



Deposit Account Agreement

Effective 02/11/2025

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Five Star Bank Welcomes You

Thank you for choosing Five Star Bank (“FSB”) for your banking needs. Whether you are opening a new Account, or currently have an Account with us, please read this Deposit Account Agreement (“Agreement”) and other Account Opening Disclosures, so you understand your rights and requirements for your Account with us. It is recommended that you retain this Agreement for future reference. When you use, access, or permit anyone else to use or access your Account, you agree to the terms and conditions of this Agreement.

If you have any questions concerning this Agreement, please contact our Customer Contact Center at (877) 226-5578 or email us at customerservice@five-starbank.com.

1. GENERAL DESCRIPTION OF THE AGREEMENT

A. Binding Agreement.

This Agreement, any applicable fee schedule, and all other documentation, including the Account Opening Disclosures, pertaining to your Account that may be provided to you from time to time, is a binding contract between you and us for your Account, your relationship with us, and any transactions you perform on your Account.

B. Amendments.

We may amend this Agreement or any of the other Account Opening Disclosures at any time, and any amendment may become effective immediately, or at a later date that we may specify, upon notification in writing or electronically.

C. Definitions.

- i. Account – any deposit account, including a Business Account or Consumer Account, that is opened with us and is governed by this Agreement.
- ii. Account Opening Disclosures – these are the documents you receive at the time of opening your Account. These documents have information specific to your Account type.
- iii. Affiliate – FSB’s predecessors, successors and past, current and future parents, subsidiaries, affiliates, and related entities, including, but not limited to Financial Institutions, Inc., and Courier Capital, LLC.
- iv. Authorized Signer – any individual who has authority to perform transactions on the Account.
- v. Available Balance – for checking and savings Accounts, refers to the portion of your Current Balance that you have available to use. Pending transactions, such as check deposits, may not be available for use and may not be included in your Available Balance.
- vi. Business Account – any Account that is opened with us, which is not used primarily for personal, family or household purposes. These Accounts are generally owned by a corporation, unincorporated association, limited liability company, limited liability partnership, fiduciary, municipality, other governmental

- entity, partnership, or sole proprietorship.
- vii. Business Day– refers to every Monday through Friday, excluding Federal holidays.
 - viii. Consumer Account – any Account that is used primarily for personal, family or household purposes.
 - ix. Current Balance – for checking and savings Accounts, refers to the balance after all items presented to FSB have been processed for a particular Business Day, plus or minus any current-day transactions known to FSB (i.e., deposits, debit card transactions, or ATM withdrawals). It does not include any checks you have written but have not been cashed.
 - x. FSB, we, us, or our– refers to Five Star Bank and any agent, independent contractor, service provider, sub-contractor, licensor, designee, or assignee of Five Star Bank.
 - xi. Item – any transaction, including but not limited to, a check withdrawal, electronic debits, electronic credits, deposit slip and each item within the deposit. This definition does not include cash.
 - xii. Overdraft – when an Account has insufficient or unavailable funds in the Account to cover transactions posted to the Account.
 - xiii. Owner– refers to the individual or entity on an Account who have authority to act upon the Account, unless restricted by the nature of the Account ownership. This definition shall exclude Authorized Signers.
 - xiv. You and your–refers to each and every Owner, including Authorized Signer(s).

2. TERMS GOVERNING YOUR ACCOUNT(S)

A. Fees.

The FSB Fee Schedules (Consumer and Business) can be found on our website at www.five-starbank.com/resources/forms, and as part of your Account Opening Disclosures (“Fee Schedule”). The fees on the Fee Schedule are in addition to any fees listed in any other disclosure we have provided to you, or any other document provided by FSB.

B. Statements and Notices.

- i. We will send you a statement reflecting the activity on your Account for each statement period, as outlined below (“Statement”). We may also send any notices in this same manner. In the case of a Consumer Account, this will be to the mailing address you provided for the Account. In the case of a Business Account, this will be to the mailing address you provided for the Business. For electronic statements, see the Digital Banking Agreement for more information. For checking Accounts, we provide you with a monthly Statement. For savings Accounts, we provide you with a monthly or quarterly Statement dependent on product type. If you have an electronic funds transfer (such as a direct deposit or an ATM withdrawal) to or from your Account during any month, we provide a Statement for that month.
- ii. Combined Statements and Notices:

You will receive your Statement at the address for the Account you have indicated when requesting combined Statements. You can change this address by contacting the Customer Contact Center at the phone number listed at the beginning of this Agreement. Note: Any person who has agreed to receive electronic Statements for this Account will also have access to all the information on the combined Statement.

iii. Joint Statements and Notices:

For Accounts with multiple owners, we will send Statements and notices to the address you provide us. You agree that these will be shared with all Owners. Statements can be available to an Owner or other authorized individual upon request. To request a Statement, please call the Customer Contact Center at the phone number listed at the top of this Agreement.

iv. Delivery of Statements and Notices:

We consider your Statement delivered to you on the second Business Day after mailing your paper Statement. Your Statements or notices will be considered undeliverable if 2 or more Statements are returned to us through the mail because of an incorrect address.

- We consider a Statement delivered if sent to the address provided, even if the Statement comes back as undeliverable.
- Electronic Statement and Notice Delivery: Electronic Statements and notices are considered delivered 24 hours after we provide notification by email. Please reference the e-Statement Agreement for circumstances of undeliverable electronic Statements.
- We will not forward Statements and notices. We may cease sending Statements and notices and destroy any that are returned to us as undeliverable. We will not attempt to deliver Statements and notices to you again until you provide us with a current postal or e-mail address.

C. Notice of Errors, Omissions, Forgeries or Unauthorized Transactions on Your Statement.

If you believe your Statement contains an error, omission, or unauthorized transaction regarding an electronic funds transfer, you must follow the requirements described in the section below, titled **Electronic Funds Transfer**. Our investigation of discrepancies involving electronic funds transfer is described in that section.

For all other errors, omissions, forgeries or unauthorized transactions you believe are reflected on your Statement, you must notify us of the discrepancy in writing within 30 calendar days after we deliver to you the relevant Statement or otherwise make the Statement available. If you did not receive your Statement, contact the Customer Contact Center at the phone number located at the beginning of this Agreement.

For all errors, omissions, or unauthorized transactions, you must provide us with all information necessary to investigate the discrepancy. You are responsible for providing

us with any supporting affidavits and testimony we reasonably request. We may also request that you file a police report.

If reported to us in a timely fashion, the alleged inconsistency on your Statement will be investigated by us within a reasonable time, depending on the complexity of the error, omission, forgery, or unauthorized transaction. The results of the investigation will determine whether or not we will reimburse you. If you do not comply with the requirements in this section, we are not required to reimburse you for any claimed loss, and you cannot bring any legal claim against us in any way related to the discrepancy. In addition, if you fail to notify us of any unauthorized transaction within 30 calendar days after we deliver, or in any other way make available, the relevant Statement, we are not required to reimburse you for unauthorized transactions that we pay to that entity after that time. You also have certain rights under federal law for substitute checks. Refer to the section **Substitute Checks and Your Rights** for more information.

D. Important Information About Your Checking Account.

i. Substitute Checks and Your Rights:

What is a substitute check? To make check processing faster, federal law permits banks to replace original checks with "substitute checks". These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes the rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What are my rights regarding substitute checks? In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, overdraft fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law. If you use this procedure, you may receive up to \$2,500.00 of

your refund (plus interest if your account is an interest-bearing account) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account is an interest-bearing account) no later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How do I make a claim for a refund? If you believe that you have suffered a loss relating to a substitute check that you received and was posted to your account, please contact us at any one of our branches or contact the Customer Contact Center at the number listed at the beginning of this Agreement. You must contact us within 40 calendar days of the date we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

- (1) A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- (2) An estimate of the amount of your loss;
- (3) An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- (4) A copy of the substitute check and/or the following information to help us identify the substitute check: the check number, the name of the person to whom you wrote the check, and the amount of the check.

E. Change of Address.

You can change your postal or email address by notifying us in-person at a branch, writing to us by mail, through FSB Digital Banking, or by other methods we may later deem applicable. We will act on your request within a reasonable time after we receive it. Addresses can be changed at customer or Account level. Upon receipt of this information, we will make all the necessary changes. We must have a physical address even if your mail is delivered to a PO Box.

F. Our Privacy Notice.

Our Privacy Notice has been provided to you as part of your Account Opening Disclosures and can be found at the footer of our website, www.five-starbank.com titled "Privacy Notice". The Privacy Notice details what FSB and its Affiliates do with your personal information.

In the Privacy Notice, we list the reasons FSB and its Affiliates choose to share your personal information and where you can limit this sharing.

For more information or questions regarding our full Privacy Notice, please call the Customer Call Center at the phone number located at the beginning of this Agreement.

G. Account Closures, Account Restrictions and Delayed Transactions.

We may close your Account at any time without providing advance notice and may close your time deposit Account at maturity without advance notice. We may close your Account, convert your Account to another product type or change your Account Overdraft settings at any time due to excessive Overdrafts.

A minimum account balance of \$0.01 is required for all Five Star Bank deposit accounts to avoid closure. If your Account is at a zero-dollar balance for 60 days, or is not funded for 60 days after opening, it may be closed without notice. You can request to have your Account reopened within 30 days of it being closed. To request to have your Account reopened, please call the Customer Call Center at the phone number located at the beginning of this Agreement or stop in your local branch. When reopening your Account, we may require you to acknowledge and sign all Account documentation.

If an Account is closed and reopened, the Account is subject to our standard terms and fees for that Account type. Any waiver, including but not limited to, the Monthly Maintenance Fee that had been previously applied to the Account, may not apply when it is reopened. If we choose to close an Account or you have closed an Account with us, there may be deposits or Items that we receive after the Account has been closed. If this happens, we may return the deposit or Item. We are not liable for any loss to you for returning the funds, refusing to honor a withdrawal, check or other Item.

We reserve our right to decline or prevent transactions to or from your Account. This may include refusing, freezing, reversing or limiting any withdrawal, payment, transfer or other transaction on your Account, and we shall have no liability for performing any of those actions. We may restrict your Account, including but not limited to one of the following:

- (1) There is a conflict or conflicting information over Account ownership, control or activity;
- (2) We are required to by law by using our sole judgment to determine what is necessary to comply;
- (3) We suspect fraud or financial exploitation on your Account;
- (4) We suspect illegal activity on the Account; or
- (5) We believe the action is necessary to protect any loss or risk to FSB.

If the Account is closed prior to the end of the Statement period by you, another account owner, or us, any of the rewards (as applicable), as outlined in your Account Opening Disclosure, that were earned will be forfeited and will not be credited to the Account.

H. Inactive Account.

An Inactive Account is an Account that has not had a deposit or withdrawal, or a signed and returned Account Inactivity Form in a specific timeframe (outlined below). FSB charges, interest payments, or any other FSB communication or transaction are not considered activity for this purpose. See the Fee Schedule for the Inactive Account Fee that will be assessed to your Account if it is deemed an Inactive Account.

Inactivity Timeframes:

- Demand Deposit Accounts – 1 year
- Savings and Money Market Accounts – 2 years
- CD and IRA Accounts – 2 years after initial term
- Official Bank Checks or Money Orders – 3 years

If you re-activate your Account, we will not reimburse you for any fees and we are not liable to you for any interest that would otherwise have accrued on your Account.

I. Abandoned Property.

State law, federal law and our policy governs when your Account is considered abandoned. Your Account will be considered abandoned if at least one of the following activities is not performed for a period of time specified in accordance with the applicable state law: a deposit or withdrawal, written correspondence to us regarding the Account, or signed and returned our Account Dormancy Form. FSB charges, interest payments, automatic deposits, and withdrawals are not considered activity. We are required by state law to turn over Accounts considered abandoned to the appropriate state. The state of the last known U.S. address is used to determine an Account's inactive and/or abandoned status. If a U.S. address is not on file, New York State laws will apply.

If you do not initiate an Account-related activity on the Account within the time period as specified by applicable state law, the funds on deposit may be transferred to the appropriate state. After we transfer funds to the state, we have no further liability to you for the funds. To recover your Account funds, you must file a claim with the appropriate state agency.

Before we turn over an abandoned Account, we will send any notice required under applicable state law to the address we currently have on file for Account Statements. If mail was previously returned from this address, we will not send this notice. Unless prohibited by the applicable state law, we may charge the Account our costs and expenses of any notice, advertisement, payment, and delivery of the Account to the applicable state agency. If we consider your Account abandoned, then (unless prohibited by federal law or the appropriate state law) we may:

- (1) Discontinue sending Statements;

- (2) If the Account is interest bearing, stop paying interest on the Account;
- (3) Refuse to pay Items drawn on or payable out of the Account; and
- (4) Close the Account.

If you re-activate your Account, we will not reimburse you for any fees and we are not liable to you for any interest that would otherwise have accrued on your Account.

J. Funds Availability.

Our Funds Availability Policy is included in your Account Opening Disclosures. The Funds Availability Policy provides details on how we make funds available to you for use, potential delays and special rules that may apply. Please refer to the Funds Availability Policy for further information.

3. ACCOUNT BASICS

A. Definitions Pertaining to This Section.

- i. **Legal Entity Customer:** a corporation, limited liability company, or other entity that is created by the filing of a public document with a Secretary of State or similar office, a general partnership, and any similar entity formed under the laws of a foreign jurisdiction that opens an Account. Legal entity customer does not include certain financial institutions, government entities, publicly traded companies, or insurance companies regulated by a state. For a complete listing of entities which are not considered legal entities, please see 31 C.F.R. Chapter X, Part 1010, Subpart B, Section 1010.230, Paragraph (e).
- ii. **Beneficial Owner:** Each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25% or more of the equity interests of a legal entity customer; AND a single individual with significant responsibility to control, manage, or direct a legal entity customer, including: an executive officer or senior manager (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer); or any other individual who regularly performs similar functions.

B. Our Responsibility to Obtain Personal Information.

- i. To help the government fight the funding of terrorism and money laundering activities, federal law requires all U.S. financial institutions to obtain, verify, and record information that identifies each person or business who opens an Account. We require the following information or documents as a condition to your opening an Account:
 - (1) For a Consumer Account: your name; a physical address (this cannot be a PO Box); date of birth; Social Security Number for U.S. persons or other valid government-issued identification number for non-U.S. persons (e.g., Passport); as

well as a valid driver's license or other identifying documents.

(2) For a Business Account: your legal business name, Taxpayer Identification Number and physical business address (this cannot be a PO Box); as well as other identifying documents (e.g., Articles of Incorporation, Secretary of State filing, Doing Business As paperwork, etc.). In addition, certain identifying information may be required for Authorized Signers on Business Accounts and/or Beneficial Owners of businesses to include: name; physical address (this cannot be a PO Box); date of birth; Social Security Number for U.S. persons or other valid government-issued identification number for non-U.S. persons (e.g., Passport); ownership percentage; role within the business, as well as a valid driver's license or other identifying documents.

ii. Our policies may require additional information about you, or any person associated with you or with the Account when or after you open the Account. We may restrict or close your Account if we are unable to obtain information in order to satisfy our Customer Identification Program and Customer Due Diligence requirements. By opening an Account with us, you confirm that neither you nor any Authorized Signer and/or Beneficial Owner of any Account is covered by any sanction's programs administered or enforced by the U.S. Department of the Treasury, Office of Foreign Assets Control.

C. Forms of Account Ownership.

i. Consumer Accounts:

(1) Individual Account

An Individual Account is an Account owned by one person ("Individual"). Typically, only the named Individual has access to the Account unless otherwise identified by a power of attorney or a representative payee, etc.

(2) Joint Account with Right of Survivorship

A Joint Account with Right of Survivorship is an Account owned by two or more Individuals, commonly called co-owners or joint owners where each Owner has full and equal access to the Account, including withdrawals. Each Owner is responsible for all activity in the Account including Overdrafts. Please refer to our Overdraft Items section for additional information.

To add additional Owners on the Account, all documentation must be completed as required by FSB. To remove an Owner from an Account, the existing Account must be closed. Any Joint Owner may close the Account. Refer to the Death or Incompetence of an Account Owner section should an Owner become deceased.

(3) Payable on Death / In Trust for Account

These types of Accounts are Accounts owned by one or more Individuals that identify one or more beneficiaries who will receive the amount on deposit in the Account upon the death of the Owner(s). There may be state law requirements that must be met to establish these types of Accounts. You are solely liable for meeting any requirements. We may choose, if applicable requirements are not met, to treat the Account as if there are no beneficiaries.

You are the Owner of these Accounts and may do anything that is permitted under this Account type, including changing or removing beneficiaries. The named beneficiaries have no access until the death of all Owners occurs. Upon the death of all Owners and after receiving the necessary documentation from the beneficiary(ies), we will pay any surviving designated beneficiary(ies) on the Account subject to any FSB claims and any right we have to charge the Account. If there are more than one beneficiaries listed on the Account, the Account will be paid in equal shares to each surviving beneficiary. If there are no beneficiaries listed, the Account will be payable to your estate.

(4) Health Savings Account (HSA)

A HSA is used to supplement a high deductible health plan. The funds in the Account are typically pre-tax and are funded by the employer, the employee or both. The Internal Revenue Service ("IRS") has designated this as a type of Individual Retirement Account (IRA). As a result, it can have only one Owner. It may have an additional signer but only if it is designated as a family plan on the Health Savings Account (HSA) Application. It cannot be a Joint Account.

The IRS has created specific requirements for this type of Account. Please refer to the Account Opening Disclosure for specific requirements and limitations.

(5) Power of Attorney Account

A power of attorney is a document you sign that authorizes a person of your choosing, (they are typically referred to as the "agent") to perform certain functions for you as you designate. This includes managing your Accounts. You must provide a power of attorney form in accordance with applicable law. We may refuse a request from an agent if we believe the agent does not have the authority pursuant to applicable law. We also have the right to refuse access to the Account for suspected fraud, abuse or other mishandling of your funds. The agent must notify us promptly upon the death of the Owner. Upon death of the Owner, the agent no longer has the right to access and perform transactions on the Account.

(6) Uniform Transfers/Gifts to Minors Act (UTMA) Account

An UTMA Account is owned by the minor but solely managed by the custodian or a successor custodian if the custodian is no longer able to manage the Account.

Only the custodian is permitted to conduct business on the Account. When the minor reaches the applicable age of majority, we may require specific action from the custodian prior to closing the Account and paying the funds on deposit to the minor.

(7) Representative Payee Account

Social Security and/or Veterans Administration (“VA”) Accounts (“Representative Payee Account”) are opened when a protected person receives benefits but are not able to manage the funds themselves. The person appointed to manage the funds is typically called a “Representative Payee” or “VA Custodian”. The Representative Payee or VA Custodian agrees not to co-mingle any deposits or conduct any withdrawals on the Account other than those designated for the purpose of the Account. We are not liable for determining if the funds the Representative Payee or VA Custodian manages are appropriate to the purpose of the Account. If the protected person dies, the Representative Payee or VA Custodian must immediately notify us and are required to stop any and all activity on the Account. If we are required to return deposits made after the death of the protected person and the Account does not have the funds to pay the required amount, we may if allowed by law, take the funds from any Account the Representative Payee or VA Custodian or the protected person owns.

ii. Business, Organization and Association Accounts:

If the Account is a Business Account, we may act on the instructions of any person authorized in any resolution or other documentation to act on behalf of the Business Account. All authorized person(s) shall be bound by the terms of this Agreement when acting on behalf of the Business Account. We require all documents or other information necessary to demonstrate person(s) who are authorized to act on behalf of the Business Account and may require other documents from time to time. We will require our resolution indicating what authority is granted on the Account to be completed prior to Account opening. Changes to authority of the Account must be reflected in an updated resolution.

D. Death or Incompetence of an Account Owner.

Until we receive notice of death or incompetence of any Account Owner, we may continue to act upon the Account as if all Owners are alive or competent. You agree to notify us immediately if any Account Owner or Authorized Signer has died or deemed incompetent by a court.

After we receive a death certificate regarding any Owner on the Account, we may restrict the Account and not allow any transactions and may return deposits. We may also choose to further restrict the Account if we receive information from the Social Security Administration that an Account Owner is deceased, but we have no obligation to do so

until we receive a valid death certificate. If a transaction is presented for payment after the Owner's date of death, we may pay the transaction. If there is any outstanding debt, that amount is still owed to us and we may exercise our Setoff rights (our right to apply funds in one Account to the debt associated with another Account) or security interest rights against the funds in the Account. If we receive a deposit for the deceased Owner, we may debit the Account and return the deposit back to the payor. This includes salary, pension, Social Security and Supplement Security Income payable to the deceased Owner.

The type of account ownership may change how your funds are paid upon your death, even if your will states otherwise. Please consult your estate planning advisor or attorney about your choices.

E. Illegal Activities.

You agree not to use your Account for any illegal activity. We strictly prohibit the use of any Account to conduct transactions (including, without limitation, the acceptance or receipt of credit or other receipt of funds through an electronic funds transfer, or by check, draft or similar instrument, or the proceeds of any of the foregoing) that are related, directly or indirectly, to unlawful Internet gambling. The term "unlawful Internet gambling," as used in this Agreement, shall have its meaning set forth in 12 C.F.R. Part 233, Section 233.2(bb). You agree not to conduct any transactions through the Account that directly or indirectly involve or are related to unlawful Internet gambling, including, without limitation, the acceptance or receipt of any funds or deposits in connection therewith. We may refuse any gambling transaction, whether lawful or not.

F. Deposit Records and Receipts.

We are not liable to you if you provide us a deposit slip that reflects inconsistencies between the name and Account number we have on our system. If this occurs, the Account number provided on the deposit slip will be used.

If you make a deposit, we may provide a receipt, but the amount on your deposit receipt is based entirely on the deposit slip you complete. We may confirm the funds you deposit and, after review, may adjust your Account for any errors including any errors on your deposit slip.

If we give you a receipt for any deposit that you subsequently cancel, the receipt is void and you may not claim those funds.

G. Deposits Not Made In-Person.

For any deposits not made in-person, we will review deposit slips to cash or other Items received and correct any errors.

If you use our night depository, we are not responsible for any disappearance, theft or

loss of any envelope, bag or money before we issue a written receipt for the deposit.

H. Our Right to Refuse Deposits.

We have the right to refuse a deposit, or any Item included with the deposit. We may review a deposit and determine the need to send the Item for collection if we deem necessary. If so, we will change the deposit amount and remove the amount from your Available Balance on your Account until we receive the funds from the paying institution. We are not liable to you for refusing a deposit, even if it causes us to decline any transactions you have already made.

I. Large Withdrawals.

For any large cash withdrawal requests, we may require advanced notice and reserve the right to place an order to accommodate the request or other requirements we deem necessary.

J. Endorsements.

An endorsement is the payee's (to whom the check is payable to) request to cash or deposit a check. The payee signs or stamps the back of a check to receive the funds. Any deposited check that appears to contain your endorsement will be treated as endorsed by you. If a check you deposit does not have your endorsement, we will treat the check as if we had endorsed it. We are not responsible for or required to accept and follow any conditional or restrictive endorsements on a check you cash or deposit, or by any endorsement "without recourse". We may, at our discretion, return any check for missing endorsement.

i. Endorsement Requirements:

You endorse a check on the back of the check. There may be a simple line or a box that reads: "Endorse Here." Customarily another line states, "Do not write, stamp, or sign below this line." The endorsement area is typically approximately 1.5" long and covers the breadth of the check. Do not write anywhere else on the check. The remainder of the space is utilized by us for processing.

If you do not endorse your check properly and it causes us a loss, cost, or expense, you are liable to us for the full amount. This applies to Business and Consumer Accounts.

K. Calculation of Interest.

If you have an Account with us that earns interest, your interest is earned at a variable rate. A variable rate means that your interest rate and annual percentage yield (APY) may change at any time.

We pay interest monthly, or quarterly, depending on your Account. Refer to Section 5.

Calculation of Interest for time deposits.

There may be special interest rates or conditions applied to your Account, which will be disclosed to you at the time of Account opening.

Your Account Opening Disclosures will detail what the rate is on the day you open your Account. Your Statements will outline the rate earned throughout your Statement cycle. You may call our Customer Contact Center at the phone number listed at the beginning of this Agreement, visit our website or ask your local branch for current interest rates.

L. Setoff.

You each agree that we may, when permitted by law, use the funds in your Account against any due and payable debt you or any other Owner owe us now or in the future ("Setoff"). Debts include any Overdrafts you owe, fees, as well as amounts owed to us by another person or entity if you have previously agreed to guarantee that you will pay their debts. If the Account is a Joint Account, we may use funds to satisfy a debt that is not yours and may be the debt of another Owner. This also includes debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date. We do not have to provide you with any prior notice to apply the funds for any debt you owe.

This right of Setoff does not apply to this Account if prohibited by law. For example, the right of Setoff does not apply to this account if: (A) the debt is created by a consumer credit transaction under a credit card plan, or (B) the debtor's right of withdrawal only arises in a representative capacity, or (C) IRA's or tax qualified retirement accounts. You expressly agree that our rights may extend to any state or federal benefit payments, and this includes Social Security and Supplemental Security Income payment benefits. We may Setoff funds from your Account before checks and other items are paid and drawn from your Account. If funds are Setoff from time deposit accounts, early withdrawal penalties may be charged on the funds withdrawn. We will not be liable for the dishonor of any check when the dishonor occurs because we Setoff a debt against your Account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of Setoff.

M. Stop Payments.

i. Acceptance of Stop Payment:

We may accept a written or oral stop payment request from any Owner or Authorized Signer on the Account. An oral stop payment request is only valid for 14 days unless followed up with a written stop payment request prior to the expiration of the 14 days.

If we have not already paid a check or other Item that is drawn on your Account, we may accept a stop payment request. If you request a stop payment on a check or other Item in person, we may request that you complete a Stop Payment Form. You may not stop payment on a point-of-sale transaction or an ATM withdrawal or transfer. We will not place a stop payment on a cashier's check, teller's check (official check) or certified check, unless you provide us a statement, typically an Indemnification Agreement, that the check is lost, stolen or destroyed. After you place a stop payment, we may not refund the check amount or issue a replacement check until at least 90 days after the issue date. We are not required to refund the check amount or issue a replacement check if the check is presented for payment within 90 days after the issue date. If we receive a check that has a stop payment request against it, we may return the check to the payee noting "payment stopped", "refer to maker" or with a similar designation.

ii. Placing A Stop Payment On Checks:

A written stop payment request is valid for 6 months and may be renewed for an additional 6 months upon written request. Please see your Fee Schedule for applicable fees. You must give us sufficient notice and information so that we have a reasonable opportunity both to verify that the Item is unpaid and to act upon the request.

In order to place a stop payment on a check, we need certain information to process the request; account number, the name of the payee, the check number, or range of check numbers if applicable, and the exact amount of the Item in dollars and cents. If the information you have provided to us is incorrect, we may not be able to honor the stop payment request. We may also require the date of the check and the name of the person who signed the Item. We are not liable to you for any special, incidental or consequential loss or damage of any kind. Please refer to your applicable Fee Schedule for the amount of the Stop Payment Fee.

iii. Stop Payments On Preauthorized (Recurring) Payments:

In order to place a stop payment on a recurring payment processed via Automated Clearing House (ACH) or a Debit Card, contact us at the Customer Contact Center number located at the beginning of this Agreement or visit your local branch. For recurring payments, we require 3 Business Days' notice before the next payment is scheduled to be made. To request a stop payment on a recurring debit card or ACH transaction, the following information is required:

- Full Debit Card or Account number
- The dollar amount of the transaction, or range of dollar amounts if the amounts may vary
- The date of the transaction and the expected date of the next transaction
- The merchant or vendor name

- A reason for the stop payment

We have the right to refuse a payment to a payee with a similar name that may be the same payee; however, we are not liable if we do not refuse the payment. If the payment has already been processed, you may need to file an affidavit of fraud or a card holder dispute by calling the Customer Contact Center number located at the beginning of this Agreement.

Oral stop payment requests are effective for 14 days. Written stop payment requests are effective indefinitely or until you tell us to remove the stop payment. Please refer to your applicable Fee Schedule for the amount of the Stop Payment Fee.

Stop payments cannot be placed on a one-time transaction.

N. Incomplete, Conditional, Stale-Dated and Postdated Checks.

You agree to not issue checks with incomplete information or conditional information for payment. We have no responsibility to discover, observe or comply with such conditions. If an Item is paid, any conditions noted do not apply to FSB and we are not liable.

If a stale-dated check, a check dated more than 6 months in the past, is presented against your Account, we may choose to not pay or pay the Item and charge it against your Account. If a postdated check, or future dated check, is presented against your Account, we may choose to not pay or pay the Item and charge it against your Account.

O. Posting Order; Balances.

This Section summarizes the general order some common Items are paid from an Account.

Credits will post to an Account first followed by debits in the following order; cash transactions, FSB initiated adjustments, wire transfers, telephone transfers, internal transfers, FSB bill pay transactions, ATM transactions, PIN based point of sale transactions in amount order from lowest to highest, signature based point of sale transactions in amount order from lowest to highest, ACH withdrawals in amount order from lowest to highest and checks in dollar amounts from lowest to highest. In the event that more than one check is presented for the same dollar amount, we will post those checks in check number order from lowest to highest. For information on when fees and service charges will be applied to your Account, please reference your Fee Schedule. It should be recognized that as transactions are received or noted as pending throughout the day, they may be reordered at nightly reconciliation. Overdraft Item Fees will be paid from an Account immediately following the transaction that results in an Overdraft.

4. CONSUMER OVERDRAFT ITEMS

A. Overdrafts in General.

An Account Overdraft could occur if you do not have sufficient funds available in your Account.

We are not obligated to pay any Item presented for payment if your Account does not contain sufficient funds. Fees can be avoided for Overdrafts by verifying your Accounts contain a sufficient Available Balance to cover your transactions. We may pay Overdrafts at our discretion, but you are responsible for any overdrawn balances and any associated fees. If there is an Overdraft paid by us on an Account with more than one Owner, each Owner, shall be jointly and severally liable for such Overdraft, plus any applicable fees. You will be notified by mail of any Overdraft Items, paid or returned that you may have; however, we have no obligation to notify you before we pay or return any Item. If you do not wish for us to pay Overdrafts at our discretion, please contact the Customer Contact Center at the phone number listed at the beginning of this Agreement to opt out.

Overdraft Item Fee may be imposed on transactions such as:

- The presentment of checks;
- Automated teller machines (ATM) withdrawals;
- Debit card transactions;
- Preauthorized automatic debits;
- Telephone-initiated transfers;
- Digital Banking transfers;
- Other electronic transfers; or
- Other withdrawal requests.

We must obtain your affirmative consent before paying Overdrafts for ATM transactions or everyday debit card transactions.

We will not charge you an Overdraft Item Fee if your Account is overdrawn, in total, by less than \$50.00 and will not charge you for more than 6 Overdraft Item Fees a day. Also, please be aware that the order transactions are posted may create multiple Overdrafts during a single day or multiple Overdrafts on a single Item. See the **Posting Order; Balances** Section for more information on the order transactions post.

The amount of our Overdraft Item can be found on the applicable Fee Schedule.

B. Responsibility to Repay.

You are responsible for any negative balances in your Account. This includes Overdrafts and any associated fees. If your Account remains negative for 60 days or more, your Account may be charged off. If your Account is charged off it means the Account has a negative balance, is now closed and cannot be re-opened. Even though the Account is closed and charged off, you are still responsible for the negative balance. When an

Account is charged off, we may report you to credit reporting agencies. This may impact your ability to open other Accounts whether with us or at other financial institutions.

You authorize us to use the money from any subsequent deposits to your Account to pay any Overdraft and resulting fees. Subsequent deposits include any federal or state benefit payments that you choose to deposit in any Account (including Social Security benefits), if allowed by applicable law. You understand and agree that if you do not want your benefits applied in this way, you may change your direct deposit instructions at any time. You agree to pay all costs and expenses we incur in collecting any Overdraft. We may still pursue collection of the amount you owe (including taking legal action against you) after it is charged off.

5. BUSINESS OVERDRAFT AND RETURNED ITEMS

A. Overdrafts in General.

An Account Overdraft could occur if you do not have sufficient funds available in your Account.

We are not obligated to pay any Item presented for payment if your Account does not contain sufficient funds. Fees can be avoided for Overdrafts by verifying your Accounts contain a sufficient Available Balance to cover your transactions. We may pay Overdrafts at our discretion, but you are responsible for any overdrawn balances and any associated fees. If there is an Overdraft paid by us on an Account with more than one Owner, each Owner, shall be jointly and severally liable for such Overdraft, plus any applicable fees. You will be notified by mail of any Overdraft Items, paid or returned that you may have; however, we have no obligation to notify you before we pay or return any Item.

Overdraft Item Fee may be imposed on transactions such as:

- The presentment of checks;
- Automated teller machines (ATM) withdrawals;
- Debit card transactions;
- Preauthorized automatic debits;
- Telephone-initiated transfers;
- Digital Banking transfers;
- Other electronic transfers; or
- Other withdrawal requests.

We will not charge you an Overdraft Item Fee if your Account is overdrawn, in total, by less than \$5.00 and will not charge you for more than 6 Overdraft Item Fees a day. Also, please be aware that the order transactions are posted may create multiple Overdrafts during a single day or multiple Overdrafts on a single Item. See the **Posting Order; Balances** Section for more information on the order transactions post.

The amount of our Overdraft Item Fee can be found on the applicable Fee Schedule.

B. Responsibility to Repay.

You are responsible for any negative balances in your Account. This includes Overdrafts and any associated fees. If your Account remains negative for 60 days or more, your Account may be charged off. If your Account is charged off it means the Account has a negative balance, is now closed and cannot be re-opened. Even though the Account is closed and charged off, you are still responsible for the negative balance. When an Account is charged off, we may report you to credit reporting agencies. This may impact your ability to open other Accounts whether with us or at other financial institutions.

You authorize us to use the money from any subsequent deposits to your Account to pay any Overdraft and resulting fees. Subsequent deposits include any federal or state benefit payments that you choose to deposit in any Account (including Social Security benefits), if allowed by applicable law. You understand and agree that if you do not want your benefits applied in this way, you may change your direct deposit instructions at any time. You agree to pay all costs and expenses we incur in collecting any Overdraft. We may still pursue collection of the amount you owe (including taking legal action against you) after it is charged off.

6. TIME DEPOSITS

A. General.

A Certificate of Deposit ("CD") and an Individual Retirement Account ("IRA") are time deposit Accounts you hold with us for a set amount of time where you agree to leave your funds in the Account until the Maturity Date, as indicated on your Certificate of Deposit. A time deposit is neither transferable or negotiable. For more information on your IRA, please consult with a tax advisor and see specific IRA disclosures provided in your Account Opening Disclosures.

The Account will be closed if the deposit used to fund the Account requires collection, and the full amount is not immediately available. For example, if you open your CD with a check, and all or part of the money is not available at the time we deposit the check into your CD, your CD may be considered closed and null and void.

B. Standard Notices.

Any notices regarding your CD or IRA will be provided to the address listed on the Certificate of Deposit unless you subsequently change your address with us. Refer to the **Change of Address** section of this document.

C. Calculation of Interest.

Your CD or IRA earns interest at a fixed interest rate. A fixed interest rate means that the interest rate that we apply to your Account on the day we open it will not change for the term of the Account. Your CD or IRA earns interest throughout the term of the Account and we calculate interest by using the daily balance method, which applies the interest rate to your

balance each day. Your CD or IRA will earn interest on a 365 by 365 basis daily. This means that each day for a standard 365-day year, we calculate the interest on your CD/IRA. Consumer CDs and IRAs and Business CDs earn compound interest. Compound interest is calculated on the principal amount of your CD/IRA, and the interest that accumulates over prior periods.

Municipal CDs earn simple interest. Simple Interest is calculated by multiplying the daily interest rate by the principal amount of your CD.

When you deposit a cash or non-cash Item (such as a check), interest begins to accrue on that Item on the Business Day the deposit is received. Deposits you give us on a weekend or FSB holiday are treated as received the following Business Day.

D. Disbursing Interest.

Interest can be disbursed in a variety of ways. Most CDs and IRAs credit interest on Maturity Date, as indicated on your Certificate of Deposit. You can decide if you want your interest disbursed monthly, quarterly, annually or at maturity, and if you want it disbursed back into your time deposit, deposited into a checking or savings Account or a check sent by mail. Information for how your interest is credited is outlined in your Account Opening Disclosures.

E. Renewal of CD.

If your CD or IRA is set to automatically renew, the Account Opening Disclosures will outline the term your funds will be automatically reinvested into upon maturity.

If your CD or IRA is below \$500 at the time of renewal or otherwise indicated at the time of account opening, your CD may not auto-renew. If your CD does not automatically renew, your Account may not earn interest after its Maturity Date.

For CDs or IRAs that auto-renew, you have a 10-calendar day grace period that begins on the first day after the Maturity Date of your CD/IRA. During that grace period, you have the option to make changes to your CD or IRA. You can make a deposit or withdrawal or change the term of the CD/IRA. For example, if your CD automatically renews into a 12-month CD, you then have 10 days after maturity to decide if you want to change the term of the CD, change the relationship on the CD, withdraw the funds or add more funds to the CD. After the 10-day grace period has ended, you no longer have these options without being subject to a penalty.

F. Deposits Into CD.

Once a CD has been opened, or you are outside of your 10-day grace period, you cannot make deposits or withdrawals from your CD unless otherwise noted in your Account Opening Disclosures. For IRA Deposits, please consult with a tax advisor and see specific IRA disclosures provided in your Account Opening Disclosures.

G. Early Withdrawal.

If you would like to withdraw funds from your CD or IRA prior to the Maturity Date as indicated on your certificate, you may be subject to a penalty. A regulatory penalty will be assessed in the amount equal to 7 days' interest on the amount withdrawn if the withdrawal is made within the first 6 days after the original deposit, an additional deposit or partial withdrawals. An early withdrawal penalty of 100% of the interest paid and/or accrued as of the date of the early withdrawal will be assessed if the withdrawal is made 7 or more days after the original deposit, an additional deposit or partial withdrawals. We will waive the regulatory penalty and the early withdrawal penalty if the Account Owner becomes deceased or incompetent during the CD term.

H. Closing or Redeeming.

You may close or redeem an automatically renewable CD at the end of the term without penalty. You may close or redeem your CD during its grace period without penalty. You may close your IRA at any time but may be subject to a penalty.

I. Account Ownership.

If you wish to change the ownership on the CD outside of your 10-day grace period, you will be required to close the CD and open a new one. You may be subject to the early withdrawal penalty for closing the CD before the Maturity Date.

Refer to **Forms of Account Ownership** section in this Agreement for information on what we consider an Owner, information on who is eligible to make withdrawals and transfers on your Accounts and information on Joint Accounts. Refer to **Forms of Account Ownership** section in this Agreement if your CD is set up as In Trust For.

J. Pledges.

If your CD has been pledged for a debt owed to us the CD cannot be redeemed until the debt has been satisfied. This includes if the CD is joint or the Owner of the CD is now deceased, and a beneficiary has been listed on the CD.

7. ELECTRONIC FUNDS TRANSFER (“EFT”)

A. Your Rights And Responsibilities.

This Section outlines the types of Electronic Fund Transfers (“EFTs”) that can be made with FSB deposit Accounts. Please be sure to read this disclosure carefully, as it outlines your rights and obligations regarding the transactions listed within this Section. Some transactions may not be applicable to your Account.

B. Electronic Fund Transfers Initiated By Third Parties.

FSB deposit Accounts may be able to send or receive electronic transfers that are initiated by third parties, as long as you authorize those transfers. These EFTs may be one-time occurrences or may recur as directed by you. ACH or other payment networks may be used in the process of an EFT. There are a number of ways you may authorize the third party to make these transfers. For example, you could authorize a third party to convert a check to an electronic transfer if you go forward with the transaction after the third party has given you notice. Any form of authorization will require you to provide the third party your Account

number and bank information. You can locate this information on your FSB checks. Your bank and Account information should only be provided to trusted third parties whom you have provided authorization to initiate these EFTs (via phone, internet or other method).

These EFTs include but are not limited to the following examples:

- i. **Preauthorized credit.** Arrangements may be made for certain direct deposits to be received into your checking and/or savings Account.
- ii. **Preauthorized payments.** Arrangements may be made for certain recurring payments from your checking and/or savings Account.
- iii. **Electronic check conversion.** A one-time electronic payment from your checking or money market Account made by an authorized merchant or payee. The payment is made with information from your check (either electronic check or actual check) to pay for purchases and bills.
- iv. **Electronic returned check charge.** An electronic funds transfer made from an authorized merchant or other payee to collect a charge in the event a check is returned for insufficient funds from your checking or money market Account.

The electronic returned check charge is generated by the merchant and may vary.

C. Telephone Transfers - Types of Transfers.

You may access your Account by telephone at (877) 882-5782 with your Personal Identification Number (PIN), a touch tone phone, and your FSB Account numbers to get additional FSB Account information such as balances and history. The following types of transfers can be made over the phone:

- (1) Transfer funds between deposit or line of credit Accounts at FSB;
- (2) Make payments from deposit Accounts to loan Accounts at FSB.

D. ATM Transfers - Types of Transfers and Frequency and Dollar Limitations.

You may access your Account through an ATM using your FSB ATM card and PIN or FSB debit card and PIN to get additional FSB account information such as balances and history. The following types of transfers can be made through an ATM:

- i. Make deposits to checking Accounts or savings Accounts with an ATM or debit card at our Deposit Accepting ATMs;
- ii. Get cash withdrawals from a checking or savings Account(s) with an ATM or debit card;
- iii. Transfer funds between deposit Accounts at FSB;
- iv. Make payments from deposit Accounts to loan Accounts at FSB.

See Consumer or Business Fee Schedule for exact fee amounts. See your Debit Card Agreement for exact limits specific to ATM withdrawals.

E. Types of Debit Card Point-of-Sale Transactions and Dollar Limitations.

When using your FSB debit card, you may access your checking Account to purchase goods and pay for services in person, online, or by phone. You may also get cash from some merchants or from a participating financial institution using your FSB debit card, if you meet their requirements.

We reserve the right to at any time establish new limitations or make changes to existing ATM or debit card limitations. Refer to your Debit Card Agreement for limitations specific to ATM withdrawals and point of sale transactions.

F. Mastercard Automatic Billing Updater Notice of Right to Opt Out.

Mastercard Automatic Billing Updater is an automated solution that helps to ensure uninterrupted service for cardholders and uninterrupted payments by updating card-on-file information for recurring and nonrecurring payments with participating merchants. This program helps to reduce card-on-file transaction declines due to changed card numbers and/or expiration dates. The merchants choose the frequency at which they check for updated payment information. To avoid late payments and penalties, please check with your merchants to ensure your card has been updated. To opt out of this service, please contact the Customer Contact Center at the phone number listed at the beginning of this Agreement, or request to opt out of the Automatic Billing Updater Service in writing and mail to: Five Star Bank, Attention: Data Integrity, P.O. Box 227, Warsaw, NY 14569.

G. Digital and Mobile Banking Transfers. - Types of Transfers and Dollar Limitations.

Through FSB Digital Banking, you may have access to your Account through your various electronic devices, such as a computer or mobile phone. You can login to Digital Banking through the internet (either on your computer or a mobile phone browser) by going to our website, www.five-starbank.com, and using your password and Login ID. You can also access Digital Banking by downloading the mobile app and using your password and Login ID. With Digital Banking, you have the ability to do the following:

- Transfer funds between deposit Accounts at FSB;
- Link certain external Accounts not held at FSB and transfer funds between FSB and externally held accounts;
- Make payments from deposit Accounts to loan Accounts at FSB;
- Make payments from checking Accounts to third parties with Bill Pay
- Get additional FSB Account information, such as balances and history.

H. Fees.

- i. We do not charge fees for the following services:
 - (1) Direct deposits to any type of Account.
 - (2) Preauthorized payments from any type of Account.
 - (3) EFTs, unless indicated elsewhere.

ii. **ATM Operator/Network Fees:**

When you use an ATM not owned by us, you may be subject to certain fees. You may be charged a fee by the ATM operator or any network used, a fee for a balance inquiry, regardless of a completed funds transfer, and you may also be charged a fee by FSB. Refer to Consumer or Business Fee Schedule for exact fee amounts.

I. Documentation.

i. **Terminal transfers:**

When making a transfer to or from your Account using an ATM or point-of-sale terminal, you can get a receipt at the time you make a transfer. If the transfer is \$15 or less, you may not get a receipt.

ii. **Preauthorized credits:**

Contact the Customer Contact Center at the phone number listed at the beginning of this Agreement to find out if an arranged direct deposit from the same person or company has been made to your Account.

J. Preauthorized Payments.

i. **Right to stop payment and procedure for doing so:**

Please refer to the **Stop Payments** Section of this document for information on how to stop a payment.

ii. **Notice of varying amounts:**

If these regular payments may vary in amount, the person you are going to pay will tell you, 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

iii. **Liability for failure to stop payment of preauthorized transfer:**

If we do not stop a payment after you ordered us to do so in accordance with the requirements outlined in the **Stop Payment** section above, we will be liable for your losses or damages.

K. Our Liability.

i. **Liability for failure to make transfers:**

We will be liable for your losses or damages 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. Additionally, we will not be liable for the exceptions listed below:

- (1) You do not have enough money in your Account to make the transfer, through no fault of FSB.
- (2) The transfer would exceed your credit limit with your Overdraft line.

- (3) The ATM where you are making the transfer does not have enough cash.
- (4) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) If circumstances beyond our control (such as a natural disaster) prevent the transfer, despite reasonable precautions that we have taken.
- (6) Please note, that there may be other exceptions stated in this Agreement with you, where FSB would not be liable for your losses or damages.

L. Confidentiality.

- i. We will disclose information to third parties about your Account or the transfers you make in the following scenarios:
 - (1) When necessary for completing transfers;
 - (2) To confirm the status and condition of your FSB Account for a third party, such as a credit bureau or merchant;
 - (3) In order to comply with government agency or court orders;
 - (4) As outlined in the separate Privacy Notice; or
 - (5) If you write us with your permission.

M. Unauthorized Transfers.

- i. Consumer Liability:
 - (1) Tell us immediately if you are concerned that an electronic funds transfer has been made with information from your check without your permissions, or if your FSB card and/or PIN has been lost or stolen. Contact the Customer Contact Center at the phone number listed at the beginning of this Agreement as 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 two Business Days after you learn of the loss or theft of your card and/or personal identification number, you can lose no more than \$50 if someone used your card and/or PIN without your permission.
 - (2) If you do NOT tell us within two Business Days after you learn of the loss or theft of your card and/or PIN, and we can prove we could have stopped someone from using your card and/or personal identification number without your permission if you had told us, you could lose as much as \$500.
 - (3) Please tell us at once if your Statement shows transfers that you did not make, including those made by card, PIN or other means. You may not get back any money you lost if you do not tell us within 60 days after the Statement was mailed to you, and if we can prove that we could have stopped someone from taking the money if you had told us in time.
 - (4) We will extend the time periods listed above if a good reason (such as a long trip

or a hospital stay) kept you from telling us.

(5) Additional Limits on Liability for Debit Card: When using your Debit Card, you will not be liable for any unauthorized transactions if: (i) you are able to demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, and (ii) you promptly report the loss or theft to us upon becoming aware of a loss or theft. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

ii. Business Liability:

(1) Tell us immediately if you are concerned that an EFT has been made with information from your check without your permissions, or if your FSB card and/or PIN has been lost or stolen. Contact the Customer Contact Center at the phone number listed at the beginning of this Agreement as 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).

N. Error Resolution.

Call or write us at the telephone number or address listed in this Agreement as soon as you can regarding errors or questions about your electronic transfers, 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 60 days after we sent the FIRST Statement on which the problem or error appeared.

- i. Tell us your name and Account number (if any).
- ii. 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.
- iii. Tell us the dollar amount of the suspected error.
- iv. For Business Accounts, if you tell us orally, we may require that you send us your complaint or question in writing within 10 Business Days. Any action that is brought against us, in regard to an alleged discrepancy, must be initiated within 18 months from the date the alleged discrepancy took place.
- v. For Consumer Accounts, if you tell us orally, we may require that you send us your complaint or question in writing within 10 Business Days.

(1) We will determine whether an error occurred within 10 Business Days after we hear from you and will correct any error promptly. For new Accounts, we may take

up to 20 Business Days to credit your Account for the amount you think is in error. If we need more time, however, we may take up to 45 days to investigate your complaint or question. For errors involving a new Account, a point-of-sale transaction, or a foreign-initiated transfer we may take up to 90 days to investigate your complaint or question. If we decide to do this, we will credit your Account within 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 the transfer involved a new Account and we decide to do this, we will credit your Account within 20 Business Days for the amount you think is in error. If we ask you to put your complaint or question in writing and we do not receive it within 10 Business Days, we may not credit your Account. During the first 30 days after the first deposit is made your Account is considered a new Account, unless you already have an established Account with us prior to this Account being opened.

(2) We will tell you the results within 3 Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

(3) You may ask for copies of the documents that we used in our investigation.

O. Costs and Expenses.

You are liable for all expenses and agree to pay us on demand for an expense incurred by us. This can include without limitation, fees and disbursements of counsel for us, in connection with or relating to any dispute under any electronic funds transfer or under any agreement entered into connection therewith, the enforcement of our rights under any of the foregoing or under any other documents executed in connection herewith.

8. OTHER ITEMS

A. Legal Process.

If there is a legal action on your Account, such as an attachment, garnishment, levy or other state or federal legal process we may refuse to permit withdrawals or transfers from your Account. Any legal process does not impact any claim we have to funds in your Account. We will not contest on your behalf any such legal process and may take action to comply with the order without liability to you, even if this may leave insufficient funds in the Account for checks already written or if there is a Joint Account. If we incur any expenses for complying with the legal action or in any way in connection with the legal process, we may charge such expense or fee to your Account.

B. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York, without regard to its conflict of law provision and to the extent required, by federal law.

C. Waiver of Jury Trial and Class Action.

You hereby knowingly, voluntarily and intentionally waive (1) any right to trial by jury you may have or (2) any right you may have to participate in or be represented in any class or representative action in any suit, action or proceeding in law or in equity, in connection with this Agreement or any transactions related hereto. You represent and warrant that no representative or agent of the other party has represented, expressly or otherwise, that the other party will not, in the event of litigation, seek to enforce this jury trial and class action waiver.

D. Assignment of Agreement/Successors.

Your Account and this Agreement is non-negotiable and non-transferable. You may not assign your rights or obligations under this Agreement or your Accounts to any other party without our prior consent. We may assign our rights and obligations pursuant to this Agreement in our sole discretion. We may also assign or delegate certain rights and responsibilities under this Agreement to independent contractors or other third parties.

E. Indemnification/Limitation of Liability/Positive Pay, Our Exercise of Ordinary Care, and Your Liability.

1. Indemnification/Limitation of Liability:

You will defend, indemnify and hold harmless FSB and its service providers against and in respect to any and all loss, liability, expense and damage, including consequential, special and punitive damages, directly or indirectly resulting from:

- the processing of any request received by FSB relating to your Accounts;
- any breach of the provisions of this Agreement;
- any request for Stop Payment;
- any dispute between you and any third party in connection with your Account;
- relying upon instructions from your or someone purporting to be you;
- insufficient funds in your Account or any returned deposits on your Account and
- any and all actions, suits, proceeding, claims, demands, judgments, costs and expenses (including attorney's fees) incident to the foregoing.

2. Positive Pay, Our Exercise of Ordinary Care, and Your Liability:

If this is a Business Account, FSB has offered you products called Check Positive Pay, Payee Positive Pay, and ACH Positive Pay. More information about these services, what they cost, and how they function is available to you at your request.

You agree that FSB exercises ordinary care if it pays a check, even if the check was not properly authorized, if the fact that the check was not properly authorized would or could have been detected had you used both the Payee Positive Pay and Check Positive Pay

services we offer or if the check was presented or created in a manner that Payee Positive Pay and/or Check Positive Pay are designed to protect against. If we pay a check when we exercise ordinary care, you will be liable for the full amount of the check even if it was unauthorized or otherwise not properly payable.

You agree that FSB exercises ordinary care if it pays a payment order, even if the payment order was not properly authorized, if the fact that the payment order was not properly authorized would or could have been detected had you used the ACH Positive Pay service we offer or if the payment order was made in a manner that ACH Positive Pay is designed to protect against. If we pay a payment order when we exercise ordinary care, you will be liable for the full amount of the payment order even if it was unauthorized or otherwise not properly payable.

The terms of this section will survive termination of this Agreement.