



Overdraft Privilege Account Disclosure For Business Accounts

As a benefit to our customers, we offer a useful feature on some of our checking account products — an Overdraft Privilege. This feature may save you time as well as the additional fees charged by many other companies for returned items.

The Overdraft Privilege should only be used to cover the occasional overdraft. The bank reserves the right to make the final decision as to whether it **will** or **will not** pay any non-sufficient item(s) presented against your account. You will be charged the normal Non-Sufficient Funds/Overdraft handling fee of \$35.00 for **each item** paid as set forth in our current fees schedule, the same as if we returned your item(s) unpaid. Such fees may also be imposed in connection with transactions that overdraw your account, such as in person withdrawals, preauthorized automatic debits, or other electronic transfers. **It is our policy to pay/post the following items in an order from highest amount to lowest amount for a particular business day: All internal items including teller transactions, wire transfers and any items owed to the bank; followed by ATM withdrawals, Debit Card Withdrawals and ACH transactions and checks (posted/paid in check number order). Posting order may affect the number of insufficient items paid and overdraft fees incurred for a particular business day.**

YOUR CHECKING ACCOUNT BALANCE. Your checking account has two kinds of balances: (1) the “ledger” or “current” balance and (2) the “available” balance. Balance types may be checked when you review your account online, through mobile banking, at a branch, or if you call the bank. It is important to understand how each balance works so that you know how much money is in your account at any given time. **“Available Balance” is used to determine when your account is overdrawn.**

If the Bank pays an overdraft, you will be charged a Non-Sufficient Funds/Overdraft fee as described in the Bank’s Fee Schedule. **Overdraft” means there is insufficient “available” balance in your checking account for use.** An insufficient available balance may result for several reasons, including: (A) the payment of checks, electronic funds transfers or other withdrawal requests; (B) pending payments authorized by you; (C) the return, unpaid, of items deposited by you; (D) the imposition of applicable service charges; and (E) the deposit of items, which, according to the bank’s Funds Availability Policy, are treated as not yet “available” or finally paid.

Ledger Balance Your ledger balance (also known as current balance) is your account balance at the end of the previous business day. It does not include any transactions made since the previous business day.

Available Balance The available balance is your account balance at the end of the previous day, plus or minus any transactions that have been made since, such as deposits, debit card transactions, ATM withdrawals, payments scheduled for today and pending transactions (such as pending pre-authorized debit card transactions) that the bank has authorized but that have not yet posted to your account. The available balance reflects transactions that are known by the Bank and may not reflect all outstanding transactions such as checks that have not been cashed or presented for payment.

Example of Overdraft Fee for Insufficient Available Balance. If your ledger/current balance and available balance are both \$100 and you swipe your debit card at a restaurant for \$40, a hold is placed on your account and your available balance will be reduced to \$60. Your ledger/current balance is still \$100 because the transaction has not yet posted to your account. If a check that you had previously written for \$70 clears through your account before the restaurant charge is sent to the bank for processing, you will incur an overdraft fee. This is because your available balance was \$60 when the \$70 check was paid.

CONDITIONS FOR THE PRIVILEGE: Naturally, it is always the policy of our bank to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards. Accordingly, there are a few conditions that will apply in order to receive and maintain this Overdraft Privilege feature. Each qualifying account will be provided with a \$500 Overdraft Privilege Limit subject to the following conditions:

- Must be eighteen (18) years old to qualify for this service.
- Account must be opened for at least 90 days and have \$500 in aggregate deposits in the 2 most recent statement cycles to qualify for this service. All accounts that fail the first 90 day check will be reviewed again during the 30 days following and if they qualify based on deposits, will be included in the program. **Those that fail to qualify will not be re-evaluated.**

SUSPENSION OF PRIVILEGE: After your Overdraft Privilege has been activated, we may suspend your privilege without notice at our discretion or if we become aware of any violation of the above referenced conditions.

- You must also bring your account to a positive balance at least once every thirty-one (31) days to maintain your Overdraft Privilege in good standing. **In doing so, your overdraft privilege will be automatically reinstated.**
- Your account will be closed if it remains in an overdraft status for a period of sixty (60) consecutive days; **however, the closure of your account does not relieve you of the obligation to pay the overdraft balance.**

Your account agreement describes the duties, obligations, and rights of depositors, authorized signatories and the bank with regard to your deposit accounts. That account agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. Your account agreement and this disclosure shall be construed so as to minimize conflicts between them.

WAIVER: The Bank's forbearance from, or delay in, exercising any of the Bank's rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this Overdraft Privilege disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Bank's rights, remedies or privileges.

ARBITRATION: THE BANK AND YOU HEREBY ACKNOWLEDGE THAT ANY CONTROVERSY ARISING OUT OF THIS OVERDRAFT PRIVILEGE OR BANK'S OR YOUR PERFORMANCE HEREUNDER SHALL BE SETTLED BY ARBITRATION IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION, EXCEPT AS PROHIBITED BY LAW. THE TERMS AND CONDITIONS OF ANY ARBITRATION PROCEEDING ARE SET FORTH IN THE ACCOUNT AGREEMENT BETWEEN YOU AND THEBANK.

OPT OUT NOTICE: You have the right to refuse this privilege if you choose. Please ask your customer service representative about your decision to opt out. **You may also ask about less expensive alternatives to this Overdraft Privilege program, such as: linking to another account at the bank or linking to an established line of credit.**