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GRAFTON SUBURBAN CREDIT UNION

86 Worcester Street · North Grafton, MA 01536-1298 · (508) 839-5493 · Fax (508) 839-5714

July 14, 1998

To: Pension and Welfare Benefits Administration
Room N-5644
U.S. Department of Labor
200 Constitution Avenue N.W.
Washington D.C. 20210

Fr: Employer: Grafton Suburban credit Union
Tax ID #: 04-2393313
Address: 86 Worcester St.
PO Box 116
North Grafton MA 01536

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As required by 29 C.F.R. Sec. 2520.104-23(a)(1), we are filing this notice with the Secretary of Labor regarding the Deferred Compensation Plan we have restated.

The Grafton Suburban Credit Union has established a Deferred Compensation Plan for employees who are members of a select group of management or who are highly compensated. Five employees have signed Agreements to defer compensation under this plan.

Date: May 21, 1998

Employer: Grafton Suburban Credit Union

By: William B. Connor
William B. Connor
Title: Treasurer

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Keith also discussed testing of the mirrored hard drive, ATM cards and Mastercards. Finally, Mr. Keith mentioned that the Credit Union had received a letter from NCR regarding its testing. NCR expects to have all in-house testing completed by May 1998 and will begin regional testing this summer. The test date for the Credit Union is August 9, 1998. There were several questions from the Board, including concerns about NCR and whether management has considered an alternate vendor in case NCR is not compliant. Mr. Noel moved to accept the Audit Report. Mr. Concaugh seconded the motion, which was unanimously approved.

Mr. Crosby presented the Investment Committee Report in writing to the Directors. Mr. Crosby reported that investment activity was fairly quiet in April and that deposits remain constant. Mr. Noel moved to accept the Investment Committee Report. Dr. Gagne seconded the motion, which was unanimously approved.

The Board took a short recess at 8:33P.M. The meeting resumed at 8:34P.M.

After the recess, Mr. Connor present the Treasurer's Report. He reviewed income and expenses for the month of April 1998. Mr. Connor then requested that Mary O'Laughlin, head teller in Worcester, be granted signing authority \$10,000 with EasCorp. He also requested one name change (Jennifer Leonard) and one deletion (Lisa Lapierre). Mr. Lachance moved to approve the addition, deletion and change. Mr. Concaugh seconded the motion, which was unanimously approved.

Mr. Connor continued his report with an update of the usage of the Williams Road ATM and the status of the ATM surcharge law. Mr. Connor recommended that the Credit Union hold off surcharging foreign transactions until the State Senate makes its final decision. The Credit Union was scheduled to begin surcharges June 1, 1998.

Mr. Connor then reviewed the information provided to the Directors in their packets regarding the consolidation of the Credit Union's telephone service through CTC Communications. The information was provided to Directors to address their concerns about CTC. Dr. Gagne moved to authorize management to move forward to switch the Credit Union's telephone service to CTC Communications. Mr. Concaugh seconded the motion. Mr. Lachance expressed concern as to why the Credit Union did not change service nine months ago when the Worcester branch was opened. After a lengthy discussion, the motion was approved. 7-1(Lachance)-0.

Mr. Connor then requested that the Board approve an amendment to the Credit Union's 457(b) retirement plan to allow participants to have the same investment options that are currently available to participants of the Money Purchase Retirement Plan (for example, investment in mutual funds). Mr. Noel moved to approve the amendment. Mr. Concaugh seconded the motion, which was unanimously approved.

Finally, Mr. Connor requested that the Directors amend and restate the Money Purchase Retirement Plan to include a 401(k) feature. The only real change to the Plan will be that the employees may make pre-tax contributions. There will not be matching contributions by the

