



**FIRST STATE**  
**BANK & TRUST**

**DEPOSIT AGREEMENT**  
*(In Plain English)*

**GENERAL DEPOSIT ACCOUNT  
DISCLOSURES**

*Effective July 20, 2002*

**MEMBER FDIC**



## WELCOME

We realize our customers have many financial options available to them these days and we appreciate your choice to do business with us. First State Bank & Trust is an independent community bank headquartered in Tonganoxie, Kansas. We have a long history of community service since our original charter in 1934. Owned by the current group of stockholders since 1979, the bank and its staff have made a commitment to remain independent and to maintain the spirit of excellence and service that is so important to the organization. Our mission is, "...to be the best of the best in delivering superior customer satisfaction." If you have questions about the content of this booklet, or if you would like more information regarding your account or other available services at the Bank, please contact your Personal Banker or Customer Service Representative for assistance. They can be reached at (913) 845-2500 or at (800) 463-7782.

**Thank you.**

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**(In Plain English)**

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**Effective July 20, 2002**  
**FIRST STATE BANK & TRUST**

**DEPOSIT AGREEMENT**

**(In Plain English)**

**Part I. GENERAL PROVISIONS**

**Introduction.** We have attempted to write this Deposit Agreement in plain English so that you can understand its terms as clearly as possible. Throughout this Agreement, FIRST STATE BANK & TRUST will be referred to as “the Bank” and YOU the person, partnership, corporation, association or other entity who maintains one or more deposit accounts at the Bank will be called “you.”

**Legal Effect of Provisions in this Booklet.** If you open a deposit account with the Bank and sign a Signature Card, or if you continue to use your deposit account at the Bank after the date printed on the front of this Agreement, you are agreeing to the terms of this Agreement. It is a legally binding contract. Please note that the contract can only be modified as provided in this Agreement. In establishing an account with the Bank, you acknowledge and agree that our relationship is that of debtor and creditor and that the Bank is in no way acting as a fiduciary for you or for your benefit. Please READ and RETAIN this Agreement so that you can refer to it whenever you have a question about your account with the Bank.

**Organization of Agreement.**

**Part I.** Sets forth general terms applicable to all deposit accounts subject to this Agreement.

**Part II.** The rules governing ownership of deposit accounts in different capacities.

**Part III.** The general rules governing deposit accounts.

**Part IV.** Special rules applicable to interest-bearing accounts.

**Part V. The special rules and disclosures governing Electronic Funds Transfers.**

**Part VI. The very important rules and disclosures regarding Funds Availability and your ability to withdraw funds from your account.**

**YOU SHOULD READ ALL OF THESE RULES AND DISCLOSURES CAREFULLY.**

**Subject of Agreement Deposit Products.** The Bank offers a great variety of financial services to meet your needs. It provides many different types of deposit accounts. Except for the special accounts listed below, this Agreement covers all types of deposit accounts offered by the Bank, now or in the future, including demand deposit accounts, money market deposit accounts and savings accounts. However, because some deposit accounts involve special rules and features, they may have specialized account agreements that differ in some ways from this Agreement; these accounts may include accounts such as IRA Accounts, KEOGH Plans, Sweep Accounts and Certificates of Deposit. In the event a deposit account has a specialized account agreement, the terms of the specialized agreement will control over any conflicting terms found within this agreement. This Agreement does not cover non-deposit products such as loans, safe deposit boxes, trust services, credit card accounts and discount brokerage. Further information is available on any of these special financial services at the Bank.

**Effect of State and Federal Laws and Regulations.** The deposit relationship between you and the Bank is governed primarily by this Agreement. But it is also governed by the laws of the United States; the rules and regulations of the Board of Governors of the Federal Reserve System and various Federal Reserve Banks; the rules and regulations of other proper bank supervisory authorities and other governmental agencies; and the laws of the state where your account resides. In that regard, your account is deemed to “reside” in the state where the branch of the Bank at which your account was originally opened is located, which may or may not be the state of which you are a resident. If any terms of this Agreement come into conflict with applicable laws, those terms will be nullified to the extent that they are inconsistent with the law, and the applicable law will govern. If any provision of this Agreement is declared to be invalid, unenforceable or illegal, that part will not affect the validity of the other provisions.

**Customer’s Waiver of Notice.** By signing the Signature Card or continuing to use your account after the date printed on the front of this Agreement, you waive any notice of nonpayment, dishonor or protest regarding any items credited to or charged against your accounts. For example, if a check that you deposited is dishonored and returned to the Bank, the Bank is not required to notify you of the dishonor.

**Waiver of Rights by the Bank.** The Bank reserves the right to waive the enforcement of any of the terms of this Agreement with you with respect to any transaction or series of transactions. Any such waiver will not affect the Bank’s right to enforce any of its rights with respect to other customers, or to enforce any of its rights with respect to later transactions with you and is not sufficient to modify the terms and conditions of this Agreement.

**Modification of Agreement by the Bank.** The Bank reserves the right to modify the contract terms in this Agreement at any time and from time to time. Unless otherwise required by law, the Bank may modify this Agreement by mailing to you, in your statement or to your mailing address as shown on the Bank's records, a written notice of the modification. Any such modification will be effective on the date specified in the posted or mailed notice, but that date will be no less than 10 days following the date of the posting or mailing unless you specifically consent to an earlier date or a greater period of notice is required by law. Modification of service fees is addressed in Part III of this Agreement, and changes in interest rates on interest-bearing accounts is addressed in Part IV of this Agreement. **NO ORAL AGREEMENT WITH, OR ORAL REPRESENTATION MADE BY, ANY EMPLOYEE OF THE BANK THAT IS IN CONFLICT WITH OR IN ANY WAY MODIFIES ANY OF THE TERMS SET FORTH IN THIS AGREEMENT WILL BE BINDING ON THE BANK UNLESS IT IS COMPLETELY CONTAINED IN A WRITTEN MODIFICATION OF THIS AGREEMENT THAT IS SIGNED BY AN AUTHORIZED OFFICER OF THE BANK.**

**Termination of Contract.** This Agreement between you and the Bank, as it relates to the accounts offered by the Bank, can be terminated by either you or the Bank at any time by a notice in writing. Such a termination will not release you from any fees or other obligations incurred before the termination, those you incur in the process of closing out your account, or for your liability on outstanding items. You agree that notice of termination of this Agreement by the Bank will be reasonable if it is mailed to your mailing address as shown on the Bank's records at least 10 days prior to the date of the termination. You also agree that the Bank may close your account without giving you prior notice if your account has been overdrawn for a period of 10 consecutive days or if the Bank has reason to believe that you are using your account to facilitate a fraud or other crime.

#### **TERMINATION OF ATM AND POS SERVICES**

**Your use of ATM or Point of Sale Services may be terminated without notice if:**

- You or any authorized user of your ATM PIN or 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 ATM PIN or POS card or a PIN;
- The account related to the ATM or POS services is terminated in accordance with this agreement.
- The Debit card has not been used for purchases or withdrawals for 13 consecutive months, deeming it as "Non-Use".

**Notices. All notices, questions and other communication concerning your account should be directed to: First State Bank & Trust, PO Box 219, Tonganoxie, KS 66086-0219 or (800) 463-7782.**

Any written notice you give to the Bank is effective when it is actually received by the Bank. Any written notice the Bank gives to you is effective when it is deposited in the United States Mail, postage prepaid, and addressed to you at your mailing address as shown on the Bank's records. Notice to any one owner of an account is notice to all owners of that account.

## PART II. OWNERSHIP OF ACCOUNTS

**Signature Card Designation.** The classification of your account as a personal account or a business account, and the form of ownership for your account, are designated on the Signature Card you sign when you open the account. The Bank may rely on the classification and form of ownership for an account set forth on the Signature Card for all purposes relating to the account. The following provisions describe the rules applicable to the various classifications and forms of ownership available. Only the provisions relating to the classification and form of ownership designated on the Signature Card apply to your account.

**Individual Accounts.** By opening an account that is designated as an individual account on the Signature Card, you are considered by the Bank as the sole owner of the account. You may designate another person to write checks on the account by granting them a limited power of attorney on a form acceptable to the Bank without granting them any ownership interest in your account. Otherwise, you will be the only person authorized to use the account.

**Joint Accounts.** A personal account opened by two or more persons is treated as a “joint account” and the Bank will treat the persons opening such an account as joint tenants with right of survivorship and not as tenants in common. Upon the death of a joint tenant, the surviving owner has the right to all the funds in the account, subject to the Bank’s right of setoff and security interest in the account. If more than one joint tenant survives, they will own the account as joint tenants with right of survivorship and not as tenants in common. Some of the other special rules that govern joint accounts are described in Part III of this Agreement.

**Business Accounts.** Business accounts are those established by any partnership, corporation, association or other entity operated on a for-profit basis; all corporations and associations operated on a not-for-profit basis; all governmental units; and any individual who intends to use the account for carrying on a trade or business. The classification and form of ownership of a business account are as designated on the Signature Card. The business and each person who signs the Signature Card, any resolution or any other separate written authorization concerning an account, represents to and agrees with the Bank that (a) the business has taken all actions necessary to open and maintain the account, (b) all resolutions or other authorizations given to the Bank by or on behalf of the business are true, accurate and complete in all respects, (c) all assumed or fictitious names used by the business have been duly registered or filed with the applicable governmental authorities, and (d) each person whose name is written or printed on the Signature Card, any resolution or any other separate written authorization concerning the account has complete authority to bind the business in all transactions involving the account. The business agrees to notify the Bank promptly in writing of any change in its form of organization or ownership or in the authority of any person with respect to the account or any transactions relating to it. The Bank also reserves the right to require a partnership, corporation or other legal entity to give separate written authorization telling the Bank who is authorized to act on its behalf. The Bank is authorized to follow the directions of a person designated as having authority to act on the entity’s behalf until the Bank receives written notice that the authority has been terminated and has had a reasonable time to act upon that notice.

**Agency and Fiduciary Accounts.** Any individual acting as an Agent, Guardian, Personal Representative, Trustee, Custodian or in some other fiduciary capacity must be designated to the Bank as such on the Signature Card. It will otherwise be assumed that you own the account in an individual capacity. The Bank is authorized to follow the directions of your Agent regarding your account until it receives written notice that the agency has been terminated and it has had a reasonable time to act upon the notice. The Bank is not liable for the misapplication of funds from your account by your Agent. Unless the Bank has previously been provided with a complete copy of the Agency Agreement, Trust Agreement, Court Order or other document under which the account is opened, the Bank is authorized to follow the instructions of your Agent without determining if those instructions are contrary to or prohibited by such document.

**Accounts under Uniform Transfers to Minors Law.** If you are the custodian of a Custodial Account under the Uniform Transfers to Minors Act of the state in which the account resides, or under the corresponding law of any other state, you will abide by the relevant law and notify the Bank in writing immediately upon the death of the minor or at the time the minor attains the age of maturity. After notifying the Bank of either of these events, your authority over the account continues only to the extent allowed by law. Before it receives such notice, the Bank may honor any checks or drafts written on the account without incurring any liability to the minor or to any third party, and you will be liable to the Bank for any loss or expense, including without limitation attorneys' fees and the cost of litigation, arbitration or other dispute resolution to the extent permitted by law, that the Bank incurs because of your failure to give prompt notice.

**Payable-on-Death Accounts.** By establishing an account with a payable on death designation, you are creating a payable-on-death account under the laws of the state of Kansas. The Bank makes no representations as to whether the use of the payable-on-death designation is appropriate for the person(s) establishing such an account. Any such designation should be made only after consulting with an attorney or other estate-planning professional. The Owner(s) of the account reserve the right during his or her lifetime to withdraw funds on deposit, in whole or in part, as though no beneficiary or beneficiaries have been named, and to change the designation of beneficiary on the Account (s). The interest of the beneficiary or beneficiaries shall be deemed not to vest until the death of the Owner(s) and the Owner(s) during his or her lifetime shall have absolute ownership and control the Account(s). Should any designated beneficiary be a minor at the time the Account(s) or any portion thereof, become payable to him or her and such balance, or portion thereof, exceeds ten thousand dollars (\$10,000), the Bank shall pay such moneys and any interest thereon, only to a conservator of such minor beneficiary. If one beneficiary is designated and he or she shall predecease the Owner(s), then upon the death of the Owner(s), the Account(s), shall be paid by the Bank to the estate of the Owner(s). In any case where upon the death of the Owner(s) he or she is survived by two or more designated beneficiaries then the Account(s) shall be paid to the surviving beneficiaries jointly. The Bank is entitled to pay funds in an account with a payable-on-death designation to the persons designated as beneficiaries and shall not be liable to the person(s) establishing the account, their heirs, representatives or assigns or to any other person by reason of any such payment or for any other erroneous payment unless made by the Bank after it has obtained actual knowledge that the person to whom the payment is to be made is not one of the designated beneficiaries.



**Less Common Types of Ownership.** The Bank may establish deposit accounts with other types of ownership so long as it is legally and ethically possible to do so. If you have questions regarding special ownership arrangements, please inquire at the Bank's offices.

### **PART III. GENERAL RULES GOVERNING DEPOSIT ACCOUNTS**

**Deposit of Items.** You may make deposits in person, by mail or by any other method the Bank makes available, such as its automated teller machines. You are encouraged to use your personalized deposit slips in order to help the Bank credit deposits to your account as soon as possible and to minimize errors. If you do not use your personalized deposit slips, you agree that the Bank will not be liable to you for any errors resulting from your use of a counter deposit slip, whether completed by you or a Bank employee. The Bank is not responsible for deposits made by mail, night depository or other outside depository until the Bank actually records the receipt of those deposits in its books and records. The Bank reserves the right to limit, refuse or return any deposit. If you fail to endorse an item that you submit for deposit, the Bank has the right, but is not obligated, to supply the missing endorsement. The Bank may require that certain government checks, insurance company items or other special types of checks be personally endorsed by each of the payees. You agree to reimburse the Bank for any loss or expense, including without limitation attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent provided by law, that the Bank incurs because you fail to endorse an item exactly as it is drawn. If the Bank receives an item on a weekend, holiday or after the Bank's cutoff hour on a business day, the item is deemed to have been received on the Bank's next business day. The Bank's business days and cutoff hour are posted at the Bank's offices and are subject to change from time to time in the Bank's discretion. Except to the extent additional notice is required by law, any change in the Bank's business days or cutoff hour becomes effective on the day the new business days or cutoff hour are posted at the Bank's offices.

**Collection of Items.** In receiving items for deposit or collection, the Bank acts as your collection agent and assumes no responsibility beyond the exercise of due care. Special instructions for handling an item are effective only if made in a signed writing and given to the Bank along with the item in question. The Bank will not be liable for default or negligence of its correspondents or for loss in transit, and each correspondent will not be liable except for its own negligence. Items and their proceeds may be handled in accordance with applicable Federal Reserve Bank regulations, Clearing House Association or Funds Transfer System rules, and contractual arrangements with other financial institutions. All deposited items (including those items drawn on another account at the Bank) are provisionally credited to your account subject to final payment and receipt of proceeds by the Bank. If you deposit foreign currency or items that are denominated in a foreign currency into your account, the final credit to your account will be based on the exchange rate in effect at the time the Bank receives final payment for that item in United States currency. Without prior notice to you, the Bank may charge back any item to your account at any time before final payment, whether returned or not, and may also charge back any item to your account if, within the normal handling period for such item, the item cannot be honored against the drawer's account. The Bank is authorized to pursue collection of previously dishonored items, and in so doing it may permit the drawee bank to hold an item beyond the midnight deadline.

**Return of Direct Deposits.** If the Bank is required to reimburse the Federal Government for all or any portion of any benefit payments deposited into your account through a direct deposit plan for any reason, you agree that the Bank may, without prior notice to you, deduct the amount returned to the Federal Government from your account or from any other account you have with the Bank, unless the deduction is prohibited by law. This right is in addition to any other rights the Bank has under this Agreement, including its right of setoff and its security interest in your account.

**Authorized Signatures.** The authorized signatures for an account are those reflected on the Signature Card, any resolution or other separate written authorization relating to the account received by the Bank. For the payment of funds and for other purposes relating to any account you have with the Bank, the Bank is authorized to recognize those signatures, but it will not be liable to you for refusing to honor a check or other signed instructions if it believes in good faith that the signature appearing on such checks or instructions is not genuine. Additionally, you may authorize the use of a facsimile signature or endorsement device by designation on the Signature Card or in a separate resolution. If you have so authorized the use of a facsimile signature or endorsement device or have otherwise used such a device, the Bank may honor or accept for deposit any check or other signed instruction which bears or appears to bear your facsimile signature or endorsement even if it was made by an unauthorized person or with a counterfeit facsimile device. Therefore, you should maintain close control over your facsimile signature or endorsement device and promptly review your statements and canceled checks for unauthorized use of the device. If you voluntarily give information about your account (such as the Bank's routing number and/or your account number) to a party who is seeking to sell you goods or services, and you do not physically deliver a check to that party, any item presented against your account by the party to whom you gave the information is deemed to have been authorized by you. When an account is established, you may indicate your desire for more than one authorized signature on a check or other item drawn against the account by designating a specific number of desired signatures on the Signature Card, a resolution or in a separate written authorization that is received by the Bank. However, any such designation is solely for your convenience and internal control purposes. In the absence of a specific written agreement to the contrary, the Bank is not required to determine if any check or other item drawn against your account contains the number of desired signatures indicated by any such designation.

**Checks and Other Withdrawals.** The Bank may require that any check or other item drawn on your account or used to withdraw funds from your account be on forms approved by the Bank. Information concerning the forms that the Bank has approved may be obtained at the Bank's offices upon request. If you use forms that have not been approved, the Bank reserves the right to reject the item, impose a special fee for each such item, or both. The Bank also reserves the right to refuse or impose a special fee for any withdrawal or transfer request which is attempted by any manner not specifically authorized for the account in question, which is greater in frequency or number than that specifically permitted for the account in question, or which is for an amount less than any minimum withdrawal or transfer denomination required for the account in question. Withdrawals are generally made first from finally collected funds and, unless prohibited by law or by the Bank's written funds availability policy, the Bank reserves the right to refuse to pay any check or other item drawn against uncollected funds, impose a special fee for each such item, or

both. The Bank may pay checks or other items drawn upon your account (including those payable to the Bank or on which the Bank may be liable) in any order determined by the Bank, even if paying a particular check or item results in an insufficient balance in your account to pay one or more other items that otherwise could have been paid out of your account. Without limiting the generality of the previous sentence and with certain exceptions, the Bank's current practice is to pay items in ascending item-number order. Without prior notice the Bank may change the order in which it generally pays items at any time and from time to time.

**Telephone Transfers.** If you have entered into a separate written telephone transfer agreement with the Bank, transfers of funds from one of your accounts to another of your accounts at the Bank may be made by telephonic instructions given by the same persons and under the same conditions generally applicable to written withdrawal requests. The Bank reserves the right to record and/or monitor any telephone calls without notice to you.

**Insufficient Funds.** An insufficient available balance in your account, which has not been covered by overdraft protection, is subject to a service fee charged against your account according to the Bank's then current schedule of charges. Checks, in person withdrawal, ATM withdrawal or other electronic means or items drawn against insufficient available funds in your account may also be subject to the service fee set forth in that schedule. The Bank may determine whether or not your account contains sufficient available funds to pay a check or other item at any time between the time the check or other item is received by the Bank and the Bank's return deadline, and only one determination of the account balance is required. If that determination reveals insufficient available funds to pay the check or other item, the Bank will not be required to honor the check or other item and may return it. Alternatively, the Bank may honor the check or other item and create an overdraft. However, the honoring of one or more overdrafts does not obligate the Bank to honor any future overdrafts, and you should not rely on the Bank to honor an overdraft. Moreover, the Bank is not required to send you prior notice on checks returned for insufficient available funds. You agree to deposit sufficient available funds to cover the overdraft and any service fees upon notice of the overdraft, and to reimburse the Bank for any costs it incurs in collecting the overdraft from you including, without limitation, reasonable attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law. Additionally, you agree the directly deposited governmental benefits, including social security, may be applied to cover the overdraft and any service fees upon notice of the overdraft, and to reimburse the bank for any costs it incurs in collecting the overdraft from you including, without limitation, reasonable attorney's fees and the cost of litigation, arbitration or other dispute resolution to the extent permitted by law.

**Inactive Accounts.** The Bank will deem your account to be inactive if you do not make any deposits to or withdrawals from the account for 12 months and the balance in the account is less than \$100.00. An inactive account remains subject to service charges and may be assessed a non-refundable inactive fee.

**Stop Payment Orders.** You have the right to stop payment on any check drawn on your account that has not been paid or certified by the Bank. The Bank will send you a written confirmation of each stop order that it receives from you, and each stop order will be effective for the period stated in the Bank's confirmation. Renewals must be in writing and may

be made from time to time. In order to place a stop payment order, you must inform the Bank of (a) the name of the person who signed the check, (b) the name of the payee of the check, (c) the date and exact amount of the item, (d) the number of the check and (e) the number of the account on which the item was drawn. The Bank will not be responsible if the information you give is not correct or if you fail to give any other reasonable information regarding the item and stop payment cannot be completed. The Bank is entitled to a reasonable period of time after you give a stop order to notify its employees. Moreover, the Bank is not obligated to recredit your account if it pays a check over a valid and timely stop order unless you are able to demonstrate that you would not have otherwise been obligated to pay the check. In that regard, you should be aware that a stop order does not relieve you of your obligation on a check that has been negotiated to a holder in due course. If the Bank re-credits your account after paying a check over a valid and timely stop order, you agree to transfer to the Bank all of your rights against the payee or other holder of the check, and to assist the Bank in any legal action it may later take against that person. Only the person who initiated the order may give a release or cancellation of a stop order. If the Bank complies with a stop order with respect to a check or other item drawn against your account, you agree to defend and hold the Bank harmless from and against any claims, demands, suits or other disputes resulting from or relating in any way to that stop order and to indemnify the Bank for the amount of any such claims, demands, suits or other disputes and any related costs and expenses, including attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law. Stop payment orders generally are not permitted on cashier's checks, official checks, certified checks or bank money orders.

**Stale, Time-Dated and Post-Dated Items.** The Bank maintains the option to either pay or dishonor any stale check (i.e., more than 6 months old) upon presentation to the Bank. The Bank's high-speed automated check processing equipment cannot detect time-dated checks (i.e., checks stating that they are not valid after a specified date or for more than a specified period of time). Therefore, you agree that the Bank will not be liable for charging your account after the date or beyond the period stated on an otherwise properly payable time-dated check. Similarly, the Bank's check processing equipment cannot detect post-dated checks (i.e., a check bearing a date later than the actual calendar date it was written). Therefore, it is not recommended that you issue post-dated checks as a means of withdrawal and you agree that the Bank is not responsible for charging your account before the indicated date on a properly payable but post-dated check unless you notify it that you have issued a post-dated check. Oral notice concerning a post-dated check lapses after 14 calendar days unless it is confirmed in writing within that period; written notice concerning a post-dated check is effective for 6 months. Renewals must be in writing and may be made from time to time. A written notice concerning a post-dated check, renewal or revocation will be valid upon delivery to the Bank. Your notice must inform the Bank of the name of (a) the person who signed the check, (b) the name of the payee of the check, (c) the date and exact amount of the check, (d) the number of the check and (e) the number of the account on which the check was drawn. The Bank will not be responsible if the information you give is not correct or if you fail to give any other reasonable information regarding the item and it is paid prior to the indicated date. The Bank is entitled to a reasonable period of time after you give it notice concerning a post-dated check to notify its employees. If the Bank re-credits your account after paying a post-dated check over a valid and timely notice, you agree to transfer to the Bank all

of your rights against the payee or other holder of the check, and to assist the Bank in any legal action it may later take against that person. If the Bank complies with a notice with respect to a post-dated check or other item drawn against your account, you agree to defend and hold the Bank harmless from and against any claims, demands, suits or other disputes resulting from or relating in any way to that notice and to indemnify the Bank for the amount of any such claims, demands, suits or other disputes and any related costs and expenses, including attorneys fees' and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law.

**Responsibility for the Back of Checks.** You agree that the Bank will not be liable to you because an item you deposit in your account is returned after the time set by applicable law if the delay in returning the item is caused by markings on the item in the space reserved for the depository bank's endorsement that were made by you or a prior endorser. Similarly, you will be liable to the Bank for any loss or expense, including without limitation attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law, that the Bank incurs because it is unable to properly return an item drawn on your account within the time set by applicable law where the delay in properly returning the item is caused by markings on the item in the space reserved for the depository bank's endorsement that existed at the time you issued the item.

**Automated Processing of Items.** You recognize that the Bank has adopted automated collection and payment procedures so that it can process the greatest volume of items at the lowest possible cost to all customers. These automated procedures are based on the use of high speed automated check processing equipment that relies primarily on information encoded onto each item in magnetic ink. In recognition of this fact, you agree that in paying or taking an item for collection, the Bank may disregard all information on the item other than information that is encoded onto the item in magnetic ink according to general banking standards, whether or not that information is consistent with other information on the item. By way of example, you agree that the Bank may rely on the amount of a check as encoded in magnetic ink, even if the magnetically encoded amount is more than the face amount of the check or exceeds the maximum amount for which the check is valid as stated in a legend on the check. You agree to reimburse the Bank for any loss or expense, including without limitation attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law that the Bank incurs because you issue or deposit an item containing such extra information. Furthermore, you agree that the Bank does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for the sight examination for alterations or verification of the signature of the drawer or of any endorser on items with a face amount below an amount specified by the Bank from time to time.

**Fraud Detection/Deterrence.** Check fraud has increased dramatically in recent years due to a number of factors, including increased access by criminal elements to high-quality computer scanning and printing equipment and expedited funds availability mandated by Congress and the Board of Governors of the Federal Reserve System. From time to time the Bank may make certain products and services that are designed to detect and/or deter check fraud available to you. While no product or service will be completely effective, the Bank believes that the products and services it offers will reduce the likelihood that certain types of fraudulent items will be paid against your account. As a result, you agree that if you fail to implement any of these products or services, you will be precluded

from asserting any claims against the Bank for paying any unauthorized, altered, counterfeit or other fraudulent item that such product or service was designed to detect or deter, that the Bank will not be required to re-credit your account or otherwise have any liability for paying such items, and that you will indemnify the Bank for any loss or expense (including, without limitation, attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law) relating in any way to such items as long as the Bank has dealt with such items in good faith and in accordance with prevailing commercial banking standards (other than any such standards relating to the use of the products or services in question).

**Reviewing Statements and Reporting Problems.** You have the option of having statements for your account retained at the Bank until you request them or of having them mailed to you. If you have elected to have your statements mailed to you, they will be mailed to your address as shown on the Bank's records. If you have elected to have your statements retained at the Bank until you request them, each statement will be deemed to have been made available to you for purposes of this Agreement on the last day covered by that statement. Depending on the level of service or type of account you select, your statements may contain your cancelled checks, electronic images of your cancelled checks, or no checks or images. Regardless of the type of deposit account or statement service you select, you agree that all your cancelled checks are on file and available to you in the form of an electronic image at the bank's offices from the date of the statement. If you do not receive copies of canceled checks with your statements, the canceled checks or legible copies will be provided to you within a reasonable time after the receipt of your written request that sufficiently identifies the checks requested. You agree to pay the applicable service charge for retrieval and copying of the requested checks.

You are in the best position to discover a forged, unauthorized or missing signature or endorsement, a material alteration, a missing or diverted deposit or any other error or discrepancy relating to a check, deposit or other credit or debit entry to your account. Therefore, you should carefully examine your statements and canceled checks when you receive them. If you feel that some unauthorized person has withdrawn funds from your account, that one or more deposits is not reflected on your statements, or that there is any other type of error or discrepancy in your statements, you should notify the Bank immediately.

If you do not discover and report a forged, unauthorized or missing signature or an alteration promptly after the Bank has sent or otherwise made your statements and canceled checks available to you, you agree not to assert against the Bank (a) any forged, unauthorized or missing signature or alteration, if the Bank suffered a loss because of your failure to discover and report the problem, and (b) any forged, unauthorized or missing signature or alteration by the same wrongdoer on items paid by the Bank after you have had a reasonable period of time (not to exceed 30 days) to examine the statement containing or reflecting the first forged, unauthorized or missing signature or alteration but before the Bank receives notice of the problem from you. If the previous sentence applies, but you are able to prove that the Bank failed to exercise ordinary care in paying the item in question and that the Bank's failure substantially contributed to the loss, then (unless the next paragraph applies) the loss will be allocated between you and the Bank based on the extent to which our respective failures to exercise ordinary care contributed to the loss. In that regard, and as disclosed elsewhere in this Agreement, the Bank processes checks and other items by automated means and does not visually examine or

verify signatures on all checks or other items. You agree that the Bank does not fail to exercise ordinary care because it uses these automated procedures. You also agree that the Bank does not fail to exercise ordinary care if the items are forged or altered so cleverly (as by unauthorized use of a facsimile machine, photocopy machine, computer equipment or otherwise) that a reasonable person would not detect the forgery or alteration.

If you have not discovered and reported a forged, unauthorized or missing signature or endorsement, a material alteration, a missing or diverted deposit or any other error or discrepancy relating to a check, deposit or other credit or debit entry to your account within 60 days of the date on which the first statement containing or reflecting (or that should have contained or reflected) those items was mailed to you or otherwise made available to you, you agree not to assert that problem against the Bank. This 60-day limitation takes priority over the provisions in the previous paragraph and applies regardless of whether or not you or the Bank exercised ordinary care with respect to the item in question (or its payment), the examination of the statement on which on which it was reflected (or should have been reflected) or otherwise. **IF YOU FAIL TO DISCOVER AND REPORT THESE OR ANY OTHER ERRORS OR DISCREPANCIES WITHIN THE 60-DAY PERIOD, YOU LOSE ANY AND ALL RIGHTS YOU MAY HAVE TO ASSERT THE ERROR OR DISCREPANCY AGAINST THE BANK.**

**Joint Accounts.** Each joint owner of an account may withdraw, by any means the Bank makes available, any or all of the funds on deposit, close the account, enter into special agreements regarding the account, and stop payment on any check drawn on the account. Each joint owner guarantees the signatures of the other joint owners and authorizes the others to endorse checks for deposit if they are payable to any of the joint owners. Each joint owner also authorizes the Bank to exercise setoff and enforce its security interest in the entire joint account, even though only one of the joint owners is the debtor; these rights exist irrespective of who contributed funds to the joint account. Similarly, the Bank can enforce overdraft liability in the joint account against any joint owner individually (and each joint account owner agrees to be liable for all overdraft liability in the joint account), even if the joint owner did not sign the item creating the overdraft or receive any benefits from its proceeds. Garnishments against either or both joint owners are subject to the Bank's right of setoff and security interest. Notice provided by the Bank to any one joint owner is notice to all joint owners.

**Setoff and Security Interest.** If you ever owe the Bank money as a borrower, guarantor or otherwise, and it becomes due (whether at its stated maturity, by our acceleration of the debt or otherwise), the Bank has the right under the law (called "setoff") and under this Agreement (by which you grant the Bank a security interest in your deposit account) to use the money from your account to pay the debt. The Bank may use the money to pay the debt even if withdrawal results in an interest penalty or dishonor of checks. In the case of a partnership or joint account, each partner or joint owner agrees that the Bank may use the money in the account to satisfy any one of his or her individual obligations. Similarly, each partner or joint owner agrees that the Bank may use the money in their individual account to satisfy obligations in the joint account or partnership account. The security interest granted by this Agreement is consensual and is in addition to the Bank's right of setoff. However, the right of setoff and security interest may not apply to your account if: (a) it is an IRA or a tax-deferred Keogh Retirement Account; (b) the debt is created by a consumer credit transaction under a credit card plan; or (c) the debtor's right of withdrawal arises only in a representative capacity.

**Legal Process Against Account.** If legal action such as a tax levy, attachment, garnishment, etc. is brought against your account, the Bank may impose a service fee against your account and may refuse to pay out any money from your account until the dispute is resolved. If your account is attached, garnished or otherwise subject to levy by legal action, the Bank will not be liable to you for any sums it may be required to pay because of such attachment, garnishment or other levy, even if paying the money from your account leaves insufficient funds to pay one or more checks you have written. If the Bank incurs any expenses, including without limitation, attorneys' fees and the costs of litigation, arbitration or other dispute resolution in responding to or in any way related to an attachment, garnishment or other levy which are not otherwise reimbursed, it may charge such expenses (to the extent permitted by law) against your account without prior notice to you. Any garnishment or other levy against your account is subject to the Bank's right of setoff and security interest.

**Holds and Adverse Claims.** The Bank may in its discretion place a hold on funds in your account at any time that the Bank believes in good faith that the Bank may be subject to loss if items are paid or other withdrawals are permitted from the account. Without limiting the generality of the previous sentence, if after an item that you cashed or deposited to your account is finally paid, someone else makes a claim that it was altered, forged, unauthorized or should not have been paid for some other reason, the Bank may withhold the amount of such item until a final determination has been made as to that claim. In addition, if the Bank receives notice of any actual or potential adverse claim to an account or the funds in an account, it may in its discretion refuse to pay out any money from the account for a reasonable period of time after receipt of notice of the actual or potential claim. Although the Bank reserves the right to refuse to pay out any money from an account if it has received notice of an actual or potential claim, the Bank is not required to recognize any adverse claim unless the person making the claim satisfies the requirements specified by applicable state law.

**Death or Incompetence.** Neither a customer's death nor a legal adjudication of incompetence revokes the Bank's authority to accept, pay or collect items until the Bank knows of the fact of death or of an adjudication of incompetence and has a reasonable opportunity to act on it. Even with knowledge the Bank may, for 10 days after the date of death, pay checks drawn on or before the date of death unless ordered to stop payment by a person claiming an interest in the account.

**Dormant Accounts and Escheat Laws.** The Bank will deem your account to be dormant if you do not make any deposits to or withdrawals from the account for 90 days and the Bank has determined to have lost contact with you. A dormant account remains subject to service charges and may be assessed a non-refundable dormancy fee. Funds in dormant accounts may also be turned over to the state where the Bank is located as abandoned property under certain circumstances. In the event you die without leaving a will and have no surviving heirs or other legal representatives, all funds on deposit in your accounts with the Bank may be turned over to the state where the Bank is located pursuant to applicable law, if funds are not otherwise legally claimed.

**Dormant Official Checks.** Cashiers checks or other official bank checks purchased by you or issued on your behalf are subject to a \$25.00 dormancy fee if not cashed within 5 years from the date of issue. Personal Money Orders purchased by you or issued on your behalf are subject to a \$25.00 dormancy fee if not cashed within 7 years from the date issued.



Any funds used to purchase an Official Bank check or Money Order - less the dormancy fee - that remains unclaimed for the 5 or 7 year period may be turned over to the state in which the Bank is located.

**Transfer of Ownership.** Although checks drawn on your account are negotiable, the account itself is not. Accounts are not transferable except on the Bank's books and records. In order to transfer title or pledge the account as collateral for a loan from someone other than the Bank, a written request must be provided on a form approved by the Bank, and the Bank reserves the right to refuse to agree to any such request. If ownership is to be transferred, the Bank may require that the account be closed and a new account opened. Any pledge of the account to a third party remains subject to the Bank's right of setoff and security interest.

**Service Fees.** You agree to pay any service fees that apply to your account. Service fees may include but are not limited to charges for check printing, check writing, stop payment orders, notices of post-dated items, cashier's checks, overdrafts and insufficient funds checks. Any service fees may be deducted from your account without prior notice to you. You also agree that the Bank may impose a fee on the payee or other holder of a check or other item drawn against your account that is presented for payment in person at the Bank. The Bank will not be liable for dishonoring checks or other withdrawal orders because of insufficient funds resulting from proper deduction of fees. A schedule of the Bank's current fees is given to you when you open an account and is available at our banking offices. Service fees are subject to change from time to time in the Bank's discretion. Except to the extent additional notice is required by law, notice of any changes will be posted at the Bank's offices. A reasonable period of time will be given before any changes become effective.

**Cashing Items for Non-Customers.** From time to time, a person who is not a customer of the Bank may attempt to cash an item drawn on the Bank. Cashing an item for a non-customer exposes the Bank to certain risks that are not present if the item is deposited at another financial institution and presented to the Bank through the check collection system. As a result, you agree that the Bank may charge a non-customer a fee to cash an item (including a payroll check) that is drawn on the Bank. This fee may be imposed without prior notice to you and may be applied to items that are drawn on your account or that the Bank issues at your request. You also agree that the Bank may impose various additional identification, security and other requirements on a non-customer seeking to cash an item drawn on the Bank. These requirements may include, without limitation, submitting one or more forms of identification, providing thumbprints or other biometric identifiers, and using specified teller lines that may only be available at specially designated locations.

**Disputes Involving the Account.** You agree to be liable to the Bank for any loss, costs or expenses, including attorneys' fees and the costs of litigation, arbitration or other dispute resolution to the extent permitted by law, that the Bank incurs as a result of any dispute involving your account, and you authorize the Bank to deduct any such loss, costs, or expenses from your account without prior notice to you. This obligation includes disputes between you and the Bank involving the account and situations where the Bank becomes involved in disputes between you and an authorized signor, another joint owner, or a third party claiming an interest in the account. It also includes situations where you, an authorized signor, another joint owner, or a third party takes action with respect to the account that causes the Bank, in good faith, to seek the advice of counsel, whether or not the Bank actually becomes involved in a dispute.

**Gathering and Disclosure of Information.** In opening or periodically evaluating your account, you specifically authorize the Bank to make any inquiries it considers appropriate, which without limiting the generality of the prior statement may include obtaining a credit report regarding you. You also agree that the Bank may report information about your account as provided in the Bank's privacy policy or as required or permitted by law.

**Personal Identification Number (PIN).** The ATM PIN or 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 ATM PIN or POS PIN available to anyone not authorized to sign on your accounts.

## **PART IV. SPECIAL RULES FOR INTEREST-BEARING ACCOUNTS**

Interest-bearing accounts are subject to the general rules governing deposit accounts set forth in Part III of this Agreement. These accounts are also subject to certain additional special rules set forth in this Part IV.

**Interest Rates.** The rate of interest paid on all interest-bearing accounts (other than time deposits) is subject to change from time to time in the Bank's discretion. Information concerning the computation of interest paid on each type of interest-bearing account offered by the Bank and changes in rates of interest is set forth in a separate General Deposit Account Disclosure. The current rate of interest being paid on each type of account is available at the Bank's offices. Any change in interest rates becomes effective on the day the new rates are made available at the Bank's offices. Interest Accrual and Crediting. Interest begins to accrue no later than the business day when the Bank receives credit for the deposit. Accrued interest will be credited to your account and become available for withdrawal on the interest payment date specified in the Bank's General Deposit Account Disclosure for your type of account. If your account is closed prior to an interest payment date, all interest that has accrued since the last interest payment date may be forfeited.

**Prior Notice of Withdrawal.** The Bank reserves the right to require you to give 7 days prior written notice of any intended withdrawal from an interest-bearing account other than a time deposit.

**Limits on Telephone and Preauthorized Transfers.** Pursuant to applicable federal regulations, there are limits on the number of preauthorized transfers the Bank may process on certain interest bearing accounts. No more than 6 preauthorized, automatic, or telephonic transfers may be made from your savings account or money market deposit account to another of your accounts at the Bank or to a third party in any calendar month or statement cycle of at least 4 weeks. If you exceed or attempt to exceed these transfer limits, the excess transfer requests may be refused or reversed, a fee may be imposed on the excess transfer requests, and the Bank may reclassify or close your account.

## **PART V. REGULATION E DISCLOSURE**

### **ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURE**

This Electronic Fund Transfer disclosure does not apply to any accounts other than consumer accounts, as defined by Regulation E.

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 set 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” mean a personal identification number.

#### ELECTRONIC FUND TRANSFERS INITIATED BY THIRD PARTIES

You may authorize a third party to initiate electronic fund transfers between your account and the third party’s account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payment network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice of a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and financial institution information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your financial institution and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- Preauthorized credits – You may make arrangements for certain direct deposits to be accepted into your checking or savings.
- Preauthorized payments – You may make arrangements to pay certain recurring bills from your checking or savings.
- Electronic check conversion – You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.
- Electronic returned check charge – You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

#### ADVISORY AGAINST ILLEGAL USE

You agree not to use your VISA debit cards for illegal gambling or other illegal purposes. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in the jurisdiction in which you may be located.

#### TELEPHONE BANKING

You may access your account by telephone 24 hours a day at 1-888-845-2220 or 1-913-845-0050.

Types of Transactions:

You may access your account(s) by telephone using your account number(s), personal identification number (PIN) and a touch tone phone to perform the following functions:

- Transfer funds from checking or savings to checking or savings.
- Get balance information about your deposit accounts.
- Get withdrawal history about your deposit accounts.
- Get deposit history about your deposit accounts.
- Get transaction history about your deposit accounts.
- Transfer funds from checking or savings to make internal loan payment.
- Verify funds on a check using the account number, amount and check number
- Fax a copy of your most current statement by entering a valid fax number
- Get Interest information on accounts that accrue interest

## ONLINE BANKING/MOBILE BANKING SERVICE

You may access your accounts by computer at [www.firststateks.com](http://www.firststateks.com) by registering using your social security number, PIN, and your account numbers.

You may access certain account(s) you maintain with us by computer, your cell phone or other mobile access device using your assigned User-name and password by accessing the online banking service.

### Types of Transactions:

You may use the online banking/mobile banking service to perform the following functions:

- Transfer funds from checking, savings or line of credit to checking or savings.
- Make payments from checking or savings to loans with us.
- Transfer funds externally to a person using either their mobile phone number or email address
- Transfer funds externally to or from an account you have at other financial institution using the account and routing number
- Transfer funds from another financial institution to pay a FSB & T loan using the account and routing number
- Stop payment requests
- Get balance information about all accounts.
- Get withdrawal history about all accounts.
- Get deposit history about all deposit accounts.
- Get transaction history about all accounts.
- Retrieve statements on open accounts for the last 24 months.

## BILL PAY

### Types of Transactions:

Make payments from your checking account(s) to any third party. (Some payments made by paper check will not be subject to this Electronic Fund Transfers disclosure, as disclosed separately.)

## MOBILE CHECK DEPOSIT

Deposit checks into a checking or savings account with an acceptable mobile phone or other mobiles access device.

To avoid delay in check posting, checks deposited via the mobile app must be endorsed with the proper endorsement: "For Mobile Deposit Only" with your signature below.

## VISA DEBIT CARD

For purposes of applying limits, a business day cycle generally starts at 12:00 a.m. on one business day and continues until 12:00 a.m. on the next business day. Thus, for example, the period from 12:00 a.m. on Friday

until 12:00 a.m. on the following Monday (or Tuesday, if that Monday is a Holiday) is one business day cycle. Service is usually available 24 hours per day, 7 days a week.

#### Types of Transactions:

##### ATM

You may use the VISA debit card and personal identification number (PIN) assigned by you to initiate transactions at ATMs. All debit cards must have one checking account attached to the card deeming it to be the "Primary Account". You may request to have up to one additional checking account tied to the card and up to two additional savings accounts tied to the card that will be deemed as "Secondary Accounts". Unless you specify a different account during Automated Teller Machine (ATM) transactions, your Primary Account will be used for your transactions. At present you may use your card:

1. At automated teller machines owned by the Bank:
  - a. Withdraw cash from your checking or savings account. There is a \$500 limit per transaction.
  - b. Make a deposit to your checking or savings account and immediately withdraw up to \$225.00 of the deposit made on that business day.
  - c. Transfer funds from checking or savings to checking or savings accounts.
  - d. Get balance information on your checking or savings accounts.
2. At automated teller machines owned by other institutions:
  - a. Withdraw cash from your checking or savings account. The limit on the amount of cash that may be withdrawn in any one transaction may vary from machine to machine. If the other institution allows, you may withdraw up to a maximum of \$505.00 (if there are sufficient funds in your account) per day, to include any applicable fees charged by the issuing ATM.
  - b. Transfer funds from checking or savings to checking or savings accounts.
  - c. Get balance information on your checking or savings accounts.

Some of these services may not be available at all ATMs

#### Limitations on Frequency and Amount

You may withdraw up to a maximum of \$505.00 (if there are sufficient funds in your account) per day.

#### Point of Sale

You may access your checking account(s) using your VISA debit card to do transactions that participating merchants will accept, including:

- Purchase goods in person, by phone, or online.
- Pay for services in person, by phone, or online.
- Get cash from a participating merchant or financial institution.

#### Limitations on Frequency and Amount:

You may purchase up to a maximum of \$2,505.00 worth of goods and services per day, exclusive of ATM withdrawals, which is \$505 per day.

#### Fees for Transactions

Please refer to the guide to products, services and fees. If at any time your use of your Visa Debit Card creates a negative balance in any account for

which the card was used, your account may be charged for each occurrence pursuant to the issuer Bank's rules and regulations for the account. When you use an automated teller machine not owned by the Bank, you may be charged a fee by the operator of that automated teller machine or any network used and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer.

#### Right to Receive Documentation

**Terminal Transactions:** You can get a printed receipt at the time you make any transfers to or from your account when using an automated teller machine or point of sale terminal.

**Preauthorized Credits:** If you have arranged to have direct electronic deposits made to your account at least once every 60 days from the same person or company, and for which you do not receive a written notification from that person or company, you can call the Bank at the number shown in this disclosure during normal business hours on or after the payment date to find out whether or not the deposit has been made.

**Periodic Statement:** You will receive a monthly account statement, unless there are no transfers in a particular month. In any case, you will receive a statement at least quarterly.

#### Preauthorized Payments

##### Stop Payments:

If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this disclosure in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

**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).

**Liability for failure to stop payment of preauthorized transfer:** If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

#### Financial Institution's Liability

##### 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:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. If you have an overdraft line and the transfer would go over the credit limit.
3. If the automated teller machine 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 fire or flood) pre-

vent the transfer, despite reasonable precautions that we have taken.

6. There may be other exceptions stated in our agreement with you.

## CONFIDENTIALITY

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

1. Where it is necessary for completing transfers; or
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. In order to comply with government agency or court orders; or
4. If you give us written permission

## UNAUTHORIZED TRANSFERS

### Consumer Liability:

Generally. Tell us, AT ONCE, if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. If you do not notify us in a timely manner that your card and/or PIN could have been lost/stolen, you may be liable for transactions that were approved:

1. If you notify us within two business days after learning of the loss or theft of the access device, your liability shall not exceed the lesser of \$50 or the amount of unauthorized transfers that occur before notice to us.
2. If you fail to notify us within two business days after learning of the loss or theft of the access device, your liability shall not exceed the lesser of \$500 or the sum of:
  - a. \$50 or the amount of unauthorized transfers that occur within the two business days, whichever is less; and
  - b. The amount of unauthorized transfers that occur after the close of two business days and before notice to us, provided we can establish that these transfers would not have occurred had you notified us within that two-day period.
3. If your delay in notifying us was due to extenuating circumstances (such as long trip or hospitalization), we shall extend the times specified above to a reasonable period.
4. Additional Limit on Liability for VISA® Card. Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen VISA card. This additional limit on liability does not apply to ATM transactions or to transactions using your Personal Identification Number which are not processed by VISA.

### Contact in event of unauthorized transfer:

If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the information from your check without your permission.

### Error Resolution Notice

In Case of Errors or Questions about your electronic transfers, call us at: 1-800-463-7782

In case of errors or questions regarding an Electronic Fund Transfer (EFT) on your statement or receipt, please contact us using one of the following methods:

Call:  
Customer Contact Center at 1-800-463-7782

Mail:  
First State Bank & Trust  
P.O. Box 219  
Tonganoxie, KS 66086-0219

Please contact us no later than 60 days after we sent the FIRST statement on which the error first appeared.

- Provide your name and account number
- Describe your concerns (error or question)
- Provide a detailed explanation of your concerns
- Provide the dollar amount of the suspected error

We will attempt to determine whether the error occurred within 10 business days after we receive notification from you and any errors verified will be corrected promptly. If more time is needed, it may take up to 45 business days to investigate your concern.

If additional time is required, we will provide provisional credit to your account within 10 business days (20 business days on new accounts) so you will have use of the funds during the length of the investigation.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, it may take up to 90 days to investigate your concern. Upon completion of the investigation, we will provide you a copy of our findings within three business days. Copies of the documents used in the investigation are available upon request.

Federally insured by FDIC. Upon receipt of your statement, please review and report any differences, irregularities, or discrepancies as specified in the General Deposit Account Disclosure. The General Deposit Account Disclosure is available online at [firststateks.com](http://firststateks.com) in the Disclosures section and available at your local branch location.

## **PART VI. FUNDS AVAILABILITY NOTICE YOUR ABILITY TO WITHDRAW FUNDS AT FIRST STATE BANK & TRUST**

This policy statement applies to all checking, interest checking and to all other "transaction" accounts at the Bank. Transaction accounts, in general, are accounts that permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with the Bank. Feel free to ask the Bank whether any of your other accounts might also be under this policy.

The Bank's policy is to make funds from your cash and check deposits available to you on the first business day after the day the Bank receives your deposit. Electronic direct deposits will be available on the day the Bank receives the deposit. Once they are available, you can withdraw the funds in cash and the Bank will use the funds to pay checks that you have written. Please remember that even after the Bank has made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to the Bank unpaid and for any problems involving your deposit.

For determining the availability of your deposits, every day is a business day except Saturdays, Sundays and federal holidays. If you make a deposit before the Bank's "cut-off time" on a business day that the Bank is



open, the Bank will consider that day to be the day of your deposit. The “cut-off time” for all of the Bank’s facilities is 7:00 P.M.. The “cut-off time” for all of the Bank’s ATMs is 2:00 p.m. If you make a deposit after the Bank’s “cut-off time” or on a day the Bank is not open, the Bank will consider that the deposit was made on the next business day the Bank is open.

### **Longer Delays May Apply**

In some cases, the Bank 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 second business day after the day of your deposit. The first \$225.00 of your deposits, however, may be available on the first business day.

If the Bank is not going to make all of the funds from your deposit available on the first business day, the Bank will notify you at the time you make your deposit. The Bank will also tell you when the funds will be available. If your deposit is not made directly to one of the Bank’s employees, or if the Bank decides to take this action after you have left the premises, the Bank will mail you the notice by the day after the Bank receives your deposit.

If you will need the funds from a deposit right away, you should ask the Bank when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- The Bank believes a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525.00 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as a failure of communications or computer equipment.

The Bank will notify you if it delays your ability to withdraw funds for any of these reasons, and the Bank will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

### **Special Rules for New Accounts**

If you are a new customer, the following special rules apply to the first 30 days your account is open. Funds from electronic direct deposits will be available on the day the Bank receives the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525.00 of a day’s total deposits of cashier’s, certified, teller’s, traveler’s and federal, state and local governmental checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525.00 will be available on the ninth business day after 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 the Bank’s

employees, the first \$5,525.00 will not be available until the second business day after the day the Bank receives your deposit. Funds from all other check deposits will be available on the seventh business day after the day of your deposit.

### **eStatement Agreement**

#### **eStatement Requirements:**

- To access, download and print eStatements you need a personal computer with Internet and email access.
- You must have Adobe Acrobat Reader 5.0 or higher (to download a free copy of Adobe Acrobat Reader, please go to [www.adobe.com](http://www.adobe.com))
- We recommend a personal computer with Internet Explorer 5.5 Service Pack 2 or higher but can support any browser with 128-bit encryption capabilities (i.e. Netscape 4.03 or higher).

### **Electronic Delivery of Statements**

By completing the eStatement enrollment online you agree to permit First State Bank & Trust ("The Bank") to make disclosures and provide notices to you in electronic form, instead of providing such notices and disclosures in written form.

Your consent and agreement shall relate to all forms of disclosures and notices required under applicable law as a result of the various agreements between you and the Bank and shall remain valid until such time as you exercise your right to revoke this consent. You elect and authorize us, at our discretion, to electronically deliver your account statement(s) and notices that we are required to provide you under applicable Federal and State statutes and their implementing regulations, as amended from time to time.

Other Federal and State laws and regulations ("laws") may be enacted or amended in the future to provide for electronic delivery of account statements and notices. Your election also authorizes us, at our discretion, to provide electronic delivery of such statements and notices pursuant to these laws after they become effective.

### **Terms and Conditions of Your Electronic Statement Agreement**

By entering into this Agreement, you accept all the terms and conditions contained in the agreement. Please read it carefully.

The terms and conditions of your Deposit Agreement - General Deposit Account Disclosures for each of your bank accounts as well as your other agreements with the Bank such as loans continue to apply notwithstanding anything to the contrary in this Agreement.

This Agreement is also subject to applicable federal laws and the laws of the State of Kansas. If any provision of this Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. The headings in this Agreement are for convenience or reference only and will not govern the interpretation of the provisions. Any waiver (express or implied) by either party of any default or breach of this Agreement must be in writing and shall not constitute a waiver of any other or subsequent default or breach. You may not assign this Agreement. This Agreement is binding upon your heirs and the Bank's successors and assigns. Certain of the obligations of the parties

pursuant to this Agreement that by their nature would continue beyond the termination, cancellation or expiration of this Agreement shall survive termination, cancellation or expiration of this Agreement.

## **Definitions**

“We”, “Our”, “Us” or “The Bank” mean First State Bank & Trust.

“You” and “your” refer to the account owner(s) authorized by the Bank to receive eStatements under this Agreement.

“Account” or “accounts” means your accounts at the Bank.

“Business days” means any calendar day other than Saturday, Sunday, or any holidays recognized by the Bank.

## **Consent to Electronic Delivery of Account Statements**

You have the right to receive monthly, printed Account statements mailed to your mailing address of record. By entering into this Agreement, you understand that the Bank will cease providing you with printed statements in the mail, and that all future account statements and notices will be maintained on a website that you must access to obtain, review, print and otherwise copy/download your periodic statements. Each month we will send a notice to your email address advising you of the availability of your eStatement. You may then access your statement via a link to our website using the procedures we authorize. You agree to notify us immediately, in person, via telephone or via U.S. Mail, of any change in your e-mail address. For your protection and for security purposes, we will not accept any change of e-mail address notices via e-mail. You may update your email address yourself via the Bank’s Online Banking site once you have logged in and verified your identity.

You understand that if you decide in the future that you would like to receive printed statements in the mail instead of receiving eStatements electronically, you agree to notify the Bank in person, via telephone, or via U.S. Mail. Our telephone number and postal mail address are listed below in the section titled “Communications between the Bank and You.”

## **Security**

You understand the importance of your role in preventing misuse of your accounts and you agree to promptly examine your eStatement for each of your First State Bank & Trust accounts as soon as you receive/access it. You agree to protect the confidentiality of your account and account number, and your user ID and password. You understand that your user ID and password by itself or together with information related to your account, may allow unauthorized access to your account. Data transferred via eStatement is not encrypted. You acknowledge that the Internet is inherently insecure and that all data transfers, including electronic mail, occur openly on the Internet and potentially can be monitored and read by others. We cannot and do not warrant that all data transfers utilizing the Internet, or e-mail transmitted to and from us, will not be monitored or read by others.

**Password Security.** For security reasons, we will require the use of an individualized password to gain access to your First State Bank & Trust statements. If you are prevented access due to incorrect password, please contact us at 1-800-463-7782.

Your logon password is confidential information that should be known only by you. First State Bank & Trust will not, for any reason, ask for your

logon password. If anyone contacts you and requests this information, contact us immediately. You are responsible for keeping your logon password confidential. By knowingly revealing your online/mobile banking username and password to anyone else, you are relinquishing any rights to dispute any transactions conducted on your behalf. It is in your best interest to never divulge your personal log on information to anyone. Each owner on an account has the ability to enroll their social security number with the Bank's Online Banking program to create their own, unique username and password to access accounts. For help with this process, please contact us at 1-800-463-7782.

### **Periodic Statements**

By enrolling to receive eStatements, you will not receive a separate printed and mailed statement. Your eStatement will be dated the day of the e-mail notifying you of the availability of your eStatement (the "E-mail Date"). You must promptly access/review your eStatement and any accompanying items and notify us in writing within the applicable time period specified in your Deposit Agreement - General Deposit Account Disclosures of any error, unauthorized signature, lack of signature, alteration or other irregularity. If you allow someone else to access/review your statement, you are still fully responsible to access/review the statement for any errors, unauthorized signatures, lack of signatures, alterations, or other irregularities. Any applicable time periods within which you must notify us of any errors on your account statement(s) shall begin on the E-mail Date regardless of when you receive and/or open the eStatement.

If you need to obtain a printed copy of a statement that has not been mailed to you because you have enrolled to receive eStatements instead, please call the Bank at 1-800-463-7782.

### **Change in Terms**

We may change any term of this Agreement at any time. If the change would result in increased fees for any bank service, or increased liability for you, we agree to give you notice at least 30 days before the effective date of any such change, unless an immediate change is necessary to maintain the security of an account or our electronic fund transfer system. We will provide any required notice of the change in terms to you by e-mail or by postal mail. If advance notice of the change is not required, and disclosure does not jeopardize the security of the account or our electronic fund transfer system, we will notify you of the change in terms within 30 days after the change becomes effective. If there is more than one party to the account, notice to any one account owner will be effective for all. We reserve the right to waive, reduce or reverse charges or fees in individual situations. You acknowledge and agree that the applicable Deposit Agreement - General Deposit Account Disclosures govern changes to fees applicable to specific accounts.

### **Disclaimer of Warranty and Limitation of Liability**

We make no warranty of any kind, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, in connection with the eStatements provided to you under this Agreement. We do not and cannot warrant that eStatements will operate without error, or that eStatements will be available at all times. Except as specifically provided in this Agreement, or otherwise required by law, you agree that our officers, directors, employees, agents or contractors are not liable for any indirect, incidental, special or consequential damages under or by reason of any services or products provided under this Agreement or by reason of your use of eStatements, including loss of profits, revenue, data or use by you or any third party, whether in an action in contract or tort or

based on a warranty or any other legal theory. Further, in no event shall the liability of the Bank and its affiliates exceed the amounts paid by you for the services provided to you through eStatements.

### **Communications between the Bank and You**

Unless this Agreement provides otherwise, you can communicate with us in any one of the following ways:

Telephone: You can contact us by telephone at: 1-800-463-7782

Postal Mail: You can write to us at:

First State Bank & Trust  
P.O. Box 219  
Tonganoxie, KS 66086

Email: [customercontact@firststateks.com](mailto:customercontact@firststateks.com). This Customer Service E-mail is provided for your convenience, and should only be used to send general questions regarding First State Bank & Trust's products and services. At the present time, First State Bank & Trust does not accept applications for new products or services electronically via the Internet or E-mail. As a result, no E-mail message received by First State Bank & Trust will be considered a loan application or deposit account application for any legal, regulatory, or other purpose. Also, account transactions cannot be conducted via e-mail. Please call (800-463-7782) for assistance. Submission of this document is being made through normal e-mail channels and is not encrypted in any way and may potentially be intercepted or viewed by an unintended party.

### **Consent to Electronic Delivery of Notices**

You agree that any notice or other type of communication provided to you pursuant to the terms of this Agreement, and any future disclosures required by law, including electronic fund transfer disclosures, may be made electronically via e-mail, notice with instructions/links or via an e-mail with attached disclosures. You agree to notify us immediately of any change in your e-mail address.

We will send all notices, attachments and/or documents via e-mail to the last known e-mail address provided by you. You agree to notify us promptly in person, in writing (by letter sent via U.S. Mail), or by calling us at 1-800-463-7782, of any change of your e-mail address. For your protection and for security purposes, we will not accept any change of e-mail address notices via e-mail. If you have not notified us in writing of any change of your e-mail address, you agree that your failure to provide us with a good email address is the lack of ordinary care on your part. If we become aware that you are not receiving email, we will send all notices, attachments and/ or documents to you via U.S. Mail to your last address known to us.

### **eStatement Procedures**

You will receive an e-mail shortly after the end of each statement period (not all accounts generate monthly statements). You may link to the Bank's Internet Banking site by clicking on the link in the e-mail. Clicking this link will take you to the Logon page for Internet Banking. Once logged in to Internet Banking, you can then retrieve your monthly statement.

### **Unlawful Internet Gambling Account Disclosure**

Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through your account or relationship with the Bank. Restricted transactions generally include, but are not lim-

ited to, those in which credit, electronic funds transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful internet gambling.

### **Substitute Checks and Your Rights**

To make check processing faster, federal law permits banks to replace original check with “substitute checks.” These checks are similar in size to the 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 may 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.

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 if you think that 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. 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 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 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not 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. To make a claim for a refund that you believe is due to a loss relating to a substitute check that was received and that was posted to your account, please contact us at First State Bank & Trust – Customer Service, PO Box 219, Tonganoxie, KS 66086-0219. You must contact us in writing within 40 calendar days of the date that 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.

## **General Deposit Account Disclosure**

### **GUIDE TO PRODUCTS, SERVICES AND FEES**

**This disclosure contains information about terms, fees, and interest rates for some of the accounts that we offer.**

**Free Checking:** Interest is not earned on the account. \$100.00 is required to open the account. No monthly or per item service charges will be imposed regardless of minimum balances, average balances, number of transactions, etc. Cancelled checks are kept in safekeeping by First State Bank and Trust and a descriptive statement is provided to the account owner each month. At the time that the account becomes inactive or dormant, it will no longer be considered a “Free Checking” account.

**Relationship Checking:** The account is an interest bearing account which pays an interest rate/annual percentage yield in accordance with the First State Bank & Trust rate chart. At the discretion of the bank, and at a time, frequency and interest rate/annual percentage yield determined

by the bank, the bank may change the interest rate/ annual percentage yield on the account. Interest will be compounded monthly and will be credited to the account monthly. If you close the account before interest is credited, you will not receive the accrued interest. \$100.00 is required to open the account. If the minimum ledger balance falls below \$5,000.00 or if your total combined deposit and consumer loan relationship drops below \$15,000.00, a monthly service charge of \$15.00 will be imposed.

The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue no later than the business day we receive credit for the deposit of non-cash items (for example: checks). Check images are returned to the customer.

**elite Checking:** The account is an interest bearing account which pays an interest/annual percentage yield in accordance with the First State Bank & Trust rate chart. At the discretion of the bank, and at a time, frequency and interest rate/annual percentage yield determined by the bank, the bank may change the interest rate/annual percentage yield on the account. Interest will be compounded monthly and will be credited to the account monthly. If you close the account before interest is credited, you will not receive the accrued interest. \$100 is required to open the account but no minimum balance is required to maintain it. ATM fees are refunded up to an unlimited amount per statement cycle once the requirements are met. Requirements that need to be met on the account to earn above the base interest/annual percentage yield on balances up to \$50,000 and to qualify for ATM refunds are: receive monthly electronic statements, have one ACH direct deposit or payment, fifteen settled debit card signature based Point Of Sale (POS) transactions and log into online banking one time per statement cycle. The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue no later than the business day we receive credit for the deposit of non-cash items (for example: checks).

**Charter 50 Checking:** Charter 50 Checking is an account designed especially for adults of the age 50 and over. The account is an interest bearing account which pays an interest rate/annual percentage yield in accordance with the First State Bank and Trust Rate Chart. At the discretion of the bank and at a time, frequency, and interest rate/annual percentage yield determined by the bank, the bank may change the interest rate/ annual percentage yield on the account. Interest will be compounded monthly and will be credited to the account monthly. If you close the account before interest is credited, you will not receive the accrued interest. \$100.00 is required to open the account. If the minimum ledger balance falls below \$100.00, a monthly service charge of \$6.00 will be imposed. You must maintain a minimum available balance of \$1,000.00 in the account each day to obtain the disclosed annual percentage yield. The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue no later than the business day we receive credit for the deposit of non-cash items (for example, checks). Check images are returned to the customer.

**Savings Account:** The account is an interest bearing account which pays an interest rate/annual percentage yield in accordance with the First State Bank and Trust Rate Chart. At the discretion of the bank and at a time, frequency, and interest rate/annual percentage yield determined by the bank, the bank may change the interest rate/annual percentage yield on the account. Interest will be compounded quarterly and will be credited to the account quarterly. If you close the account before interest is credited,

you will not receive the accrued interest. \$100.00 is required to open the account. If the minimum ledger balance falls below \$100.00, a monthly service charge of \$1.00 will be imposed. You may make withdrawals or transfers from your account. However, if you make more than 3 withdrawals or transfers within a four week or similar period, a service charge of \$1.00 for each withdrawal or transfer over 3 will be imposed. You must maintain a minimum available balance of \$100.00 in the account each day to obtain the disclosed annual percentage yield. The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue no later than the business day we receive credit for the deposit of non-cash items (for example, checks). Account statements will be provided to you at least quarterly.

**Kids Club Savings:** Kids Club Savings is an account designed especially for youth ages 0-21. The account is an interest bearing account which pays an interest rate/annual percentage yield in accordance with the First State Bank and Trust Rate Chart. At the discretion of the bank and at a time, frequency, and interest rate/annual percentage yield determined by the bank, the bank may change the interest rate/annual percentage yield on the account. Interest will be compounded quarterly and will be credited to the account quarterly. If you close the account before interest is credited, you will not receive the accrued interest. \$1.00 is required to open the account. You may make withdrawals or transfers from your account. However, if you make more than 3 withdrawals or transfers within a four week or similar period, a service charge of \$1.00 for each withdrawal or transfer over 3 will be imposed. You must maintain a minimum available balance of \$1.00 in the account each day to obtain the disclosed annual percentage yield. The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue no later than the business day we receive credit for the deposit of non-cash items (for example, checks). Account statements will be provided to you at least quarterly.

**Charter 50 Savings:** Charter 50 Savings is an account designed especially for adults of the age 50 and over. The account is an interest bearing account which pays an interest rate/annual percentage yield in accordance with the First State Bank and Trust Rate Chart. At the discretion of the bank and at a time, frequency, and interest rate/annual percentage yield determined by the bank, the bank may change the interest rate/annual percentage yield on the account. Interest will be compounded quarterly and will be credited to the account quarterly. If you close the account before interest is credited, you will not receive the accrued interest. \$100.00 is required to open the account. You may make withdrawals or transfers from your account. However, if you make more than 3 withdrawals or transfers within a four week or similar period, a service charge of \$1.00 for each withdrawal or transfer over 3 will be imposed. You must maintain a minimum available balance of \$100.00 in the account each day to obtain the disclosed annual percentage yield. The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue no later than the business day we receive credit for the deposit of non-cash items (for example, checks). Account statements will be provided to you at least quarterly.

**Savings Club Account:** The account is an interest bearing account which pays an interest rate/ annual percentage yield in accordance with the First State Bank and Trust Rate Chart. At the discretion of the bank and at a



time, frequency, and interest rate/ annual percentage yield determined by the bank, the bank may change the interest rate/ annual percentage yield on the account. Interest will not be compounded on the account. Interest will be credited to the account annually. No minimum balance is required to open the account. No monthly or per item service charges will be imposed. You may deposit at any time, but the only withdrawals allowed are annually on either the first business day following May 15<sup>th</sup> or November 15<sup>th</sup>. You must maintain a minimum available balance of \$100.00 in the account each day to obtain the disclosed annual percentage yield. The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue no later than the business day we receive credit for the deposit of non-cash items (for example, checks).

**Money Market Account:** The account is an interest bearing account which pays an interest rate/annual percentage yield in accordance with the First State Bank and Trust Rate Chart. At the discretion of the bank and at a time, frequency, and interest rate/annual percentage yield determined by the bank, the bank may change the interest rate/ annual percentage yield on the account. Interest will be compounded monthly and will be credited to the account monthly. If you close the account before interest is credited, you will not receive the accrued interest. \$1,000.00 is required to open the account. If the minimum ledger balance falls below \$1,000.00, a monthly service charge of \$10.00 will be imposed. In addition, a fee of \$0.20 per transit item will be assessed for each transit item deposited over 30 per month. You may make transfers or withdrawals, or a combination of such, from your account each 4 week or similar period. There is a fee of \$3.00 per debit over six per monthly statement cycle. You must maintain a minimum available balance of \$1,000.00 in the account each day to obtain the disclosed annual percentage yield. The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue no later than the business day we receive credit for the deposit of non-cash items (for example, checks). Check images are returned to the customer.

**Performance Money Market Account:** The account is an interest bearing account which pays an interest rate/annual percentage yield in accordance with the First State Bank and Trust Rate Chart. At the discretion of the bank and at a time, frequency, and interest rate/annual percentage yield determined by the bank, the bank may change the interest rate/ annual percentage yield on the account. Interest will be compounded monthly and will be credited to the account monthly. If you close the account before interest is credited, you will not receive the accrued interest. \$1,000.00 is required to open the account. If the minimum ledger balance falls below \$1,000.00, a monthly service charge of \$10.00 will be imposed. In addition, a fee of \$0.20 per transit item will be assessed for each transit item deposited over 30 per month. You may make transfers or withdrawals, or a combination of such, from your account each 4 week or similar period. There is a fee of \$10.00 per debit over six per monthly statement cycle. You must maintain a minimum available balance of \$1,000.00 in the account each day to obtain the disclosed annual percentage yield. The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue no later than the business day we receive credit for the deposit of non-cash items (for example, checks). Check images are returned to the customer.

**Free Business Checking:** Interest is not earned on the account. \$100.00 is required to open the account. No monthly service charge is imposed regardless of minimum balances or average balances. There is no per item fee imposed if there are 200 or fewer combined transactions (credit, debit, all items deposited) per month. There is a \$.30 per item fee assessed for each combined transaction (credit, debit, all items deposited) exceeding 200 per month. Check images are returned to the customer.

**Business Checking:** Interest is not earned on the account. \$100.00 is required to open the account. Service charges on the account depend on usage and the collected balance carried in the account. The account is charged a service charge of \$8.00. In addition, the account is charged \$0.15 per debit, \$0.20 per deposit, \$0.10 per transit item deposited, and \$0.03 per on-us item deposited. The account will also be charged a fee of Wall Street Journal Prime Rate (adjusted monthly) plus 3.00% for a negative average available balance. Any of the monthly or per item account fees may be offset by an earnings credit calculated as follows: The average collected balance in the account less a 3% reserve requirement multiplied by the average of the 91-day U.S. Treasury Bill rate for the prior 4 weeks. The earnings credit is only used to offset account fees and is not carried forward from one month to another. Check images are returned to the customer.

**Business Interest Checking:** The account is only available to sole proprietorships and non-profit organizations. The account is an interest bearing account which pays an interest rate/annual percentage yield in accordance with the First State Bank and Trust Rate Chart. At the discretion of the bank and at a time, frequency, and interest rate/ annual percentage yield determined by the bank, the bank may change the interest rate/annual percentage yield on the account. Interest will be compounded monthly and will be credited to the account monthly. If you close the account before interest is credited, you will not receive the accrued interest. \$100.00 is required to open the account. If the minimum ledger balance falls below \$1,000.00, a monthly service charge of \$10.00 will be imposed. In addition, the account is charged \$0.15 for each debit over 30 per month, \$0.10 per transit item deposited, \$0.03 per on-us item deposited, and \$0.10 per deposit. You must maintain a minimum available balance of \$1,000.00 in the account each day to obtain the disclosed annual percentage yield. The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue no later than the business day we receive credit for the deposit of non-cash items (for example, checks). Check images are returned to the customers.

**Certificates of Deposit:** The account is an interest-bearing account which pays an interest rate/annual percentage yield in accordance with the First State Bank and Trust Rate Chart. The interest rate/annual percentage yield will be in effect for the term of the instrument. The interest rate/ annual percentage yield will not change for the term of the account. Interest will be compounded and credited to the account at maturity if the term of the certificate is 12 months or less. Interest will be compounded and credited quarterly if the term of the certificate is 18 months or greater. A minimum deposit amount is required to open the account. See the Certificate of Deposit Information Table below for details regarding the minimum deposit amounts. You must maintain the minimum deposit amount to obtain the disclosed annual percentage yield. The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue on the business day you deposit non-cash items (for example,

checks). You may not make additional deposits into this account. You may not make withdrawals from your account until the maturity date without penalty. If you withdraw any of the principal before the maturity date we may impose a penalty as noted below. The annual percentage yield assumes that interest compounds at maturity if the term of the certificate is 12 months or less. The annual percentage yield assumes that interest compounds quarterly if the term of the certificate is 18 months or greater. A withdrawal will reduce earnings. This account will automatically renew. You will have 10 days after the maturity date to withdraw funds without penalty.

**60 Month Flex-Change Certificate of Deposit:** The account is an interest bearing account which pays an interest rate/annual percentage yield in accordance with the First State Bank and Trust Rate Chart. The interest rate/annual percentage yield may change during the term of the account. At your discretion, once during the normal term of the account, you may change the interest rate/annual percentage yield on the account to the interest rate/ annual percentage yield on the First State Bank and Trust Rate Chart which most closely matches the remaining term of the account. The interest rate/ annual percentage yield change may be locked in at any time. The actual interest rate/annual percentage yield change will occur at first available change date. Change dates are on the first day of the Certificate of Deposit's quarterly cycle. When changed, the interest rate/ annual percentage yield will be applicable only to the remaining term of the Certificate of Deposit. Interest will be compounded and credited quarterly. A minimum deposit amount is required to open the account. See the Certificate of Deposit Information Table below for details regarding the minimum deposit amounts. You must maintain the minimum deposit amount to obtain the disclosed annual percentage yield. The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue on the business day you deposit non-cash items (for example, checks). You may not make additional deposits into this account. You may not make withdrawals from your account until the maturity date without penalty. If you withdraw any of the principal before the maturity date we may impose a penalty as noted below. The annual percentage yield assumes that interest compounds quarterly. A withdrawal will reduce earnings. In the event of renewal, customer will have the option of exercising their right to change interest rate/annual percentage yield once during the term of the renewed Certificate of Deposit. You will have 10 days after the maturity date to withdraw funds without penalty.

See the *Certificate of Deposit Information Table* below for more information regarding the terms, maturity dates, minimum deposit amounts and premature withdrawal penalties for the various time deposits that we offer.

#### *Certificates of Deposit Information Table*

Term/Maturity Date	Minimum Deposit	Penalty for Premature Withdrawal
91 Days	\$2,500	3 Months' Interest
182 Days	\$2,500	3 Months' Interest
12 Months	\$500	3 Months' Interest
18 Months	\$500	6 Months' Interest
24 Months	\$500	6 Months' Interest
30 Months	\$500	6 Months' Interest
36 Months	\$500	6 Months' Interest
60 Months	\$500	6 Months' Interest
60 Month Flex-Change	\$5,000	6 Months' Interest

## **Individual Retirement Accounts:**

### **Time Deposit Open Account (T.D.O.A.) IRA:**

The account is an interest bearing account which pays an interest rate/annual percentage yield in accordance with the First State Bank and Trust Rate Chart. The interest rate will be in effect for the term of the instrument. The interest rate/annual percentage yield will not change for the term of the account. Interest will be compounded and credited to the account at maturity if the term of the certificate is 12 months or less. Interest will be compounded and credited quarterly if the term of the certificate is 18 months or greater. A minimum deposit is required to open the account. See the *Individual Retirement Account Information Table* below for details regarding the minimum deposit amounts. You must maintain the minimum balance to obtain the disclosed annual percentage yield. The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue on the business day you deposit non-cash items (for example, checks). You may make additional deposits into this account. You may not make withdrawals from your account until the maturity date without penalty. If you withdraw any of the principal before the maturity date we may impose a penalty as noted below. The annual percentage yield assumes that interest compounds at maturity if the term of the certificate is 12 months or less. The annual percentage yield assumes that interest compounds quarterly if the term of the certificate is 18 months or greater. A withdrawal of interest will reduce earnings. This account will automatically renew. You will have 10 days after the maturity date to withdraw funds without penalty. See the *Individual Retirement Account Information Table* below for more information regarding the terms/maturity dates, minimum deposit amounts and premature withdrawal penalties for the various Individual Retirement Accounts that we offer.

### **60 Month Flex-Change Individual Retirement Account:**

The account is an interest bearing account which pays an interest rate/annual percentage yield in accordance with the First State Bank and Trust Rate Chart. The interest rate/annual percentage yield may change during the term of the account. At your discretion, once during the normal term of the account, you may change the interest rate/annual percentage yield on the account to the interest rate/annual percentage yield on the First State Bank and Trust Rate Chart which most closely matches the remaining term of the account. The interest rate/annual percentage yield change may be locked in at any time. The actual interest rate/annual percentage yield change will occur at first available change date. Change dates are on the first day of the instrument's quarterly cycle. When changed, the interest rate/annual percentage yield will be applicable only to the remaining term of the instrument. In the event of renewal, customer will have the option of exercising their right to change interest rate/annual percentage yield once during the term of the renewed instrument.

### **IRA Investment Fund:**

The account is an interest bearing account which pays an interest rate/annual percentage yield in accordance with the First State Bank and Trust Rate Chart. At the discretion of the bank and at a time, frequency, and interest rate/annual percentage yield determined by the bank, the bank may change the interest rate/annual percentage yield on the account. Interest will be compounded semiannually and will be credited to the account semiannually. There is no minimum deposit required to open the account. The bank uses the daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue no later than the business day we receive credit

for the deposit of non-cash items (for example, checks). You may make additional deposits into this account. There will be a \$50.00 termination fee if this account is closed prior to the customer reaching 59 1/2 years of age. There will be a \$25.00 early withdrawal penalty if the customer makes a withdrawal without closing out the account prior to the customer reaching 59 1/2 years of age. There will be no fee for withdrawals after the customer reaches 59 1/2 years of age; however withdrawals will be limited to one per year with the exception of automatic withdrawals which will be limited to one per month. A withdrawal of interest will reduce earnings.

***Individual Retirement Account Information Table***

<b>Term/Maturity Date</b>	<b>Minimum Deposit</b>	<b>Penalty for Premature Withdrawal</b>
12 Months	\$500	3 Months' Interest
30 Months	\$500	6 Months' Interest
60 Months	\$500	6 Months' Interest
T.D.O.A. 12 Months	\$500	3 Months' Interest
T.D.O.A. 30 Months	\$500	6 Months' Interest
T.D.O.A. 60 Months	\$500	6 Months' Interest
IRA Investment Fund	NA	\$25 if < 59 1/2 year of age
60 Month Flex Change	\$5,000	6 Months' Interest

**Disclosures Regarding Electronic “Wholesale Credit” Transactions Subject to Uniform Commercial Code Article 4A**

**Provisional Payment:**

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

**Notice of Receipt of Entry:** Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account, we are not required to give next day notice to you of receipt of an ACH item and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statement we provide to you.

**Choice of Law:** We may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses (“ACH”) and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of New York, unless it has otherwise specified in a separate agreement that the law of some other state shall govern.

**Miscellaneous Account Fees:** Unless otherwise specified or if certain features cannot apply a certain type of account (for example, checks cannot apply to Certificates of Deposit), the following fees will apply to all Personal Checking and Savings Accounts, all Business Accounts, all Certificates of Deposit and all Individual Retirement Accounts:

- **Mobile Deposit Fees:** first five deposited items per statement cycle are free. Additional items are \$.50 each

- Overdraft/Returned Item Fee/Insufficient Fund Fee: \$30.00 per item paid (Paid NSF Fee)  
\$30.00 per attempt of item returned (Returned NSF Fee). Fee applies to overdrafts created by check, in-person withdrawal, ATM withdrawal, or other electronic means
- Collection Items: \$25.00 per item
- Check copy fee: \$2.00 per copy
- Transcript statement fee: \$2.00 per statement
- Stop payment fee: \$30.00 per stop payment
- Account balance inquires: \$2.00 per inquiry
- Telephone transfer fee: \$5.00 per transfer
- Automatic transfer service: \$5.00 per transfer (to avoid overdraft or maintain a minimum balance or transfer to another financial institution.)
- Wire transfer - Outgoing: \$15.00 per wire
- Wire transfer - Incoming: no charge
- Wire transfer-International: Amount charged by correspondent banks plus \$15.00
- Notary public service: \$5.00 for non-customers
- Cashiers checks\*: \$3.00 per check
- Money Orders\*: \$2.00 per money order
- Fax services\*: \$3.00 (outgoing/incoming)
- Rejected checks from unauthorized printer: \$5.00 per rejected check
- Check printing fees\*: Vary depending on check style and quantity ordered (Relationship Checking discounted)
- Inactivity account fee: \$8.00 per month
- Dormant account fee: \$8.00 per month
- Dormant Official Check Fee: \$25.00
- Returned deposit item fee: \$4.00 for each item
- Unauthorized Originated ACH returned item fee: \$10 for each item
- Research: \$25.00 per hour, 1-hour minimum, plus copy fees
- Photocopy charge\*: \$0.25 per page copied
- Deposit bags: \$3.00 per zipper bag; \$35 for lock bag with key
- Bulk coin counting fee for non-customer: 2% of amount counted
- Counter checks: \$0.25
- Audit confirmations, credit references, deposit verifications: \$10.00 each
- Garnishments: \$15.00 each
- Fee for early termination of an account, within 60 days: \$20.00
- Visa Debit Card replacement fee: \$5.00
- Fee to Re-open an Account: \$5.00
- Personal checking accounts that are overdrawn longer than 5 consecutive days will be subject to a daily service fee of \$3.00 per day. This fee commences on the sixth day and will con-

tinue until the account balance is no longer negative. This fee applies to all types of checking and money market accounts used for personal purposes.

- Business and organization checking accounts that are overdrawn longer than 5 consecutive days will be subject to a daily service fee of \$5.00 per day. This fee commences on the sixth day and will continue until the account balance is no longer negative. This fee applies to all types of checking and money market accounts used for business or organization purposes.

\* Charter 50 Accounts Discounted

**ATM FEES:**

- There is no charge for ATM withdrawals or deposits at machines owned by First State Bank & Trust
- There is no charge for a debit card transaction unless the transaction incurs a foreign ATM fee. A \$1.00 foreign ATM fee is charged by First State Bank & Trust when a debit card is used at any ATM not owned by First State Bank & Trust. Additionally, there may be a transaction fee associated with your account if you exceed a maximum number of debits (see account disclosure for more information). The owner of the ATM may also charge additional fees for using their ATM.

**VISA EXCHANGE RATE DISCLOSURE:**

If you use your Visa debit card in a transaction that is executed in a currency other than U.S. dollars, the exchange rate between the transaction currency and the billing currency used by Visa for processing the transaction will be a government mandated or wholesale rate selected by Visa from the range of rates available in the wholesale currency market on the applicable processing date. Cross border transactions in which a currency conversion takes place (international multi-currency transactions) will be assessed a 1.00% International Service Assessment (ISA) Fee. Cross border Transactions in which a currency conversion does not take place (international single-currency transactions) will be assessed a 1.00% International Service Assessment (ISA). International Service Assessments are imposed by Visa and are not paid to First State Bank & Trust.

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**IMPORTANT INFORMATION ABOUT YOUR ACCOUNT**