lifetime annual percentage rate limits, as discussed below.

Please ask us for the current Index value, margin, discount and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS. Your ANNUAL PERCENTAGE RATE can change on the 1st of the Month. There is no limit on the amount by which the annual percentage rate can change during any one year period. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 24.000% per annum or, go below 4.750% per annum at any time during the term of the Plan.

MAXIMUM RATE AND PAYMENT EXAMPLE. If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 24.000% would be \$150.00. This ANNUAL PERCENTAGE RATE could be reached immediately or prior to the 1st payment.

PREPAYMENT. Early Cancellation Fee of \$200.00 will be charged if you cancel Key Equity Credit Agreement within 24 months from loan date.

HISTORICAL EXAMPLE. The example below shows how the ANNUAL PERCENTAGE RATE and the minimum payments for a single \$10,000.00 credit advance would have changed based on changes in the Index from 2010 to 2024. The Index values are from the following reference period: as of the last business day of December. While only one payment per year is shown, payments may have varied during each year. Different outstanding principal balances could result in different payment amounts.

The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during the year. It does not necessarily indicate how the Index or your payments would change in the future.

HOME EQUITY APPLICATION DISCLOSURE (Continued)

INDEX TABLE

Year (as of the last business day of December)	Index (Percent)	Margin (1) (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2010.....	3.250.....	0.000	4.750 (8)	150.00
2011.....	3.250.....	0.000	4.750 (8)	150.00
2012.....	3.250.....	0.000	4.750 (8)	150.00
2013.....	3.250.....	0.000	4.750 (8)	150.00
2014.....	3.250.....	0.000	4.750 (8)	150.00
2015.....	3.250.....	0.000	4.750 (8)	150.00
2016.....	4.000.....	0.000	4.750 (8)	150.00
2017.....	4.750.....	0.000	4.750	
2018.....	5.500.....	0.000	5.500	
2019.....	4.750.....	0.000	4.750	
2020.....	3.250.....	0.000	4.750 (8)	
2021.....	3.250.....	0.000	4.750 (8)	
2022.....	7.500.....	0.000	7.500	
2023.....	8.000.....	0.000	8.000	
2024.....	7.500.....	0.000	7.500	

(1) This is a margin we have used recently; your margin may be different.

(8) This A.P.R. reflects a 4.750 percent floor.

BORROWER ACKNOWLEDGMENT

The Borrower, after having read the contents of the above disclosure, acknowledges receipt of this Disclosure Statement and further acknowledges that this Disclosure was completed in full prior to its receipt. The Borrower also acknowledges receipt of the handbook entitled "What you should know about Home Equity Lines of Credit".

BORROWER:

X _____
Borrower Date

X _____
Borrower Date

ECOA, CONSUMER RIGHTS AND DISCLOSURE NOTICES

EQUAL CREDIT OPPORTUNITY ACT (ECOA)

The Federal Equal Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this Bank is the Comptroller of the Currency, P. O. Box 53570 Houston, Texas 77052.

We are required to disclose to you that you need not disclose income from alimony, child support or separate maintenance payment if you choose not to do so.

Having made this disclosure to you, we are permitted to inquire if any of the income shown on your application is derived from such a source and to consider the likelihood of consistent payment as we do with any income on which you are relying to qualify for the loan for which you are applying.

FAIR CREDIT REPORTING ACT

In compliance with the Fair Credit Reporting Act, we are informing you that an investigative consumer report including information as to your character, general reputation, personal characteristics, and mode of living may be made. The nature and scope of this investigation may include information obtained through personal interviews concerning residence verification, marital status, number of dependents, employment, occupation, general health, reputation and mode of living.

In the event of credit denial due to an unfavorable consumer credit report, you will be advised of the identity of the Consumer Reporting Agency making such report and your right to request within sixty (60) days the reason for the adverse action, pursuant to provisions of section 615(b) of the Fair Credit Reporting Act.

OHIO CIVIL RIGHTS COMMISSION

The Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law. (Notice Made Pursuant to Ohio Revised Code Section 4112.021(B)(1)(g))

THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977 - FAIR LENDING NOTICE

It is illegal to discriminate in the provisions of or in the availability of financial assistance because of the consideration of trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsound or unsafe business practice; or race, color, religion, sex, marital status, national origin or ancestry.

It is illegal to consider the racial, ethnic, religious or national origin composition of a neighborhood or geographic area surrounding a housing accommodation or whether or not such composition is undergoing change, or is expected to undergo change, in appraising a housing accommodation or in determining whether or not, or under what terms and conditions, to provide financial assistance.

These provisions govern financial assistance for the purpose of the purchase, construction, rehabilitation or refinancing of one-to-four unit single family residence occupied by the owner and for the purpose of the home improvement of any one-to-four unit family residence, if you have any questions about your rights, or if you wish to file a complaint, contact the management of this financial institution.