



WHERE YOU'RE WORTH MORE™

Consumer Account Agreement

Important information about your new account at Middlesex Savings Bank

Effective July 1, 2006

Thank you for choosing Middlesex Savings Bank to serve your banking needs. Before you start enjoying the convenience of banking with us, there are a few things we'd like you to know as outlined in this Consumer Account Agreement ("Agreement").

This Agreement sets forth the terms, rules and regulations under which we will provide deposit services to you. When you sign your account opening documents or initiate a transaction, you are agreeing to the terms and conditions outlined in this Agreement. For this reason, we encourage you to read the Agreement carefully and retain it for your records. Federal law and Massachusetts state law govern the terms of this Agreement. If there is any conflict between the Agreement and law, the Agreement will be changed to the extent required by law.

An important part of this Agreement is the Accounts & Fees Brochure, which was provided at account opening. Please note that if any of the fees or terms in the Agreement change and affect you adversely, we will provide written notice to you as required by law. You agree to pay all charges that you have incurred and hereby authorize us to charge your deposit account(s) with the aggregate outstanding amount of such charges from time to time.

When reviewing this Agreement, please note the words "you" and "your" refer to the consumer(s) who maintain(s) a deposit account with the Bank and/or their personal representatives. The words "the Bank", "we", "our", and "us" refer to Middlesex Savings Bank. All terms are effective as of the date of this Agreement and may be amended from time to time.

1. Deposit Protection

Deposits at Middlesex Savings Bank are insured by a combination of the Federal Deposit Insurance Corporation (FDIC) and the Massachusetts Depositors Insurance Fund (DIF). To learn more, ask us for a copy of insurance guidelines or visit www.fdic.gov or www.difxs.com for additional information.

2. Taxpayer Information

The primary account signer on a consumer account is required to certify the signer's Taxpayer Identification Number (TIN), and certify that the signer is not subject to backup withholding of federal income taxes.

3. Account Opening

Your deposit account will be considered open once we have received and approved all required account opening documentation, assigned you an account number, and received your initial deposit. We may, at our discretion, require additional signatures or other verification documentation during your account relationship with us, if the circumstances warrant.

4. Account Ownership/Joint Accounts

You have the flexibility to open accounts in one or more individuals' names. If you choose to open an account with more than one person, your account will be treated as a joint account with right of survivorship. We will ask each joint owner to provide identification.

Please note the following additional information about joint accounts:

- Unless you tell us differently, the TIN under which the account will be held for IRS reporting purposes is that of the first listed owner.
- If you have a joint account, you and your fellow joint account holders may exercise any and all rights hereunder individually and shall be jointly and severally liable for the obligations incurred under this Agreement and will be bound by this Agreement. Each person named on the account may use any deposit account service, including electronic funds transfer services, and may close the account. In any such event, such action shall be binding upon all account holders.

5. Special Accounts

Middlesex Savings Bank also offers other accounts depending on your needs. These accounts include:

"Totten Trust" ("In Trust For") Accounts

A Totten Trust is a trust account not governed by a written trust that belongs to the trustee depositor(s) until the death of the last surviving trustee, at which time the funds pass to the named beneficiary for whom the funds were held. For IRS reporting purposes, the TIN shall be that of one of the listed trustee depositor(s).

Uniform Transfers to Minors Act (UTMA) Accounts

An UTMA account is an account used to make an irrevocable gift of funds to a minor under UTMA, and is opened by the adult making the gift under the TIN of the minor. The adult is the custodian of the account, is the only person who may transact business on the account, and is obligated to use the funds for the sole benefit of the minor. The custodian is required to transfer the funds to the minor when the minor attains age 21. We are not liable to the minor or anyone representing the minor for the conduct of the custodian with regard to the account.

6. Credit Reference

You agree that the Bank may, from time to time, obtain credit and other reference information as we deem necessary from a check protection service, a credit reporting agency, or a similar service provider.

7. Deposits

We will do our best to ensure your deposits are processed efficiently. However, all checks and other items of every kind and nature deposited into your account are received and credited to your account subject to final collection. In accepting items for deposit or collection, the Bank makes no warranty as to the collectibility of the items. The availability of funds deposited will be in accordance with our Funds Availability Policy. If a deposited item of any kind is returned unpaid for any reason at any time, we may charge the item back to your account or require a refund from you, plus any applicable fees. Or, we may redeposit the item, in which case you waive the right to notice of dishonor.

Checks drawn on accounts outside the continental U.S., whether payable in U.S. dollars or foreign currency, will be accepted for deposit on a collection basis only, and may be credited to your account subject to future collection, or not credited to your account until collection, at our discretion. Such credit will not affect our right of charge back if the item is returned. Your deposit of a foreign item may be subject to adjustment based on the applicable exchange rate and bank fees for the collection of foreign items.

Funds deposited through ACH or other electronic means are provisional and subject to applicable ACH rules allowing reversal of a deposit or adjustment by the originator.

To the extent not prohibited by law, any person who deposits a substitute check agrees that he or she is making all the warranties and providing the same indemnities that we would have to make or provide as a consequence of accepting that check for deposit, including but not limited to the warranty that the check meets all the requirements for a substitute check.

Our night depository is not intended for consumer deposits. Consumers making deposits through our night depository agree that deposits recorded using our standard procedures for night deposits shall determine with finality the amount of such deposits.

8. Withdrawals

To make a withdrawal, you must use properly completed checks, drafts, or other withdrawal forms or methods supplied or approved by the Bank. Please note that we may pay items presented for payment in any order we select. We may also refuse a request for a withdrawal if any document or identification required by law or the Bank in connection with the withdrawal has not been presented to us.

9. Cash Withdrawals

Cash withdrawals can be made at any branch location or by using your Middlesex Savings Bank ATM Card. Withdrawals made at non-Middlesex Savings Bank ATM machines may be subject to surcharges. Please refer to the Accounts and Fees Brochure for more information. Bank policy requires that withdrawals from passbook savings accounts and passbook certificates of deposit be permitted only with presentation of the passbook. Under applicable law, we reserve the right to require seven days' advance written notice from you before making withdrawals from your savings deposit account. We also reserve the right to process transactions at the request of any joint account holder of a passbook account, regardless of any language contained in a passbook to the contrary. To the extent that there may be a conflict between this Agreement and the terms of a passbook, the terms of this Agreement shall govern.

10. Overdrafts

If your account is in an overdraft situation, we may, at our sole discretion, refuse a withdrawal request that is greater than the available funds in your account, aggregated with any overdraft protection you may have. If we honor a draft, check, or transfer request that exceeds this amount, then you must pay the overdraft immediately as well as any applicable fee when we notify you. If we honor one of your overdrafts, we are not obligated to do so in the future, and it should not be assumed that we will do so. Additionally, our payment of any check shall not subject the Bank to any limitation contained in a restrictive legend, inscription, message, requirement, or other limitation contained in or on the check.

11. Lost/Stolen Checks or Cards

You agree to report the loss or theft of any blank checks or your ATM card or debit card to the Bank immediately.

12. Limits on Transactions Involving Deposit Accounts

Money Fund, Freedom Gold Money Fund, and Statement Savings Accounts

Due to federal regulations, these accounts are limited to no more than 6 transfers per statement period to another account with us or to a third party via preauthorized or automatic transfer, telephonic agreement, or order of instruction. Please note transfers made using the Online Banking Service and telephone banking are counted against the permissible number of transfers. There are, however, no limits on the number of transfers that may be made at an ATM or in person at a teller window.

Passbook Savings Accounts

ATM, debit card, telephone banking, Online Banking, and ACH debit transactions are not permitted from a Passbook Savings Account.

13. Customers Age 18 and Under, and 65 or Over

If you are age 18 or younger or age 65 or older, you are entitled to one savings account and one checking account free of specified service charges, upon request. To qualify, you must submit proof of age and be the sole or primary (first listed) account owner. Please refer to our Accounts & Fees Brochure for information regarding fee waivers.

14. Pledging Your Account as Collateral

If you wish to pledge your account as collateral for a loan with us you must receive the written agreement of the Bank.

15. Notices and Statements

Middlesex Savings Bank is committed to keeping you informed about your account. Please note the following information about account statements and notices from us:

- All notices and statements will be sent to the last mailing address provided by you in our records. Any notice mailed to you at that address will be presumed to have been received by you and will be binding on you for all purposes.
- If you change your address, you must promptly notify us in writing.
- If notices or statements are returned to us undelivered, we may destroy them and discontinue further mailings until you notify us in writing of your new mailing address.

16. Examining Your Statement

To ensure your account information is accurate, we ask that you promptly review your account statements. In the event that you discover the existence of unauthorized signatures, alterations, or other transactions or charges, you must notify us within 30 days of receipt of the statement. Your failure to do so may result in your having to bear some or all of the loss with respect to the items contained in the statement.

17. Inactive and Abandoned Accounts

State law in various states often requires that any account held by a resident of that state that remains inactive for a specified period of years is to be considered abandoned property, and must be turned over to the official of that state responsible for abandoned property. In the Commonwealth of Massachusetts, the period is 3 years and the official that handles abandoned property is the office of the Massachusetts State Treasurer. If you are a Massachusetts resident and inactivity on your account approaches this time period, we will attempt to notify you in writing as required by law at least 60 days prior to remitting the funds in the account to the State. If your funds are turned over to a state as abandoned property, we no longer have any liability or responsibility with respect to the funds and you may be able to reclaim them by contacting the state official responsible for abandoned property matters.

18. Fees and Charges

Our Accounts & Fees Brochure, which is part of this Agreement, will be provided to you at account opening and is available at our branches. You may request a copy at any time in person or by phoning the Bank. Please note that fees and service charges are subject to change.

19. Endorsements

Because improper endorsements may result in a charge back of a check or delay in processing, it is important that you endorse checks correctly. All checks you cash or deposit into your account must be endorsed in the first 1.5 inches of the trailing edge of the back of the check. You may identify the "trailing edge" of a check by viewing the check from the front. The trailing edge is the left edge of the check. Your endorsement must contain your signature.

20. Stale and Postdated Checks

Middlesex Savings Bank has the right, in our sole discretion, to pay or dishonor a check, other than a treasurer's or other official bank check that appears to have been properly issued, presented for payment more than 6 months after its date. In addition, please note that you may not date a check with a date later than the day on which the check is written. If you do, and the check is presented for payment, then we may pay it at any time regardless of its date.

21. Closing of Accounts

For our protection, Middlesex Savings Bank may close an account or refuse to do business with any customer at any time. Similarly, you may close your account at any time. Please note, however, that if you close a Certificate of Deposit or other type of term deposit prior to its maturity date, you may be subject to a Bank imposed early withdrawal penalty. The closing of your account by you or the Bank is subject to payment of all outstanding items and fees and charges.

22. Lost or Stolen Passbooks

If your passbook is lost or stolen, we will close your account and provide the funds in the account to any joint account holder, or establish a new account for you, upon receipt of: (a) an affidavit of lost passbook signed by all of the owners of record and completed account opening documents (if a new account is to be established), (b) presentation of identification satisfactory to the Bank, (c) payment of a replacement fee, if applicable, and (d) payment of any bond or other form of indemnification, if required by the Bank.

23. Individual Retirement Accounts (IRAs)

This agreement does not apply to IRA accounts. Please contact our IRA Department for more information on restrictions and requirements applicable to IRAs.

24. Funds Availability Inquiries

If you have written a check to another party, we may, at our discretion, inform the inquiring party as to whether a check in that amount would clear at that time.

25. Stopping Payment of Checks

If you wish to do so, you may request a stop payment order on a check or draft drawn on your checking account that has not already been paid. Please allow us reasonable time to act on your request after we receive it.

Also, please note the following about placing a stop payment request:

- Your request to stop payment on a check or draft may be placed by telephone, in person, or by using our online banking service.
- In the case of a telephone request, you must provide us with written confirmation within 14 days of the request or the stop payment order will be released.
- Once we receive your confirmation, the stop payment will remain in effect for 6 months from the date of the request, and may be extended upon renewal of the order and payment of any applicable fee.
- We will confirm your stop payment request in writing. You must notify us within 14 days of your request that the information on the confirmation is incorrect, or we will continue to honor your request as confirmed for 6 months from the date of your request, after

which you may renew it by notice to us. Your stop payment request must be accurate and contain the exact amount, date, check number, and payee name. We are not responsible if the information you gave us is incorrect or if you fail to give any other information required identifying the check or draft with reasonable certainty and the stop payment cannot be completed.

- To stop a payment you have previously authorized through the Online Banking bill pay service, please refer to the instructions provided to you in the Online Banking Agreement.
- In general, a stop payment request will not be effective against a Treasurer's Check or other form of official Bank check, except in circumstances involving a check that is lost, stolen, or destroyed. In that case, the request will be honored only after 90 days from the date of issuance of the check and then only after the Bank is in receipt of any documentation that the Bank requires from you in order to carry out your request. Any stop payment order accepted that is inconsistent with this requirement may not be honored.

26. Electronic Check Conversion

Thanks to advances in technology, more and more checks are being paid electronically. The payment of a check or draft electronically is an electronic funds transfer. Here are some instances where your check will result in an electronic funds transfer:

- You purchase goods or services and authorize the merchant or service provider to convert your check to an electronic funds transfer simply by accepting the goods or services for purchase. This authorization may be implied by a posted sign at the merchant's establishment, for example, or a written notice that is placed on your monthly bill from the merchant.
- At the time you authorize a merchant or service provider to convert your check to an electronic funds transfer, you may also be asked to authorize the merchant or service provider to electronically collect a charge in the event the check is returned for insufficient funds.

If you have a dispute relating to the authority of a payee on a check to generate an electronic funds transfer from your checking account instead of presenting the check in the normal course, then you should address the matter with the payee, since the Bank does not have the discretion to deny electronic payments in the normal course of business.

27. Right of Set-Off

If you have any debts due to us or amounts you owe us, then the Bank reserves the right of set-off, or to use funds in your deposit account to pay any debts or amounts you owe us, even if withdrawal results in an interest penalty or dishonor of subsequent checks. For joint accounts, we may exercise our rights against the entire balance to pay the individual debts of any one owner of the account. You and your joint account owners agree that the Bank may use the funds in your individual or joint accounts to satisfy obligations of the joint account. Any garnishment or other levy against your account(s) is subject to the Bank's right to set-off and any security interest the Bank may have. To the extent not prohibited by law, the Bank may exercise its right of set-off against any deposit regardless of its source, including deposits of social security, disability or other governmental benefits normally protected from creditors' claims, and you expressly acknowledge and agree that such set-off is permissible and to waive your rights to such protections.

28. Expense Reimbursement

If you fail to pay any amount owed to us, then you will be liable to pay any expenses reasonably incurred by the Bank, including attorney's fees, in seeking payment of the amount owed.

You also agree to be liable to the Bank for any loss, costs, or expenses, including, without limitation, administrative costs of responding to an attachment, garnishment or other levy, and reasonable attorney's fees. This involves any fees that the Bank incurs as a result of any dispute involving your account, or any actions taken by you or a third party with respect to the account, that causes the Bank, in good faith, to seek legal counsel. In addition, you authorize us to deduct any such loss, costs, or expenses from your account without notifying you. This obligation applies to disputes between you and the Bank involving your account and situations where the Bank becomes involved in disputes between you and an authorized signer, another joint owner, or a third party claiming an interest in the account.

29. Evidence of Transactions

If we institute legal action against you in connection with your account, we may introduce into evidence a copy, microfilm, or microfiche of any document evidencing a transaction under this Agreement and such copy, microfilm, or microfiche shall be deemed as valid as the original document.

30. Choice of Law and Choice of Venue

This Agreement, as well as the parties' rights and obligations hereunder, shall be in all respects interpreted, enforced and governed by and under the laws of the United States and the Commonwealth of Massachusetts. Any lawsuit between the Bank and you, arising under this Agreement or otherwise, shall be brought in a court located within the Commonwealth of Massachusetts.

31. Notices

Any notice sent by us shall be effective when mailed to you at your last address on record with us. To the extent allowed by law, notices from you to us must be in writing and shall be effective when received by us.

32. Waiver of Rights by the Bank

We reserve the right to waive the enforcement of any of the terms of this Agreement with you with respect to any transaction or series of transactions. Any such waiver will not affect our right to enforce any of our rights with respect to other customers, or to enforce any of our rights with respect to future transactions with you. Please note that any waiver is not sufficient to modify the terms and conditions of this or any other agreement.

33. Amendment

We reserve the right to modify or amend this Agreement at any time, and we will notify you prior to any such changes that would adversely affect your account, as required by law. Any waiver of an Agreement term, or customer accommodation that is inconsistent with the terms of this Agreement, shall not be deemed an amendment to this Agreement, and the terms of this Agreement shall remain in full force and effect.

34. Inquiries

If you have questions about this Agreement, please speak with a branch representative or call us at 1-877-INFO CTR (1-877-463-6287), or email us at info@middlesexbank.com. We look forward to serving all of your financial needs. Thank you for choosing Middlesex Savings Bank.



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www.middlesexbank.com

1-877-INFO CTR
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