

# Deposit Account Agreement

- Funds Availability Policy

Effective 11/1/04



Dime  Bank  
MEMBER FDIC



# CUSTOMER CONTRACT

“You” and “your” refer to anyone who signs the signature card for any deposit account, as well as any person or entity on whose behalf the account is opened. “We”, “us”, and “our” refer to Dime Bank. “Check” means a check or other non-cash item that we handle for collection or payment (other than an electronic fund or wire transfer).

## 1 GENERAL RULES FOR ALL DEPOSIT ACCOUNTS

**1.1 YOUR AGREEMENT.** You agree to the terms in this agreement for each account that you maintain. This includes the terms in our Disclosure of Account Terms, Fees and Interest Rates, and our Schedule of Charges, which have each been given to you as an addendum to this agreement. Our Funds Availability Policy is included within this agreement. This agreement also includes the terms of any other documents, which we designate as part of this agreement. You also agree that you and we have all rights given by law.

**1.2 AUTHORIZED SIGNATURES.** For purposes of withdrawal and other account matters, unless we specifically agree otherwise in writing, we can honor any request or order signed by any person whose signature appears on the signature card of the account. We may, at our discretion, return an item that does not have a proper signature unless the owner of the account has advised the bank in advance that an item is authorized. We may supply endorsements as allowed by law on checks that you deposit to the account.

**1.3 FUNDS AVAILABILITY POLICY: YOUR ABILITY TO WITHDRAW FUNDS.** Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Funds from deposits of cash, checks drawn on Dime Bank, electronic direct deposits and wire transfers we receive before 4:00 p.m. will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit. No credit application is required if we elect to allow an overdraft on an account.

**(a) Determining the Availability of a Deposit.** For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and bank holidays. If you make a deposit before 2:00 p.m. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 2:00 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

These are the earliest deposit verification cut-off times; later times may apply at some branches or ATMs and on certain days. If you make a deposit after the deposit verification cut-off time, we may place a verification hold on the account and funds will be available on the next business day we are open. We will consider deposits made by mail or night depository to have been made on the business day on which we verify the amount of the deposit.

**(b) Longer Delays May Apply.** In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. However, the first \$100 of your deposit will be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

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

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

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

**(c) Holds on Other Funds (Check Cashing).** If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

**(d) Holds on Other Funds. (Other Account).** If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately, but delay the availability for withdrawal of a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the expiration of the time period that is described elsewhere in this disclosure for the type of check that you deposited.

**(e) Special Rules for New Accounts.** If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from deposits of cash, checks drawn on Dime Bank, electronic direct deposits into your account and wire transfers we receive before 4:00 p.m. will be available on the day we receive the deposit. The first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, federal, state and local government checks will be available on the first business day after the "day of your deposit", if the checks are payable to you. The excess over \$5,000 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 our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

**1.4 COLLECTION OF CHECKS.** When you deposit a check to your account we collect the money from the bank or other party obligated to pay it. We act as your agent to do this. Except to the extent otherwise required by law, we are not responsible for losses which happen during collection of a check that are not caused by our own negligence.

If we credit your account or allow you to withdraw the amount of a deposited check and it is returned to us unpaid or we receive a notice of nonpayment of the check, we have the right to take that amount

from your account or to obtain a refund of such a credit by any method we choose, including the exercise of our right of set-off (see Section 1.10). If the amount of available funds in your account is less than the amount of the check, you are required to pay us the balance. You will be subject to a returned check fee for any check deposited to your account, which is not honored and is returned to us.

There are certain checks that we will not cash or accept for deposit. These may include checks drawn on banks in foreign countries. We may agree to try to collect the money for you from the bank on which the check is drawn. If we succeed, we will then deposit the money we collect into your account. We may also charge you for this service. The amount of our charge is listed in our Schedule of Charges.

## **1.5 CHARGES**

**(a) General.** You agree to pay the charges listed in our Schedule of Charges. We can change these charges or add new ones upon giving any notice that may be required under Section 1.8 below. We may take these charges from your account.

**(b) Minimum Balance to Waive or Reduce Charges.** For certain accounts, we may waive or reduce certain account charges if you maintain a specified minimum balance. We measure the balance for this purpose in the same way we determine the balance on which interest accrues. (See Sections 2.2 and 2.3). The minimum balance rules for waiving or reducing charges for all deposit accounts are described in our Schedule of Charges.

## **1.6 JOINT ACCOUNTS**

**(a) Joint Accounts with Right of Survivorship.** If this is an account in the names of two or more individuals, unless we specifically agree otherwise in writing, it will be a joint account with right of survivorship in accordance with state law. This means that each of you is making this agreement with each other and with us. Each of you agrees that all amounts deposited by any of you, as well as any interest earned or bonus payments earned, can be paid to any one or more of you while you are all alive. After the death of any one or more of you, we can pay any money in the account to any one or more of you who is then alive. Each of you gives to all of the others, authority to deposit to the account any check payable to any one or more of you. For certain checks, such as a check payable by the government, we may require all persons to whom the check is payable to endorse the check for deposit.

If we honor a check or withdrawal which was signed by any one or more of you, and this causes an overdraft, each of you is liable for the overdraft, whether or not you signed the check or benefited from its proceeds.

**(b) Joint Accounts without Survivorship.** If this is an account in the name of two or more individuals without survivorship, we will require the authorization of all of the account owners for purposes of withdrawal and other account matters. On the death or incompetence of any one or more of the owners, that owner's interest in the account passes to the owner's estate and the signature of that owner's personal representative will be required for the withdrawal of funds and other account matters.

**(c)** Each owner must sign a bank signature card.

## **1.7 LIMITATION ON NUMBER OF OWNERS.**

We have the right to limit the number of owners on any account.

**1.8 AMENDMENTS.** We can make amendments to this agreement by posting written notice in our lobbies or by delivering to you of a copy of the amendment(s). Federal and state laws and regulations require that we give you notice of most additional or increased charges and certain other changes to the terms of an account which may be adverse to you, before those amendments can become effective.

**1.9 WAIVER OF YOUR RIGHT TO “NOTICE OF DISHONOR” AND “PRESENTMENT”.** If another institution refuses to pay a check (called “dishonor”) which you deposited or cashed, we may put the check through for collection again. We will not always give you notice that the check was dishonored before putting the check through for collection again. This means that you are “waiving” your right to “notice of dishonor”.

In the process of collecting a check which you have deposited to your account, you agree that we may delay in putting the check through for collection. This means that you are “waiving” your right to have us begin the process of “presenting” the check by the next banking day.

**1.10 RIGHT OF SET-OFF.** Unless this right is denied to us by law, we can take any funds in your account to pay any debt you owe us that is in default (including unpaid charges). This is called the right of set-off and applies to all funds of yours in our possession now or in the future in any account you maintain with us. We can use this right of setoff without going through any legal process or court proceedings. If this is a joint account, this right of set-off applies to our use of deposits by any of you to pay the debts owed to us by any one or more of you individually or with others. If we exercise this right by taking what you owe us from a certificate of deposit, such payment shall be deemed an early withdrawal, and an early withdrawal penalty may be imposed.

**1.11 COLLECTION FEES.** If in the course of collecting any money you may owe us we incur expenses or fees, we may take those from your account, including attorney’s fees unless prohibited because suit was not instituted. If there are not sufficient available funds in your account to cover these expenses or fees, you owe us the unpaid balance of such fees or expenses.

**1.12 IDENTIFICATION.** We can require proper identification for check cashing and any account transactions.

**1.13 SOCIAL SECURITY NUMBER REQUIRED; WITHHOLDING FOR TAXES.** If you fail to give us a correct social security or taxpayer identification number for the account, we can refuse to open an account or close your account or require you to apply for a taxpayer identification number. We can also take from your account any charges of the IRS which result from your error, as allowed by law.

We may also be required by federal law to withhold part of any interest you earn and pay it to the IRS. If we do this, the amount we withhold will be reported to you and the IRS and applied by the IRS to the payment of any federal income tax you owe for that year.

**1.14 OUR RIGHT TO CLOSE, DISCONTINUE, OR LIMIT ACCOUNTS.** We reserve our right to discontinue or stop offering any particular type of account or to close your account at any time. We will mail you a check for the amount of collected funds on deposit as soon as is practical. We reserve the right to decline to open an account for any person. We have the right to limit the number of accounts owned by any depositor(s).

**1.15 ENFORCEMENT OF OUR RIGHTS.** We can choose not to enforce or to delay in enforcing any of our rights under this agreement without losing them in the future.

**1.16 ADDRESS.** You must inform us immediately, in writing, of any change in your address. Unless you do so, we may continue to mail statements and any other notices to your address as it appears on our records.

**1.17 STATEMENTS, ERRORS, ALTERATIONS, FORGERIES.** You must examine and balance your periodic statements as soon as you receive them. If you do not let us know of any mistakes within 30 days after the statement becomes available to you, we may consider the checks paid during that statement cycle to be genuine and the statement to be correct. We will not be liable to you for payment of any forged or altered check if you fail to notify us of the forgery or alteration within that 30-day period and your failure causes us to suffer a loss. We won't be liable for forged or altered checks, if the forgery or alteration resulted from your negligence. You may have to bear losses that could have been prevented, if you had discovered and told us within the 30-day period of any errors or unauthorized transactions.

**1.18 FORMS AND BANK-APPROVED VENDOR'S CHECKS.**

**(a)** We can require that you use our forms for making deposits, withdrawals and any other account matters. We can require you to use only checks obtained from a bank-approved vendor.

**(b)** Deposit of Checks. You agree not to deposit any copy of a check other than a substitute check that meets industry standards and is the legal equivalent of the original check. For example, a check deposited to your account one time that is converted to a substitute check, but that is not paid and is returned to you, would generally be the legal equivalent of the original check. However, a substitute check that is created by a company other than a bank (or other depository institution), and that has not previously been deposited at a bank, would generally not be the legal equivalent of the original check (see Section 1.25). You agree that you will be liable for any losses that we suffer because you violated this provision.

**1.19 NON TRANSFERABLE.** Your deposit account is not transferable to anyone, except on our books. You may not voluntarily transfer or pledge your account without our consent. This does not affect a transfer occurring by operation of law, as would occur on death, bankruptcy or as a result of a court order.

**1.20 STOP PAYMENT ORDERS.** If you request us to stop payment on a check, we will make a good faith effort to do so. The stop payment order must describe the check with reasonable certainty (including the precise amount of the check or check number). If the stop payment order does not properly describe the check or if we do not receive your order by the close of business on the banking day before the banking day we receive the check for payment, or if we do not otherwise have a reasonable opportunity to act on it, we won't be liable if we fail to stop payment, or if our payment of the check(s) causes other checks to be returned for insufficient funds. If we do stop payment of a check at your direction, you agree to pay all costs we may incur as a result. An oral stop payment order is good for only 14 days unless we receive written confirmation from you within that time. A written stop payment order is only good for 180 days, but you may renew it by written notice, which we must receive before it expires.

**1.21 ELECTRONIC FUNDS TRANSFERS.** An “electronic funds transfer” or EFT is a transfer of your funds at our bank which is initiated electronically, for example by computer, telephone or through the ATM. Refer to the Electronic Funds Transfer Agreement for complete details.

**1.22 POSTDATED CHECKS.** If the date on a check is later than the date the check was issued, the check is called “post dated”. We will not look to see if a check is postdated when we determine whether or not to pay the check. We have the right to charge against your account any payment we make on a postdated check before the date on the check, unless you have given us notice of the postdated check. The notice must describe the check with reasonable certainty (including the precise amount of the check or check number). If the notice does not properly describe the check, or if we do not receive your order before the close of business on the banking day before the banking day we receive the check for payment, or if we do not otherwise have a reasonable opportunity to act on the notice, we will not be liable if we pay the check before the date on the check or if such payment causes other check(s) to be returned for insufficient funds. A notice of a postdated check will never be good beyond the date of the check. An oral notice of a postdated check is good for no longer than 14 days unless we receive written confirmation from you within that time. A written notice of a postdated check is good for no longer than 180 days, but you may renew it by a written notice which we receive before it expires.

**1.23 STALEDATED CHECKS.** We may, at our option, pay a check that is over six months old, but we are not required to do so.

**1.24 OVERCREDITED ACCOUNT.** If we credit your account for an amount in excess of the checks or funds actually received for deposit, we may take the excess from your account without prior notice to you. If there are not sufficient available funds in your account to cover the excess, you owe us the unpaid balance of such excess.

**1.25 CHECK CLEARING FOR THE 21st CENTURY ACT (“CHECK 21”).** Check 21 is a federal law that allows a bank to use image technology to create a paper copy of the front and back of an original check. This copy is called a “*substitute check*” if it meets applicable industry standards. A substitute check is the legal equivalent of the original check. When we receive a substitute check for a check you have drawn on your account the following rules apply: (i) if you get original checks with your statements, the substitute check rather than the original check will be included with your statement; (ii) if you receive check images with your statement, your imaged statement will contain an image of the substitute check rather than an image of the original check; and (iii) if you request an original check or a copy of the check, you may get a substitute check or a copy of the substitute check instead.

If you suffer a loss because your check was converted to a substitute check, you may be able to recover certain types of losses. You may contact us if you believe that you have suffered a loss relating to a substitute check.

**1.26 OVERDRAFTS, UNCOLLECTED FUNDS AND OVERDRAFT PRIVILEGE.**

(a) An insufficient balance can result in several ways, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you; (3) the return of

unpaid items deposited by you; (4) the assessment of service charges; or (5) the deposit of items which, according to the bank's Funds Availability Policy, are treated as not yet available or finally paid. If you do not have enough available funds in your account to pay a check, funds transfer or other non-check transaction from your account, you will have to pay an overdraft fee. An overdraft fee is charged for each item presented against non-sufficient funds whether we choose to pay the item or not.

We will determine in our sole discretion whether to pay an item presented for payment if your account does not contain sufficient available funds. We may refuse to pay an overdraft for you at any time, even though we may have previously paid overdrafts for you. We will send you a notice disclosing the overdraft amount, paid or returned, and the fees associated with the overdraft, however we have no obligation to notify you before we pay or return any item. The amount of any overdraft plus fees that you owe us shall be due and payable upon demand.

If there is an overdraft paid by us on an account with more than one (1) owner on the signature card, each owner and agent shall be jointly and severally liable for such overdraft plus any fees. If your account is interest bearing, overdraft fees may reduce the Annual Percentage Yield (APY) on the account.

**(b) Overdraft Privilege** is a non-contractual courtesy, which is available to individually or jointly owned accounts in good standing used for personal or household purposes. If you maintain your checking account in good standing (defined as making regular deposits and bringing your account to a positive balance at least once every 30 days) and there are no legal orders outstanding, we may approve your reasonable overdrafts up to the predetermined limit assigned to your account type. Generally, we will not approve an overdraft for you in excess of the predetermined overdraft limit. So as to not exceed your limit, you should note that the amount of the overdraft and the bank's overdraft fee (per item) will be deducted from your overdraft limit.

New active account holders may be able to use the overdraft privilege limit assigned to the account 30 days after the account is opened. The bank reserves the right to limit participation to one account per household and to discontinue this service without prior notice. You may opt out of the privilege at any time, but you are responsible for any overdrawn balances at the time opting out.

**1.27 CHANGE IN OWNERSHIP.** If you wish to add an owner to, delete an owner from, or otherwise change the ownership of an account, we may require you to close the account and to open a new account listing the new owners. If the account is one on which we may impose a penalty for early withdrawal, we may require you to pay any such penalty that is applicable when you close the account.

**1.28 HOLDING FUNDS.** If we receive a court order, levy, garnishment, execution or other similar legal process (all of which we call "legal process") concerning the funds in your account, we may place a "hold" on the funds in your account. We may also place a "hold" on the funds in your account if we reasonably believe we may sustain a loss if we do not impose a "hold" pending the resolution of any dispute, claim, or investigation concerning your account. A "hold" means you cannot withdraw funds and we will not pay checks out of the funds subject to the "hold". We may also surrender the funds in your account as required by any legal process. We will not be liable if these actions cause checks to be returned for insufficient funds.

**1.29 ENDORSEMENTS.** You agree that all endorsements on the reverse side of any check that you deposit to your account will be in the area designated for endorsements. If you, or any other endorser signs outside of this designated area, it may cause the check to be misrouted or the payment to be delayed. You also agree to make your endorsements in black ink. You agree that you will be liable for any losses we suffer resulting from your failure or the failure of any endorser of a check that is deposited to your account to comply with these requirements

**1.30 THIRD PARTY DRAFTS.** If you authorize a merchant, check writing service or other third party to draw one or more checks or drafts against your account, you agree that you will be responsible for the amount of the checks or drafts. If you want to revoke the third party's authorization you must notify such a party in writing. You also agree to request us to stop payment on these transactions. We will not be liable if you do not do so, and we do not stop payment on the transaction(s). You also agree that we will not be liable for failing to stop the transaction(s) if we did not have a reasonable amount of time to act on your request, or if your request did not provide enough information to identify the transaction(s) including the exact check number and dollar amount. You agree that we may require you to close your account and open a new account in order to stop these transactions.

## **2 RULES WHICH APPLY TO ALL SAVINGS ACCOUNTS**

**2.1 INTEREST.** The rates and other information about how we calculate interest are set forth in our Disclosure of Account Terms, Fees and Interest Rates.

**(a) Accounts With Rates That Cannot Change During the Term.** The interest rate (and the resulting annual percentage yield) established at the beginning of the term of any Certificate of Deposit will not be changed during the term of that account, except for Variable Rate IRA Certificates of Deposit which change monthly.

**(b) Variable Rate Accounts.** At our discretion, we may change the interest rate(s) and resulting annual percentage yield (APY) payable on an account at any time without prior notice to you.

**2.2 WHEN INTEREST BEGINS TO ACCRUE ON DEPOSITED CHECKS.** Interest begins to accrue on cash and electronic payments on the business day the cash or electronic payment is deposited into your account. Checks deposited will begin to earn interest no later than the business day we receive credit for the items. Interest is earned from the business day of deposit on Certificates of Deposit.

**2.3 BALANCE CALCULATION METHOD.** We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the collected balance in the account each day. For purposes of determining the collected balance on which interest is calculated, we include funds from deposits of checks in the manner described in Section 2.2, for the type of account into which the deposit was made.

**2.4 MINIMUM BALANCE TO EARN INTEREST.** For certain savings accounts, we require a minimum balance to earn interest. The amounts of these minimum balances are described in our Disclosure of Account Terms, Fees and Interest Rates. For accounts with a minimum balance requirement, you will only earn interest on days when the balance on which interest is accruing is not below the required minimum. You must maintain at least that balance in the account each day to obtain the disclosed annual percentage yield. We use the daily balance method described in Section 2.3 to determine if the minimum balance requirement has been met.

**2.5 TIERED RATE ACCOUNTS.** For certain savings accounts, the interest rate is “tiered”. That means that we pay a higher rate of interest on the entire balance in your account on any day on which the interest-accruing balance in the account exceeds the specified minimum amount. The accounts for which rates are tiered and the minimum balances required to earn higher rates are set forth in our Disclosure of Account Terms, Fees and Interest Rates.

**2.6 CREDITING AND COMPOUNDING OF INTEREST.** Our crediting and compounding policies for all deposit accounts are set forth in our Disclosure of Account Terms, Fees and Interest Rates.

**2.7 RESTRICTIONS ON WITHDRAWALS.** We have the right to require that you give us at least 7 days written notice to withdraw funds from a Passbook, Statement, Club, Money Market Passbook, Money Market Statement, Money Market Checking Account, or DimePlus Money Market Savings Account. Subject to these restrictions, you may make an unlimited number of withdrawals from any of these accounts in person or by mail.

**2.8 PASSBOOK ACCOUNTS.** (Not applicable to accounts opened in Rhode Island). We record transactions on this account in your passbook or on separate documents. To make a passbook withdrawal, you must present the passbook and verify the balance before you leave. If you lose the passbook, inform us right away.

We do not permit pre-authorized transfers or any electronic funds transfers from this type of account. If you intend to make pre-authorized transfers from an account, we may ask you to open a statement savings account or we will issue a monthly statement on your existing account.

Every payment which we make to a person presenting your passbook to us with a signed withdrawal order will be valid, provided we exercise reasonable care. This means that if anyone obtains possession of your passbook and withdraws from your account by forging your signature on a withdrawal form, we will not be liable to you for the amount withdrawn unless you notified us that the passbook was lost prior to the withdrawal or we were negligent in permitting the withdrawal.

**2.9 STATEMENT SAVINGS.** We will send you a monthly statement for these accounts. To withdraw from your statement savings account, we may require you to show us proper identification and present a withdrawal order. You may make up to six pre-authorized or telephone transfers per statement period to another account you have with us or to a third party, but these transfers may not be made by check, draft, Point of Sale transfers or similar order made by you and payable to third parties. Limitations on pre-authorized and telephone transfers are described in Section 2.10.

**2.10 PRE-AUTHORIZED AND TELEPHONE TRANSFERS.** You can make limited pre-authorized or telephone transfers from our statement savings accounts as described previously. The limitations on pre-authorized transfers do not apply to pre-authorized transfers made to pay loans you have with us, to withdrawals and transfers to another account you maintain with us (if made in person, by mail or by messenger), to withdrawals authorized by telephone (but paid by a check mailed to you) or to funds wired to you.

If you exceed the limitations on pre-authorized transfers repeatedly, we may be required to close the account, take away the account’s pre-authorized or telephone transfer capabilities, or convert the account to a checking account (with or without interest). We will advise you of violations.

**2.11 PROHIBITION ON PRE-AUTHORIZED, AUTOMATIC, AND TELEPHONE TRANSFERS.** Withdrawals by means of pre-authorized, automatic, or telephone transfer are not allowed from Passbooks (of all types) or Certificates of Deposit. Automatic transfer of credited interest from a Certificate of Deposit to another account you maintain at the Bank is permitted.

## **2.12 CERTIFICATES OF DEPOSIT (“CDs”)**

**(a) The Term.** A Certificate of Deposit is a type of deposit which requires you to leave the money in the account for a certain period of time (called the “term”) to earn interest throughout the term at the specified rate. The rules for savings accounts described in Sections 2.1 through 2.7 may also apply to a Certificate of Deposit. Certificates of Deposit are subject to penalties for early withdrawal, that is, withdrawal before the “Maturity Date”. The “Maturity Date” is the last day of the term. These penalties are described in Paragraph (e) below. When you establish a Certificate, you may select any term that we currently offer.

**(b) Later Deposits.** Later deposits are not permitted on Certificates of Deposit except for Variable Rate IRA Certificates of Deposit.

**(c) Notice of Maturity.** We are required by federal law to send a notice of maturity for all our automatically renewable Certificates of Deposit with terms greater than one month, and for all Certificates of Deposit which do not renew automatically and have terms of more than one year. We may, at our discretion, also send a notice of maturity for other Certificates of Deposits.

**(d) Automatic Renewal of Certificates.** All of our Certificates of Deposit are automatically renewable, unless we notify you in writing prior to the maturity date that your Certificate of Deposit will not automatically renew. If you do not withdraw the funds from an automatically renewable Certificate within the “grace period” after maturity, your Certificate of Deposit will be automatically renewed as of the Maturity Date of the maturing CD for a similar term at the rate of interest we are then paying on CD’s with that term. All interest, which is on deposit at the time of renewal, will become principal of the renewed CD. The grace period is ten (10) calendar days for all Certificates of Deposit.

If you elect against automatic renewal of your Certificate of Deposit (or we notify you that it will not automatically renew), you must give us written instructions during the grace period after the end of the term. You must return your Certificate of Deposit passbook (if applicable) and direct us (1) to renew the CD for a term which you specify and which we allow, (2) to deposit the funds in another account you maintain with us, or (3) to mail you a check. If you do not give us instructions, the funds will be left on deposit. If you decide to close the account during the grace period, we will pay interest from the Maturity Date until the date of withdrawal.

**(e) Penalty for Early Withdrawal.** We will allow withdrawal from your Certificate of Deposit, before the Maturity Date without penalty in the following events: (1) a court’s declaration of your mental incompetence, or (2) your death. In all other cases you cannot withdraw all or any part of the principal before the Maturity Date without our consent. We can only give our consent at the time you ask to make a withdrawal. If we consent to an early withdrawal, there is a penalty on the amount that you withdraw. For CDs with a term of 12 months or less, the penalty will be an amount equal to three (3) month’s interest on the amount withdrawn at the rate being paid on the deposit. For CDs with a term of more than 12 months (but less than 5 years) the penalty will be an amount equal to six (6) month’s interest on the amount withdrawn at the rate being paid on the

deposit. For CDs with a term of 5 years or more, the penalty will be an amount equal to nine (9) month's interest on the amount withdrawn at the rate paid on the deposit. We may take all or part of any penalty from principal, if necessary.

**(f) Effect of Interest Withdrawal.** The annual percentage yield shown on our Disclosure of Account Terms, Fees and Interest Rates assumes that interest will remain on deposit until maturity. A withdrawal of interest prior to maturity will reduce earnings.

### **3 RETIREMENT ACCOUNTS**

These accounts are governed by separate IRA or Qualified Plan Agreements and by the rules in this agreement for the Certificate of Deposit or Retirement Variable Rate Account in which your money is invested. You may make deposits to the Variable Rate Account at any time.

### **4 RULES FOR CHECKING ACCOUNTS**

**4.1 MONEY MARKET CHECKING ACCOUNT.** A Money Market Checking Account is an interest bearing account from which we permit an unlimited number of transfers to third parties by check. The rules for savings accounts described in Section 2.1 through 2.7 also apply to a Money Market Checking Account.

**4.2 REGULAR OR BASIC CHECKING ACCOUNTS.** The above named checking accounts are demand deposit accounts. That means we reserve the right to require notice before withdrawal from these accounts and permit unlimited numbers of transfers to third parties by check. We will pay no interest on these checking accounts.

**4.3 LIMITATIONS.** A Money Market Checking Account may be owned only by individuals for personal use or by certain nonprofit organizations. A Basic Checking Account may be owned by one or more individuals and used only for personal purposes. A Regular Checking Account may be owned by one or more individuals, and used for personal and limited business purposes.

**4.4 OTHER DISCLOSURE.** These accounts consist of a checking sub account and a savings sub account. The bank may periodically transfer funds between these two sub accounts. If your account is a Plan on which interest is paid, your interest calculation will remain the same. Otherwise, the savings sub account will be non-interest bearing. The savings sub account will be governed by the rules governing our other savings accounts. This process will not affect your available balance, the interest you may earn, FDIC insurance protection, or your monthly statement.

### **5 BENEFICIARY PAYABLE ON DEATH (P.O.D.) DESIGNATION**

The "Beneficiary" (P.O.D.) designation means that you intend to open an account and designate a Beneficiary to that account. The Beneficiary designation means that you have full ownership of the account until your death. You, as the owner, must give us your social security number. You must provide the bank with the name, date of birth, tax identification number and a residential address for the Beneficiary upon establishing the account or thereafter at the request of the bank. When you die, the account will belong to the beneficiary you have named if such person is alive when you die. If you have named more than one beneficiary, the account will belong equally to the beneficiaries who are alive when you die.

If this is also a joint account with right of survivorship, when any of the owners of the account dies, any remaining owners will have full ownership until their deaths. When the last owner dies, the account belongs to the beneficiaries who are living at that time.

## **6 UNIFORM TRANSFER TO MINORS ACT (“UTMA”)**

If you have opened an account as custodian under the applicable state Uniform Transfer To Minors Act, your rights and duties are governed by that Act. You must give us the minor's social security number. You will not be allowed to pledge the account as collateral for a personal loan to you.

## **7 FIDUCIARY DESIGNATION**

**7.1 FIDUCIARY.** A fiduciary is a person or organization named by will, trust or other legal document or appointed by the court to manage the funds or property of another. A fiduciary may be named in a written agreement, such as a trust or a power of attorney, or may be appointed by a court. If you have opened an account as a fiduciary, the funds belong to the trust estate and only the trustee(s) may withdraw funds or otherwise transact business with us for this type of account.

We may require that you give us a certified copy of any trust instrument, court order or decree appointing you as a fiduciary. Whether or not a copy is filed with us, we will not be held responsible for the contents or for any duty you may owe as trustee to any trust beneficiaries. The law and the trust document, court order or decree will define your rights and duties as fiduciary.

**7.2 TAX IDENTIFICATION NUMBER.** We may require that you apply for a taxpayer identification number for any account that you open on behalf of a separately taxable entity, such as an estate.

**7.3 POWER OF ATTORNEY.** A Power of Attorney is a legal document signed by a person giving a second person the power to act on the first person's behalf.

If you are acting under a Power of Attorney, your right to deal with the funds in an account is determined by law and in the Power of Attorney. You must give us a copy of the Power of Attorney. The owner of the account may only withdraw funds from the account, if he or she has also signed a signature card for the account.

A Power of Attorney ends when the person who signed it terminates it, dies, has a conservator appointed for his or her estate, or unless the Power of Attorney specifically provides otherwise.

The owner of an account and the person holding the Power of Attorney from the owner agree to notify us promptly if the power terminates. When a person holding a Power of Attorney makes a deposit to or a withdrawal from an account, that person is confirming that the power has not been terminated. We may rely on the Power of Attorney until we are given written notice that it has been revoked or terminated, and have had a reasonable opportunity to act on that notice.

## **8 CONFIDENTIALITY**

Information collected from you and about your account is considered confidential. The bank complies with the privacy standards as required by Federal and State regulations. For more details see our Privacy Notice.

## **9 DORMANT ACCOUNT AND ABANDONED PROPERTY**

A deposit account is considered dormant if there is not activity in the account for a specified period of time. Activity includes deposits, withdrawals, passbook updates or written correspondence with the bank. Activity does not include interest posted to the account. Checking accounts are considered dormant after one year without activity, while savings accounts are considered dormant after two years. You understand that if your account is dormant, you will be charged the fee specified in the Schedule of Charges.

A deposit account is considered abandoned if there is no activity in the account for three years. If your account is presumed abandoned, we will notify you within the required timeframe in accordance with appropriate state law. The bank is required by state law to transfer abandoned property to the appropriate state agency. You agree we are not responsible for any funds or property transferred pursuant to state laws and regulations and our internal procedures in compliance with those laws.

The bank does not require evidence of activity on Certificates of Deposit until maturity.

## **10 CUSTOMER IDENTIFICATION**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When you open an account, we will ask your name, residential address, date of birth, tax identification number, driver's license or other identifying documents, and other information that will allow us to identify you.

## **11 IDENTITY THEFT**

The bank will take responsible steps, in accordance with industry standards for information security, to protect against unauthorized access to or use of customer information that could result in the substantial harm or inconvenience to any customer. If you suspect or know that a security breach or identify theft has taken place, you should notify us immediately by calling (860) 859-4300 or going to any branch location. We will take the appropriate steps to secure customer accounts and sensitive customer information and assist victims of identify theft. If necessary, we may limit or prohibit access to accounts or customer information, including closing an account. At our discretion, we may limit or prohibit access to accounts or customer information, including closing an account. At our discretion, we may refuse to process transactions (including electronic funds transfers) if a security breach or identify theft is suspected or known. If you suspect or know that you are a victim of identify theft, you should contact the Federal Trade Commission (FTC) at 1-877-IDTHEFT or at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft).

