

ACCOUNT DISCLOSURE



BANKING AT ITS BEST

WELCOME

WELCOME TO FIRST OPTION BANK! We have facilities to serve you in Osawatomie, Paola, LaCygne and Louisburg, Kansas, each with convenient hours and 24-hour ATM machines. We also have a 24-hour Account Information Line. If you are in Osawatomie or Paola, call 913-755-2025, for all other areas, call toll free 877-755-2025.

CHECKING ACCOUNTS

First Option FREE Checking

A simple, convenient and free account with unlimited check writing and check card transactions. Automated Overdraft Privilege* may apply to this account.

Limitations

You must deposit \$100 to open this account.

Account Fees

No minimum balance required and no service charges.

V.I.P Checking

This is our NOW account for very important people of all ages who are interested in extra services and organized outings with other V.I.P.'s. Automated Overdraft Privilege* may apply to this account.

Rate Information

This is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the rate chart. The interest rate and annual percentage yield on the account may change at any time, at our discretion. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded monthly and will be credited to the account monthly. If the account is closed before interest is credited you will not receive the accrued interest.

Balance Information

We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations

You must deposit \$500 to open this account.

Account Fees

This account has no monthly service charge if the average balance is \$1,000 or more, or the minimum balance is \$500 or more. If at any time over your statement cycle the balance drops below \$500, you will receive a \$7 monthly fee. No interest will be paid in a month when a service charge is assessed. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

First Market Plus

First Market Plus pays a highly competitive rate combining the best of bank and brokerage money market accounts into one high-rate account, for individuals only.

Rate Information

This is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the rate chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account at any time. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded daily and will be credited to the account monthly.

Balance Information

We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations

You must deposit \$50,000 to open this account.

Regular Checking

A basic account to cover the needs of customers requiring checking services. Automated Overdraft Privilege* may apply to this account.

Limitations

You must deposit \$100 to open this account.

Account Fees

Balances of \$500 and above - no charge; balances under \$500 - \$5 monthly fee; additional charge of \$.15 per item after the first 25 checks. ATM withdrawals not included.

Organization Checking

A regular checking account for organizations, groups and associations.

Limitations

You must deposit \$100 to open this account.

Account Fees

Balance under \$500 - \$2 monthly fee.

Business Checking

An interest bearing checking account for sole-proprietor business, nonprofit corporations, nonprofit organizations and public funds.

Information

This account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the rate chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account at any time. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded monthly and will be credited to the account monthly. If the account is closed before interest is credited, you will not receive the accrued interest.

Balance Information

We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations

You must deposit \$500 to open this account.

Account Fees

\$5 monthly maintenance fee; \$.12 - check charge; \$.07 - transit items. Interest paid on the average collected balance.

Commercial Checking

Limitations

You must deposit \$100 to open this account.

Account Fees

\$5 monthly maintenance fee; \$.12 - check charge; \$.07 - transit items. Credit allowed for each \$100 of average collected balance at First Option Business Checking account rate.

Sole Proprietor Checking

Commercial checking account for sole proprietorship business customers.

Limitations

You must deposit \$100 to open this account.

Account Fees

\$5 monthly maintenance fee; \$.12 - check charge; \$.07 - transit items. Credit allowed for each \$100 of average collected balance at lowest First Option Bank account rate.

Partnership Checking

This is a commercial checking account for partnerships.

Limitations

You must deposit \$100 to open this account.

Account Fees

\$5 monthly maintenance fee; \$.12 - check charge; \$.07 - transit items. Credit allowed for each \$100 of average collected balance at lowest First Option Bank account rate.

Public Funds Checking

A regular checking account for public funds.

Limitations

You must deposit \$100 to open this account.

Account Fees

Balances under \$500 - \$5 monthly fee; \$500 and above - no charge; additional charge of \$.15 per item after the first 25 checks. ATM withdrawals not included.

First Insured Money Market

The First Insured Money Market Account (FIMM) is an insured money market account for customers who require limited transactions but want to collect interest on their funds.

Rate Information

This is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the rate chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account at any time. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded monthly and will be credited to the account monthly.

Balance Information

We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of \$500 in the account each day to obtain the disclosed annual percentage yield.

Limitations

You must deposit \$500 to open this account. You may make six (6) transfers from your account each four (4) weeks or similar period, if by preauthorized or automatic transfer or telephone (including data transmission) agreement, order or instruction. Three (3) of these transfers may be made by check draft, debit card or similar order (including POS transactions), made by the depositor and payable to third parties. Transfers and withdrawals made in person, by messenger, by mail or at an ATM are unlimited.

Account Fees

No maintenance fee. \$1 per withdrawal each after the first six (6) allowable withdrawals (this includes ATM transactions). The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

SAVINGS ACCOUNTS

Savings

Simply a savings account with no check writing privileges. Semi-annual statements are mailed.

Rate Information

This is an interest bearing account. The interest rate and annual percentage yield are included in the rate chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account at any time. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded

quarterly. If the account is closed before interest is credited you will not receive the accrued interest.

Balance Information

We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations

You must deposit \$50 to open this account. You may make six (6) transfers from your account each four (4) week or similar period, if by preauthorized or automatic transfer, or telephone (including data transmission) agreement, order or instruction. Three (3) of these transfers may be made by draft or similar order, made by the depositor and payable to third parties. Transfers and withdrawals made in person, by messenger, by mail or at an ATM are unlimited. An excessive withdrawal fee may be implemented.

Account Fees

Excess withdrawal fee of \$1 (in excess of 5 during a calendar quarter). This includes ATM transactions. There is a \$1 per calendar quarter service charge for balances below \$50.

Fun Buddy Savings

A savings account with no check writing privileges for newborn through age 12 only. Semi-annual statements mailed.

Rate Information

This is an interest bearing account. The interest rate and annual percentage yield are included on the rate chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account at any time. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded quarterly and will be credited to the account quarterly. If the account is closed before interest is credited you will not receive the accrued interest.

Balance Information

We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations

You must deposit \$10 to open this account. You may make six (6) transfers from your account each four (4) weeks or similar period, if by preauthorized or automatic transfer, or telephone (including data transmission) agreement, order or instruction. Three (3) of these transfers may be made by check, draft, debit card or similar order (including POS transactions), made by the depositor and payable to third parties. Transfers and withdrawals made in person, by messenger, by mail or at an ATM are unlimited. An excessive withdrawal fee may be implemented.

Account Fees

Excess withdrawal fee of \$1 (in excess of 5 during a calendar quarter). This includes ATM transactions.

Bonuses

You will receive a T-shirt when opening a \$10 minimum "Fun Buddy" account. 10 point coupons with a cash value of \$.06 each point will be given with each deposit, regardless of deposit size (limit to one per calendar week). Points may be turned in at any time for merchandise as a bonus.

Individual Retirement Accounts - 24 Month Variable Rate

Investment for IRAs.

Rate Information

This is an interest bearing account. The interest rate and annual percentage yield are included in the rate chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account the first business day each month. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded quarterly and will be credited to the account quarterly. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information

We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations

You must deposit \$25 to open this account. **IRA RULES APPLY TO THIS ACCOUNT.**

Time Account Information

Your account will mature in 24 months. If you withdraw any of the principal before the maturity date, we may impose a penalty of 91 days interest earned or that could have been earned if under age 59 ¹/₂ . This account will automatically renew. You have 10 days after the maturity date to withdraw funds without penalty.

FIRST OPTION BANK PRIVACY POLICY

Our Privacy Commitment to You

We recognize, respect and protect the personal privacy rights of all our customers. We realize that our customers entrust us with personal information and it is our policy to maintain our customers' information in a confidential manner. We are committed to providing the highest level of security and privacy regarding the collection and use of our customers' personal information, as well as personal information of all consumers who visit our institution and website.

Confidentiality and Security of Nonpublic Personal Information

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

Nonpublic Personal Information We Collect

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms.
- Information about your transactions with us, our affiliates or others.
- Information we receive from a consumer-reporting agency.

Nonpublic Personal Information We Disclose

We do not disclose nor do we reserve the right to disclose, any nonpublic personal information about our customers or former customers to anyone, except to other nonaffiliated third parties as permitted by law.

Notify Us of Inaccurate Information We Report To Consumer Reporting Agencies

Please notify us if we report any inaccurate information about your account(s) to a consumer-reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address:

**First Option Bank
601 Main
Osawatomie, KS 66064**

FUNDS AVAILABILITY POLICY DISCLOSURE

Your Ability to Withdraw Funds at First Option Bank

Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. However, funds from electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and/or we will use them to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays and federal holidays. We have different deposit cut-off hours for different locations. Our cut-off hours are as follows:

- 2:00 ATMs
- 3:00 Osawatomie Main Lobby and Drive-Up
- 3:00 LaCygne Main Lobby and Drive-Up
- 3:00 Louisburg Main Lobby and Drive-Up
- 3:00 Paola Main Lobby
- 2:30 Paola Drive-Up

If you make a deposit before our cut-off hour on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after our cut-off hour or on a day we are not open, we will consider the deposit was made on the next business day we are open.

Reservation of Right to Hold

In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the fifth business day after the day of your deposit. The first \$100 of your deposit, however, will be available on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the business day after we receive your deposit. If you need the funds from a deposit right away, you should ask us when the funds will be available.

Longer Delays May Apply

We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- We believe a check you deposit will not be paid.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the eleventh business day after the day of your deposit.

Holds On Other Funds

If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

Special Rules For New Accounts

If you are a new customer, this following special rule will apply during the first 30 days your account is open:

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier, certified, teller, travelers' and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. The excess over \$5,000 will be available on the same business day as the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from deposits of checks drawn on First Option Bank will be available on the same business day as the day of your deposit.

Funds from all other check deposits will be available no later than the fifth business day after the day of your deposit.

ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURES

This agreement and disclosure is made in compliance with federal law regulating electronic funds transfer (EFT) services. Electronic funds transfers are electronically initiated transfers of money involving an account at the Financial Institution. The following disclosures forth your and our rights and responsibilities concerning the electronic funds transfers. In this agreement, the words "you" and "your" mean those who sign as applicants or any authorized user(s). The words "we", "us" and "our" mean the Financial Institution. The abbreviation "PIN" or word "code" means a personal identification number.

Government Direct Deposit

Type of Preauthorized Transfers

You may arrange for us to complete the following preauthorized transfers to your deposit accounts:

- Accept direct deposits from the U.S. Treasury Department to your checking or savings account.

Fees and Charges

We do not charge for any preauthorized EFTs.

Other Direct Deposit

Types of Preauthorized Transfers

You may arrange for us to complete the following preauthorized transfers to your deposit accounts:

- Accept direct deposits from your employer or other financial institutions to your checking or savings account.

Fees and Charges

We do not charge for any preauthorized EFTs.

Preauthorized Debit

Types of Preauthorized Transfers

You may arrange for us to complete the following preauthorized transfers to or from your deposit accounts:

- Pay certain recurring bills from your checking or savings account.

Fees and Charges

We do not charge for any preauthorized EFTs. We will charge \$15 for each stop-payment order for preauthorized transfers.

VISA Check Card

The Check Card is the newest way to access your checking account for purchases without writing a check. It also replaces your ATM card in making cash withdrawals at ATMs worldwide.

Types of Transactions

You may use the card and PIN issued to you to pay for purchases from merchants who have agreed to accept the card at Point of Sale (POS) terminals within the networks identified on your card and such other terminals as the Bank may designate from time to time. Point of Sale (POS) transactions will be deducted from your primary account. Point of Sale (POS) transactions involving a refund will be credited to your primary account. Your primary account number and information may be obtained from the POS Request Form.

Limitations on Frequency and Amount

- You may purchase up to a maximum of \$300 worth of goods and services per day, exclusive of ATM withdrawals.
- \$300 daily cash withdrawals at ATMs.

Fees and Charges

We do not charge for any POS transactions.

The following limitations may be applicable to your accounts, except as provided by law:

Liability for Unauthorized VISA Point of Sale Debit Card Transactions

Tell us, AT ONCE, if you believe your VISA point of sale debit card has been lost or stolen or of any unauthorized transactions. Your liability for unauthorized VISA point of sale debit card transactions that take place on the VISA system is zero dollars (\$0). We may require you to provide a written statement regarding claims of unauthorized VISA point of sale debit card transactions.

These provisions limiting your liability do not apply to VISA commercial cards or VISA **PLUS** ATM transactions; and apply only to cards issued in the United States. With respect to unauthorized transactions, these limits may be exceeded to the extent allowed under applicable law (see Liability for Unauthorized Transfers paragraph below) only if we determine that you were grossly negligent or fraudulent in the handling of your account or point of sale debit card. The same consumer liability limits shall apply to Interlink transactions. To notify us of lost or stolen cards, or of unauthorized transactions, call or write to us at the telephone number or address set forth below. This will help prevent unauthorized access to your account and minimize any inconvenience.

VISA is a registered trademark of VISA International.

In Addition to the Limitations Set Forth Above, the Following Limitations may be Applicable to Your Accounts

Liability for Unauthorized Transfers

Tell us At ONCE if you believe your POS card or PIN has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within four (4) business days, you can lose no more than \$50 if someone used your card or code without your permission. If you do NOT tell us within four (4) business days after you learn of the loss or theft of your card or code, you could lose as much as \$300. Also, if your statement shows transfers that you did not make, tell us at once. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods. If you believe that your card or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (913) 755-3811 or write us at:

**First Option Bank
601 Main
Osawatomie, KS 66064**

Business Days

For purposes of these electronic funds transfer disclosures, our business days are Monday through Friday. Holidays are not included.

Documentation

Periodic Statement - You will get a monthly account statement from us, unless there are no transactions in a particular month. In any case you will get a statement quarterly. You will get a monthly statement from us on your savings account if this is the only account you maintain and the only possible electronic transfer to or from the account is a preauthorized deposit.

Terminal Receipt - You can get a receipt at the time you make any transfer to or from your account using a POS terminal.

Direct Deposits - If you have arranged to have direct deposits made to your account at least once every sixty (60) days from the same person or company, you can call us at (913) 755-3811 to find out whether or not the deposit has been made.

Our Liability for Failure to Make Transfers

If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will NOT be liable for instance:

- If, through no fault of ours, you do not have enough money in your account to make the transfer.
- If the money in your account is subject to legal process or other claim restricting such transfer.
- If the transfer would go over the credit limit on your overdraft line.
- If circumstance beyond our control (such as fire or flood) prevent the transaction, despite reasonable precautions that we have taken.
- There may be other exceptions stated in our agreement with you.

In Case of Errors or Questions About Your Electronic Transfers

Telephone us at (913) 755-3811, or write us at:

**First Option Bank
601 Main
Osawatomie, KS 66064**

Write us as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- Tell us your name and account number (if any).
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty five (45) days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account.

If a notice of error involves an electronic fund transfer that occurred within thirty (30) days after the first deposit to the account was made, the error involves a new account. For errors involving new accounts, point of sale debit card transactions or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

If a notice of error involves unauthorized use of your point of sale debit card with the VISA logo when it is used as a VISA point of sale debit card, we will provide provisional credit within five (5) business days after you notify us instead of within ten (10) or twenty (20) business days. We may withhold providing this accelerated provisional credit, to the extent allowed under applicable law, if the circumstances or account history warrants the delay.

Confidentiality

We will disclose information to third parties about your account or the transfer you make:

- To complete transfers as necessary;
- To verify the existence and condition of your account upon the request of a third party, such as a credit bureau or merchant; or
- To comply with government agency or court orders; or
- If you give us your written permission.

Personal Identification Number (PIN)

The POS PIN issued to you is for your security purposes. The numbers are confidential and should not be disclosed to third parties or recorded on the card. You are responsible for safekeeping your PIN(S). You agree not to disclose or otherwise make your POS PIN available to anyone not authorized to sign on your accounts.

Notices

All notices from us will be effective when we have mailed them or delivered them to your last known address on our records. Notices from you will be effective when received by us at the telephone number or the address specified in this agreement. We reserve the right to change the terms and conditions upon which this service is offered. We will mail notice to you at least twenty one (21) days before the effective date of any change as required by law. Use of this service is subject to existing regulations governing your account and any future changes to those regulations.

Enforcement

In the event either party brings a legal action to enforce this Agreement or collect amounts owing as a result of any account transaction, the prevailing party shall be entitled to reasonable attorneys' fees and costs, including fees on any appeal, subject to any limits under applicable law.

Termination of POS Services

You agree that we may terminate this Agreement and your use of the POS services, if:

- You or any authorized user of your POS card or PIN breach this or any other agreement with us;
- We have reason to believe that there has been an unauthorized use of your POS card or PIN;
- We notify you or any other party to your account that we have canceled or will cancel this agreement. You or any other party to your account can terminate this Agreement by notifying us in writing.

Termination of service will be effective the first business day following receipt of your written notice. Termination of this Agreement will not affect the right and responsibilities of the parties under this Agreement for transactions initiated before termination.

Preauthorized Electronic Fund Transfers

Stop Payment Rights

If you have told us in advance to make regular electronic fund transfers out of your account(s), you can stop any of these payments. Here's how: call us or write to us at the telephone number or address set forth above, in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. You will then need to provide us with a signed stop payment order before the item can be returned. We will charge you \$15 for each stop payment order you give.

Notice of Varying Amounts

If these regular payments may vary in amount, the person you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

Liability for Failure to Stop Payment of Preauthorized Transfers

If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Other Provisions

There may be a delay between the time a deposit is made and when it will be available for withdrawal. You should review our Funds Availability Policy to determine the availability of the funds deposited. We reserve the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance or otherwise require us to increase our required reserve on the account.

The Type of Electronic Funds Transfers That the Consumer May Make

We, First Option Bank, allow electronic check transactions to post to your (the consumers) checking account.

DEPOSIT ACCOUNT AGREEMENT AND DISCLOSURE

In this Deposit Account Agreement and Disclosure, each and all of the depositors are referred to as “you” and “your”. The financial institution is referred to as “we”, “our” and “us”. This Deposit Account Agreement contains the terms and conditions governing certain of your deposit accounts with us. As used in this document, the term “Agreement” means this document, the signature card, a rate and fee schedule (which may be in the form of a Rate and Fee Schedule, Time Certificate of Deposit or Confirmation of Time Deposit, hereinafter called the “Schedule”), Truth in Savings disclosures, a Funds Availability Policy Disclosure and an Electronic Funds Transfer Agreement and Disclosure, if applicable. Each of you signing the signature card for a deposit account acknowledges receipt of this Agreement, and agrees to the terms set forth in the Agreement, as amended from time to time. You agree that we may waive, in our sole discretion, any fee, charge, term or condition set forth in this Agreement at the time the account is opened or subsequent thereto, on a one-time basis or for any period or duration, without changing the terms of the Agreement or your obligation to be bound by the Agreement, and we are not obligated to provide similar waivers in the future or waive our rights to enforce the terms of this Agreement.

Deposit Accounts

From time to time, we may offer or you may open a variety of deposit accounts. Each such account (the “account”) is subject to the general terms and conditions and any specific terms and conditions relating to that type of account that may be set forth in this Agreement. If you open multiple accounts, you may receive schedule information for each account, but this Agreement will cover all your accounts with us. Each of you will be jointly and severally liable to us for debit balances in the account, including without limitation overdrafts and account charges, and jointly and severally promise to pay, upon demand, any and all debit balances, all fees and charges, and our reasonable attorneys' fees and costs and expenses of collection, including but not limited to those incurred at trial and on any appeal.

Interest

If your account earns interest, the following information applies:

Payment of Interest

We will pay interest at the annual rate specified on the Schedule, which does not reflect compounding (“interest rate”). The Schedule also sets forth the frequency of interest payments, the frequency of any compounding and crediting, the interest accrual basis, the balance on which interest will be paid, and any minimum balance requirements.

Minimum Balance Requirements

The Schedule may specify a minimum balance that you are required to maintain in your account. If the minimum balance is not maintained during a specified period, we, at our option, may not pay interest on your account and/or may charge a fee for that period. You should review any minimum balance requirements on the Schedule.

Initial Interest Rate

The initial interest rate is the current annual rate of interest that we will pay on the specified balance in your account. We may pay interest at different rates, depending on the amount deposited and the type of depositor (individuals, business, non-profit organization, etc.).

Interest Compounding and Crediting

The Schedule will indicate the interest compounding and crediting frequency for your account (if any). Compounding generally means that interest is being accrued on earned interest. Interest may be compounded more frequently than interest is credited to your account.

Interest Accrual

We may accrue interest on your account more frequently than we pay or credit interest. The interest that has been calculated, but not paid to the account, is called accrued unpaid interest.

Changes

We have the right to change the rates and fees in accordance with the terms of the Schedule. We also reserve the right to change any other term of this Agreement at our sole discretion.

Fees and Charges

Subject to applicable law, you agree to pay us the fees and charges shown in the Schedule as are applicable to your account or for other services performed by us. You agree the fees and charges may be changed by us from time to time and authorize us to charge your account for their payment whether or not each charge results in an overdraft of your account. Existing and future charges may be based upon the overall costs of providing account services and may or may not be based upon the direct cost or expense associated with providing the particular service involved. The charges may be based on consideration of profit, competitive position, deterrence of misuse of account privileges by customers and the safety and soundness of the financial institution. We will notify you of the changes, to the extent required by law.

Balance Methods

As used in this Agreement, the “average daily balance” method means “the application of a periodic rate to the average daily balance in the account for the period, determined by adding the full amount of principal in the account for each day of the period and dividing that figure by the number of days in the period”. The “daily balance” method means “the application of a daily periodic rate to the full amount of principal in the account each day”.

Deposit Rules

Endorsements

You authorize us to accept transfers, checks and other items for deposit to your account if they are made payable to, or to the order of, any one or more of you, whether or not they are endorsed by you. You authorize us to supply missing endorsements, and you warrant that all endorsements are genuine. All checks and other items deposited to your account should be endorsed payable to the order of us for deposit only, followed by your signature and account number. All endorsements must appear on the back of the check or other item within the first 1½ inches from the left side of the item when looking at it from the front. While we may accept non-conforming endorsements, you will be responsible for any loss incurred by us due to the delay in processing or returning the item for payment.

Final Payment

All noncash items (for example, checks) deposited to your account are posted subject to our receipt of final payment by the payor bank. Upon receipt of final payment, the item becomes a collected item. If final payment is not received or if any item you have deposited or cashed is charged back to us for any reason, you authorize us to charge any of your accounts, without prior notice and at any time, for the amount of the returned item, our returned item fee, any interest paid on that item and any other fee we pay or incur. If an item to be charged back is lost in the process of collection or unavailable for return, we may rely upon a photocopy of the item or upon any other generally accepted notification of return of the item, in charging you or any of your accounts for the amount of the returned item. We reserve the right to refuse any item for deposit into your account.

Direct Deposits

If we offer direct deposit services for automatic preauthorized deposits to your account of Social Security payments or automatic transfers from your other accounts with us, you must notify us at least 30 days prior to the next scheduled direct deposit or preauthorized transfer if you wish to cancel the direct deposit or transfer service. If any amount deposited must be returned to the government for any reason, you authorize us to deduct the amount from your account as provided in the Final Payment paragraph above.

Crediting of Deposits

The Funds Availability Policy Disclosure provided to you reflects our policies relating to the availability of deposited funds.

Withdrawal Rules

Manner of Withdrawal

You may make withdrawals from your account in any manner that is permitted by us for the type of account that you have opened. Withdrawals by mail will be posted to your account as of the day the transaction is processed by us. We may refuse to accept any check other than standard checks provided by us or approved by us in advance. Withdrawals and transfers from your account may be restricted as provided in the Agreement, in the Schedule or by applicable law.

Withdrawal Restrictions and Overdrafts

We do not have to allow you to make a withdrawal from your account if you don't have sufficient available funds in the account to cover the full amount of the withdrawal. If there are available funds to cover some, but not all, of the withdrawals or other debits (such as charges) to your account, we may post those withdrawals or other debits for which there are sufficient available funds in any order we may choose at our sole discretion. If there are insufficient available funds to cover some of the withdrawals or debits presented against your account, such items will be handled in accordance with our overdraft procedures or in accordance with any other agreement you may have with us (such as an overdraft protection program). Even if we choose to pay one or more overdrafts, we are not obligated to cover any future overdrafts. We may determine the balance of your account in connection with determining whether payment of an item will create an overdraft at any time between the time we receive the item and the deadline for us to take action on the item. We are not required to determine your account balance more than one (1) time during this period. A service charge may be assessed on any item that will overdraw the available account balance, regardless of whether we pay or dishonor (return) the item. You agree, immediately upon notice from us, to deposit funds sufficient to cover any overdraft plus service charges, if required. We will not be liable for the dishonor of any item when the dishonor occurs because we setoff a debt against your account. We also may refuse to allow a withdrawal if there is a dispute about the account (unless a court has ordered us to allow the withdrawal), the account is garnished or attached, the account has been pledged as collateral for a debt, the availability of the funds on deposit cannot be verified, any required documentation has not been presented or you fail to repay on obligation to us on time.

Notice Requirements

Federal regulations require us to retain the right to require you to give at least seven (7) days notice in writing prior to any intended withdrawal from a savings, negotiable order of withdrawal ("NOW") or money market account. Although we usually pay withdrawals or checks without notice on these accounts, doing so does not mean that we give up this right.

Postdated Items

You agree that when you write a check, you will not date the check in the future. If you do and the check is presented for payment before the date of the check, we may pay it or return it unpaid. You agree that if we pay the check, the check will be posted to your account on the date we pay the check, even though the posting date is prior to the date of the check. You further agree that we are not responsible for any loss to you in doing so. We will not honor a postdated check if we receive advance notice from you at such a time and in such a manner as to afford us reasonable opportunity to act. The notice must be in writing, and it must specify the date, amount and number of the check, along with the name of the payee. Notices are effective for the time periods stated under **STOP PAYMENT ORDERS**. You agree that we may return a postdated check to the presenter.

Power of Attorney

The person executing power of attorney will be referred to as the principal and the person acting for the principal as the agent. We may refuse to comply with a power of attorney for reasonable cause or until we receive an affidavit from the agent stating that the Power of Attorney presented is a true copy and that, to the best of the agent's knowledge, the principal is alive and that the relevant powers of the agent have not been altered or terminated.

Signatures

You recognize that we have adopted automated collection and payment procedures so that we can process the greatest volume of items at the lowest possible cost to our customers. In light of this, you agree that we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for the sight examination of items with a face amount below an amount specified by us from time to time. You authorize us to store and use signature card information in any reasonable form we deem necessary, including any digitized signature capture process. If you use a facsimile signature or other form of mechanically reproduced signature (such as, but not limited to, desktop publishing, digitized or computer software generated signature), you agree you shall have the sole responsibility for maintaining security of the facsimile or mechanically reproduced signature and the device by which the facsimile or mechanically reproduced signature is affixed and you shall bear the entire risk for unauthorized use thereof whether or not you are negligent. You agree that no facsimile or mechanically reproduced signature we have been authorized to honor may be considered a forgery or an unauthorized signature, but that such facsimile or mechanically reproduced signature shall be effective as your

signature or endorsement whether or not you have been negligent. You further agree to indemnify and hold us harmless from and against any and all loss, costs, damage, liability or exposure (including reasonable attorney's fees) we or you may suffer or incur as a result of the unlawful use, unauthorized use, or misuse by any person of any such facsimile or mechanically reproduced signature or the device by which it is affixed. If you use any form of facsimile or mechanically reproduced signature device, you agree to deliver a sample to us if we request it.

Preauthorized Drafts

If you voluntarily give information about your account (such as our routing number and your account number) to a party who is seeking to sell you goods or services, and you do not physically deliver a check to the party, any debit to your account initiated by the party to whom you gave the information is deemed authorized by you.

Electronic Check Conversion

You may authorize a merchant to use your check as a source of account information to initiate an electronic withdrawal from your account. The merchant uses the check information, along with the transaction amount, to initiate an ACH debit transaction. The transaction is electronically transferred through the ACH system and the funds will be debited directly from your account and deposited automatically into the merchant's account. After the information is gathered from the check, the merchant should mark it void and return it to you. You should sign and receive a receipt documenting the transaction. A description of the transaction will appear on your monthly statement from us. Checks used in these types of transactions will not be returned with your statement. If you are a consumer and you authorize a merchant to use your check for this type of transaction, the transfer is governed by the Electronic Funds Transfer Act and subject to the Electronic Funds Transfer Agreement and Disclosure.

Re-presented Checks

A merchant may also re-present a check returned for insufficient or uncollected funds electronically. The merchant must provide notice to you, before accepting your check, that your returned check may be collected electronically. Checks used in these types of transactions will not be returned with your statement. When a merchant re-presents a check electronically, that transaction is not covered by the Electronic Funds Transfer Act. However, if the merchant charges you a fee as a result of the returned check and the fee is electronically debited from your account that transfer will be covered by the Electronic Funds Transfer Act and subject to the Electronic Funds Transfer Agreement and Disclosure.

Check Legends

We may disregard information on any check or item other than the signature of the drawer, the identification of the drawee financial institution and payee, the amount, the endorsements and any other information that appears on the MICR line. In addition, we are not responsible to take action on or for failure to notify you of restrictive language placed on checks or other items, including but not limited to terms such as "Void after 90 Days", "Paid in Full", "Two Signatures Required", "Void Over \$100" or similar statements. In accordance with reasonable banking standards, most checks and other items are processed through automated processing and, except in limited circumstances and in our discretion, most items are not individually examined. You agree that we act within reasonable banking standards by processing most checks on other items through automated processing systems. We may agree to adhere to extraneous legends if you notify us of such legends and we have agreed in writing to honor such legends.

Stale Checks

We reserve the right to pay or dishonor a check more than six (6) months old without prior notice to you.

Checking Accounts

If your account is a checking account, the following terms may apply. No interest will be paid on any demand deposit checking account with us. If we offer NOW (interest bearing checking) accounts, the account must consist solely of funds in which the entire beneficial interest is held by one or more individuals in an individual capacity, a sole proprietor or a governmental unit but not professional corporations or business partnerships. A NOW account may also be held by a for-profit organization serving in a fiduciary or trustee capacity for an entity that is itself permitted to hold a NOW account. Otherwise, an organization may hold a NOW account only if it is operated primarily for religious, philanthropic, charitable, educational or other similar purpose.

Savings Accounts

If your account is an interest bearing account and is not a NOW account or time deposit, the following terms may apply.

Transfers and Withdrawals

If your account is a savings or money market deposit account, federal law requires that an account holder may make no more than six (6) transfers and/or withdrawals during any one (1) calendar month or statement cycle (the period from one statement to the next) or similar period of at least four weeks, to another of your accounts with us or to a third party by means of a preauthorized or automatic transfer, or telephonic (including data transmission) agreement, order or instruction. No more than three (3) of the six (6) transfers may be made by check, draft, debit card or similar order made by you and payable to third parties. If you exceed more than three (3) such transfers, we need not honor the item. A "preauthorized transfer" includes any arrangement by us to pay a third party from your account upon written or oral instruction, including an order received through an automated clearing house (ACH) or any arrangement by us to pay a third party from your account at a predetermined time or on a fixed schedule.

Excess Transactions

In accordance with federal law, if you have more than the allowable preauthorized transfers or preauthorized checks or drafts (for money market accounts) in any one period, your account may be subject to closure by us and the funds placed in another account that you are eligible to maintain, or we may take away the transfer and draft capabilities of the account. In addition to the above preauthorized transfers, you may make unlimited withdrawals (payments directly to you or transfers of funds from your account to any of your other deposit accounts or loan accounts with us), either in person at our locations, by mail, messenger, telephone (via check mailed to you) or use of an ATM card (if applicable).

Time Deposits

If your account is a time deposit, you have agreed to keep the funds on deposit until the maturity of your account. If your account has not matured, any withdrawal of all or part of the funds from your account may result in an early withdrawal penalty. We will consider requests for early withdrawal and, if granted, the penalty provided in the Schedule will apply.

Penalty

The early withdrawal penalty is calculated as a forfeiture of part of the accrued interest that has or would be earned on the account. If your account has not yet earned enough interest so that the penalty can be deducted from earned interest, or if the interest already has been paid, the difference will be deducted from the principal amount of your account. For fixed rate accounts, we will use the rate in effect for your deposit.

Exceptions

We may let you withdraw money from your account before the maturity date without an early withdrawal penalty:

- (1) when one or more of you dies or is determined legally incompetent by a court or other administrative body of competent jurisdiction; or
- (2) when the account is an Individual Retirement Account (IRA) established in accordance with 26 USC 408 and the money is paid within seven (7) days after the account is opened; or
- (3) when the account is a Keogh Plan (Keogh), if you forfeit at least the interest earned on the withdrawn funds; or
- (4) if the time deposit is an IRA or Keogh Plan established pursuant to 26 USC 408 or 26 USC 401, when you reach age 59^{1/2} or become disabled; or
- (5) within an applicable grace period (if any).

Stop Payment Orders

Subject to certain limitations, you may order us to stop payment on any check or other item payable for your account, whether drawn by you or any other account holder. The stop payment request will be effective if we receive the order at such time and in such manner as to afford us a reasonable opportunity to act upon the order. The stop payment order is effective for six (6) months, but it lapses after fourteen (14) calendar days if the original order was oral and was not confirmed in writing.

within that period. A stop payment order may be renewed for an additional six (6) month period if renewed during a period within which the stop payment order is effective. We will require you to provide the date, the amount and the number of the item, together with the name of the payee. If you give us incorrect information, we will not be liable for failing to stop payment on the item. Our acceptance of a stop payment order will not constitute a representation that the item has not already been paid or that we have a reasonable opportunity to act upon the order. You may not stop payment on an official, certified, cashier or teller check issued by us, or request us to stop payment if we have otherwise become accountable for the item. In addition, you may not stop payment on checks governed by separate agreement, such as a check guaranty agreement. Further, you may not stop payment on an item after acceptance of the item by us.

Based upon the type of account ownership that you have designated, the following terms and conditions apply.

Individual Accounts

An individual account is an account in the name of one depositor only. Only that person may write checks against the account or withdraw money, regardless of who actually owns the funds.

Multiple-Party Accounts

Joint Account Ownership

An account with two or more account holders is a joint account. Unless you designate otherwise on the signature card, joint account holders will be considered as tenants in common with no right of survivorship.

(1) **Tenants in Common With No Right of Survivorship.** If your account is a joint account without right of survivorship, upon the death of one of the joint account holders, that person's proportionate ownership interest will pass to the estate of the deceased account holder.

(2) **Joint Tenants With Right of Survivorship and Not as Tenants in Common.** If your account is a joint account with right of survivorship, upon the death of one of the joint account holders, that person's ownership interest in the account will immediately pass to the other joint account holder(s).

Each joint account holder, without the consent of any other account holder, may, and hereby is authorized by every other joint account holder, to make any transaction permitted under the Agreement, including without limitation: to withdraw all or any part of the account funds; to pledge the account funds as collateral to us for any obligation, whether that of one or more account holders or of a third party; to endorse and deposit checks and other items payable to any joint account holder; to give stop payment orders on any check or item, whether drawn by that account holder or not; and, to close the account, with the disbursement of account proceeds as instructed by the joint account holder. Each joint account holder is authorized to act for the other account holder(s) and we may accept orders and instructions regarding the account from any joint account holder. If we believe there to be a dispute between joint account holders or we receive inconsistent instructions from the account holders, we may suspend or close the account, require a court order to act, and/or require that all joint account holders agree in writing to any transaction concerning the account.

Your obligations under the Agreement are joint and several. This means that each joint account holder is fully and personally obligated under the terms of the Agreement, including liability for overdrafts and debit balances as set forth above, irrespective of which joint account holder benefited from the withdrawal. If you establish a joint account without the signature of the other joint account holder(s), you agree to hold us harmless for our reliance upon your designation of the other joint account holder(s) listed on our documents. Further, the account is subject to the right of setoff as set forth below.

Totten Trust Account

A Totten Trust Account is an informal trust account, reflected on our records, but without a written trust agreement, where the account is owned by the trustee. The beneficiaries have no right to any funds in the account during the trustee's lifetime. As the owner of the account, the trustee may withdraw money from the account and may, by written direction to us, change the beneficiary under the account. When the trustee dies, the account is owned by the named beneficiary or beneficiaries. If the Totten Trust Account is held by more than one trustee, the trustees will be subject to the rules pertaining to joint account ownership as set forth above. If there is no surviving beneficiary upon the death of the last trustee, state law will determine ownership of the funds in the account. State law may also require payment to the

Secretary of Social and Rehabilitation Services prior to payment to any beneficiary under a Totten Trust Account.

P.O.D. Account

A Payable on Death (P.O.D) Account is an account payable to the account holder during his or her lifetime. As the owner of the account, you may withdraw money from the account and may, by written direction to us, change the P.O.D. payee(s) under the account. When the account holder dies, the account is owned by the P.O.D. payee(s). If the P.O.D. Account is held by more than one person, each account holder will be subject to the rules pertaining to joint account ownership as set forth above. If there is more than one surviving P.O.D. payee, the respective interest of each shall be deemed to be in equal shares, unless otherwise stated in the financial institution's deposit account records and as allowed by applicable state law. If there is no surviving P.O.D. payee upon the death of the last owner, state law will determine ownership of the funds in the account. State law may also require payment to the Secretary of Social and Rehabilitation Services prior to payment to any beneficiary under a P.O.D. Account.

Additional Account Types

Formal Trust Account

A Formal Trust Account is an account held by one or more trustees for the benefit of one or more beneficiaries according to a written trust agreement. Upon our request, the trustee(s) will supply to us a copy of any trust agreement covering the account. We act only as custodian of the trust funds and are under no obligation to act as a trustee or to inquire as to the powers or duties of the trustee(s). The trustee(s) and/or any person opening the account, in their individual capacity and jointly and severally, agree to indemnify and hold us harmless from and against any and all loss, costs, damage, liability or exposure, including reasonable attorney's fees, we may suffer or incur arising out of any action or claim by any beneficiary or other trustee with respect to the authority actions taken by the trustee(s) in handling or dealing with the account.

Uniform Transfer to Minors

If you have established the account as a custodian for a minor beneficiary under our state version of the Uniform Transfers to Minors Act or the Uniform Gifts to Minors Act, your rights and duties are governed by the Act. You will not be allowed to pledge the account as collateral for any loan to you. Deposits in the account will be held by us for the exclusive right and benefit of the minor. The custodian and/or any person opening the account, in their individual capacity, agree to indemnify and hold us harmless from and against any and all loss, costs, damage, liability or exposure, including reasonable attorney's fees, we may suffer or incur arising out of any action or claim by any beneficiary or other custodian with respect to the authority or actions taken by the custodian in handling or dealing with the account.

Agency Account

An Agency Account is an account to which funds may be deposited and withdrawals made by an Agent designated by the owner of the funds. An Agent has full authority with regard to the account but does not have an ownership interest in the account. An Agency Account is revocable at any time by notifying us in writing. An Agency designation may be combined with one of the other forms of account ownership.

Business Accounts

If the account is not owned by a natural person (for example, it is owned by a corporation, partnership, limited liability company, sole proprietorship, unincorporated association, etc.), then the account holder must provide us with evidence to our satisfaction of the authority of the individuals who sign the signature card to act on behalf of the account holder. On any transactions involving the account, we may act on the instructions of the person(s) authorized in the resolutions, banking agreement, or certificate of authority to act on behalf of the account holder. You agree to notify us in writing of any changes in the person(s) authorized or the form of ownership. If we receive conflicting instructions or a dispute arises as to authorization with regard to the handling of the account, you agree we may place a hold on the account until such conflict or dispute is resolved to our satisfaction and we will not be liable for dishonored items as a result of such hold.

Fiduciary Accounts

With respect to all fiduciary accounts including but not limited to estate accounts, guardianship accounts and conservatorship accounts, and any Formal Trust Account, Uniform Transfers to Minors Act Account or Agency Account, we reserve the right to require such documents and authorizations as we may deem necessary or appropriate to satisfy that the person(s) requesting or directing the withdrawal of

funds held in the account have the authority to withdraw such funds. This applies at the time of account opening and at all times thereafter.

Attorney Client Trust

Subject to applicable law, an Attorney Client Trust is an account set up by an attorney or law firm to hold client or third party funds in trust, separate from the attorney's or law firm's funds. Upon our request, the authorized signers for an Attorney Client Trust will provide documentation required by applicable state law and applicable bar association (or similar entity) rules. We act only as custodian of the trust funds and are under no obligation to act as a trustee or to inquire as to the powers or duties of the attorney or law firm as trustee(s). The attorney, law firm, or any authorized individual on the account agrees to indemnify and hold us harmless from and against any and all loss, costs, damage, liability, or exposure, including reasonable attorney's fees, we may suffer or incur arising out of any action or claim by any beneficiary or third party with respect to the authority, action, or inaction taken by the trustee(s) or authorized individuals in handling or dealing with the account. Additional account terms are governed by a separate agreement.

Real Estate Broker Client Trust Accounts

Subject to applicable law, a real estate broker may open account(s) to hold client or third party funds in trust, separate from the broker's funds. We act only as custodian of the funds. We are under no obligation to act as a trustee or to inquire as to the powers or duties of the broker or other authorized signer(s) as trustee(s). The broker and any authorized individual on the account in their individual capacity and jointly and severally, agree to indemnify and hold us harmless from and against any and all loss, costs, damage, liability or exposure, including reasonable attorney's fees, we may suffer or incur arising out of any action or claim by any client or third party with respect to the authority, actions or inaction taken by the broker or authorized signer(s) in handling or dealing with the account. Upon our request, the authorized signer(s) for this type of account will provide to us any documents required by applicable law and/or real estate professional rules.

Assignability

The account established under this Agreement is not assignable or transferable except with our consent. We must approve any pledge of the account and any such pledge remains subject to any right we have under the Agreement and applicable state and federal law. If ownership is proposed to be transferred, we may require the account be closed and a new account opened in the name of the transferee or pledgee.

Financial Institution Liability

You agree that if we do not properly complete a transaction according to the Agreement, we will not be liable in any event for losses or damages in excess of the amount of the transaction, and we will not be liable if circumstances beyond our control prevent the transaction, or the funds in your account are, or may be subject to legal process or other claim. In no event will we be liable for consequential damages. In receiving items from you for withdrawal or deposit, we act only as your agent. You are responsible for the condition of a check or item when you issue it. If a check or item is returned or payment is delayed as a result of any writing or marking that you or a prior endorser placed on the front or back of the check or item, you will be responsible for any cost and liabilities associated with such return or delay. We reserve the liabilities associated with such return or delay. We reserve the right to refuse any item for deposit or to reverse credit for any deposited items or to charge your account for items should they become lost in the collection process.

Right of Setoff

Subject to applicable law, we may exercise our right of setoff or security interest against any and all of your accounts (except IRA, Keogh plan and Trust Accounts) without notice, for any liability or debt of any of you, whether joint or individual, whether arising from overdrafts, endorsements, guarantees, loans, attachments, garnishments, levies, attorneys' fees, or other obligations. If the account is a joint or multiple-party account, each joint or multiple-party account holder authorizes us to exercise our right of setoff against any and all accounts of each account holder.

Dormant Accounts

If you have not made a withdrawal from, or a deposit to, your account for an extended period of time and we have been unable to contact you, your account may be classified by us as dormant. Subject to applicable law, we may charge a dormant account fee on the account, and the account will be presumed to be abandoned. In accordance with state law, funds in abandoned accounts will be remitted to the custody of the applicable state agency, and we will have no further liability to you for

such funds. We reserve the right not to send statements on accounts we consider dormant, subject to applicable law.

Account Statements

You are responsible for promptly examining your statement each statement period and reporting any irregularities to us. The periodic statement will be considered correct for all purposes and we will not be liable for any payment made and charged to your account unless you notify us in writing within certain time limits after the statement and checks are made available to you. We will not be liable for any check that is altered or any signature that is forged unless you notify us within thirty (30) calendar days after the statement and the altered or forged item(s) are made available. Also, we will not be liable for any subsequent items paid, in good faith, containing an unauthorized signature or alteration by the same wrongdoers unless you notify us within ten (10) calendar days after the statement and first altered or forged items were made available. Except for transactions covered by the Electronic Funds Transfer Act, you must also report any other account problem within thirty (30) calendar days or lose your right to assert the problem against us. If you have requested us to hold your account statements, we have the right to mail your statements if you have not claimed them within thirty (30) calendar days. If we truncate your checks, you understand that your original checks will not be returned to you with your statement. You agree that our retention of checks does not alter or waive your responsibility to examine your statements or change the time limits for notifying us of any errors.

Wholesale Wire and ACH Transactions

With respect to wire transfers or other transfers of funds not governed by the Electronic Funds Transfer Act, you agree to enter into and comply with our wire transfer (if applicable) agreement and to comply with our security procedures and this section. We advise you that any receiving financial institution (including us) is entitled to rely on any account or bank number you have provided even though that account or bank number may identify a party different from the person or entity you have described by name in any transfer order.

Provisional Payment

Credit given by us to you with respect to an ACH credit or wholesale (wire) funds transfer entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to your account in connection with such entry, and the party (the originator of the entry) making payment to you via such entry shall not be deemed to have paid you the amount of such entry.

Notice of Receipt

We will notify you of the receipt of payments in the periodic account statements we provide to you. You acknowledge that we will not give next day notice to you of receipt of an ACH or wholesale (wire) funds transfer item.

Notices

Notice of Amendments

You agree that the terms and conditions of the Agreement, including without limitation all rate, fees and charges, may be amended by us from time to time. We will notify you of amendments as required by applicable law. Your continued use of the account evidences your agreement to any amendment. Notices will be sent to the most recent address shown on our records for your account. Only one notice will be given in the case of joint account holders.

Account Changes

Any account holder or person authorized to sign on an account is required to notify us in writing if any account holder or other person authorized to sign on an account dies or is declared incompetent by a court. It is your responsibility to notify us of any change in your address or name. We are required to honor items drawn only on the listed account name. Further, we are required to attempt to communicate with you only at the most recent address provided to us.

Account Termination

You and we agree that either of us may close your account and terminate this Agreement at any time with or without cause. We will provide written notice to you in advance if we decide to terminate your account relationship for any reason other than abuse of the account relationship or to prevent a loss. You agree that advance

written notice from us will be reasonable if it is mailed to your statement mailing address immediately upon account closure. You agree that in instances of account abuse or to prevent a loss, notice is reasonably given by us if mailed immediately upon account closure. You may close any of your accounts by notifying us in writing. When an interest bearing account is closed, there may be accrued interest that has not been credited to the account. In that case, we will pay you the interest UNLESS we have told you otherwise. Further, for security reasons, we may require you to close your account and to open a new account if: there is a change in authorized signers; there has been a forgery or fraud reported or committed involving your account; any account checks are lost or stolen; you have too many transfers from your account; or, any other provision of our Agreement with you is violated. After the account is closed, we have no obligation to accept deposits or pay any outstanding checks. You agree to hold us harmless for refusing to honor any check drawn on a closed account. In the event that we close your account, we may mail you a cashier check for the applicable remaining account balance. The termination of this Agreement and closing of an account will not release you from any fees or other obligations incurred prior to the date upon which this Agreement is terminated and an account closed, any fees assessed by us in the process of closing an account, or from your responsibility to maintain sufficient funds in an account to cover any outstanding checks or other debit items.

Governing Law

This agreement shall be governed by and construed in accordance with all applicable federal laws and all applicable substantive laws of the State of Kansas in which we are located and where you opened your account. In addition, we are subject to certain federal and state regulations and local clearing house rules governing the subject matter of the Agreement. You understand that we must comply with these laws, regulations, and rules. You agree that if there is any inconsistency between the terms of the Agreement and any applicable law, regulation or rule, the terms of the Agreement will prevail to the extent any such law, regulation or rule may be modified by Agreement.

Systems and Software

We shall not be responsible to you for any loss or damages suffered by you as a result of the failure of systems and software used by you to interface with our systems or systems and software utilized by you to initiate or process banking transactions whether such transactions are initiated or processed directly with our systems or through a third party service provider. You acknowledge that you are solely responsible for the adequacy of systems and software utilized by you to process banking transactions and the ability of such systems and software to do so accurately.

Credit Verification

You authorize us to request and obtain one or more credit reports about you from one or more credit reporting agencies for the purposes of considering your application for the account, reviewing or collecting any account opened for you, or for any other legitimate business purpose. You authorize us to disclose information about your account to credit reporting agency if your account was closed because you have abused it.

Miscellaneous Provisions

If you or your account becomes involved in any legal proceedings, your use of the account may be restricted. You agree not to use the account in any illegal activity. We shall be entitled to act upon any legal process served upon us which we reasonably believe to be binding, with no liability to you for doing so. You understand that supervisory personnel may randomly monitor customer service telephone conversations to ensure that you receive accurate, courteous, and fair treatment. If you ask us to follow instructions that we believe might expose us to any claim, liability or damages, we may refuse to follow your instructions or may require a bond or other protection, including your agreement to indemnify us. You agree to be liable to us, to the extent permitted by law, for any loss, costs or expenses that we may incur as a result of any dispute or legal proceeding involving your account. You authorize us to deduct any such loss, costs or expenses from you account without prior notice to you or to bill you separately. This obligation includes disputes between you and us involving your account and situations where we become involved in disputes between you and an authorized signer, a joint owner or a third party claiming an interest in your account. It also includes situations where any action taken on your account by you, an authorized signer, a joint owner or a third party causes us to seek

the advice of any attorney, whether or not we actually become involved in a dispute. Any action by us for reimbursement from you for any costs or expenses may also be made against your estate, heirs and legal representatives who shall be liable for any claims made against and expenses incurred by us. If a court finds any provision of the Agreement to be invalid or unenforceable, that finding shall not make the rest of the Agreement invalid or unenforceable. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified it shall be stricken and all other provisions of the Agreement in all other respects shall remain valid and enforceable.

*Automated Overdraft Privilege Policy

It is the policy of our bank to comply with applicable laws and regulations, and to conduct business in accordance with applicable safety and soundness standards. An insufficient balance may result from (A) the payment of checks, electronic funds transfers, or other withdrawal requests; (B) payments authorized by you; (C) the return, unpaid, of items deposited by you; (D) the imposition of bank service charges; or (E) the deposit of items which according to the bank's Funds Availability Policy, are treated as not yet "available" or finally paid. We are not obligated to pay any item presented for payment if your account does not contain sufficient collected funds. However, if you maintain your account in good standing, defined as: (A) making regular deposits; (B) bringing the account to a positive balance every 30 days or less; and (C) there are no legal orders outstanding, we will approve your reasonable overdrafts as a non-contractual courtesy. Generally, we will not approve an overdraft for you in excess of \$300 for free checking open more than 30 days, or \$500 for regular, student, and VIP accounts open more than 30 days. These limits include our non-sufficient funds and/or overdraft (NSF/OD) charge(s). We may refuse to pay an overdraft for you at any time, even though we may have previously paid overdrafts for you. You will be notified by mail of any nonsufficient funds items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdrafts plus our nonsufficient funds and/or overdraft (NSF/OD) charge(s) that you owe us shall be due and payable upon demand. If there is an overdraft paid by us on an account with more than one owner on the signature card, each owner, and agent if applicable, drawing/presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts plus our nonsufficient funds and/or overdraft (NSF/OD) charge(s). LIMITATIONS: Available only to selected accounts (excluding Money Market Accounts) and we may limit the number of accounts eligible for Automated Overdraft Privilege to one account per customer. Additionally, we reserve the right to not approve any overdrafts against your account until we can verify that your account is being maintained in good standing, as defined above. ACCOUNT FEES: Whether we pay or return a nonsufficient funds item, a flat per item handling fee will be charged to your account as a nonsufficient funds and/or overdraft (NSF/OD) charge, as set forth in our Fee Schedule.

First Option BANK

601 Main
Osawatomie, Kansas 66064
913-755-3811

702 Baptiste
Paola, Kansas 66071
913-294-3811

502 Market Street
LaCygne, Kansas 66040
913-757-2001

103 S. Broadway
Louisburg, Kansas 66053
913-837-3900

Lobby

Monday through Friday 9:00 a.m. to 5:00 p.m.
Saturday 9:00 a.m. to 12:00 noon

Drive-Up

Monday through Friday 7:30 a.m. to 6:00 p.m.
Saturday 8:00 a.m. to 12:00 noon

