

# Consumer Deposit Account Information

Includes the following:

Deposit Account Agreement

Electronic Fund Transfer Agreement

Funds Availability Policy

Check 21 - Check Clearing for the 21st Century

Discretionary Overdraft Privilege Policy

Discretionary Overdraft Privilege Disclosure

Effective July 2, 2009



**FARMINGTON BANK**

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## Deposit Account Agreement

“You” and “Your” refer to anyone who signs the signature card for any deposit account. These terms also refer to any person or entity on whose behalf the account is opened. “We,” “us,” and “our” refer to Farmington Bank. “Check” means a check or other non-cash item, other than an electronic fund transfer.

### 1. GENERAL RULES FOR ALL DEPOSIT ACCOUNTS:

#### 1.1 YOUR AGREEMENT:

By signing the signature card or depositing funds or allowing funds to be deposited on your behalf in an account, you agree to the terms in this agreement for that account. This includes the terms in our Schedule of Charges, which are made part of 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:

- (a) **Written 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 for the account. We may supply endorsements as allowed by law on checks and other non-cash items (all of which we call “checks” in this agreement) that you deposit to the account.
- (b) **Authorized Signatures.** You agree that we may pay and charge your account for all checks and orders bearing a signature that you have authorized whether a facsimile or other authorization, regardless of who placed the signature(s) on the checks or orders.

#### 1.3 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.

When you cash or deposit a check, we may require that funds equal to the amount of the check remain in your account or another account you have with us until the funds from that check become “available for withdrawal”. See our Funds Availability Policy for an explanation of when funds are “available for withdrawal”. If we receive a check you have written on your account in an amount greater than the funds “available for withdrawal” from your account, we have the right not to pay that check.

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 non-payment of the check, we have the right to take that amount from your account or to obtain a refund by any method we deem proper, including the exercise of our right of set-off (see Section 1.8). 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.

There are certain checks that we will not cash or accept for deposit. These 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.

#### 1.4 CHARGES:

- (a) General. You agree to pay the charges listed on our Schedule of Charges. We can change these charges or add new ones upon giving notice as set forth in Section 1.6 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. The minimum balance rules for waiving or reducing charges for all deposit accounts are described in the Schedule of Charges.
- (c) Linking. Certain Checking accounts and NOW accounts can be "Linked" to your "Deposit Portfolio" balance in order to waive the monthly service charge. If you maintain a sufficient minimum daily balance in your entire "Deposit Portfolio", (the total of deposited funds in all of your deposit accounts) during the monthly statement period, we may waive the monthly service charge otherwise imposed on the account. The accounts eligible for linking and the minimum daily balance amounts needed for waiver of the service charge are set out in our Schedule of Charges.
- (d) Dormant Accounts. We are generally required by law to deliver to the State of Connecticut any funds in an account that remain dormant for a period of three years. We will attempt to contact you at the last address on our records before delivering the funds to the State. You agree that we are not responsible for any funds delivered to the State in compliance with the laws of the State of Connecticut.

#### 1.5 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 as defined in Section 36a-290 of the Connecticut General Statutes or the successor to that statute. 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 of you who is then alive. Each of you gives to any of the others authority to deposit to the account any check payable to any or all 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 which was signed by any one 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) Limitation on Number of Owners. We have the right to limit the number of owners on any account.

#### 1.6 AMENDMENTS:

- a) Interest Rate.
  - (i) Certificate of Deposit, ("CD's"). The Interest Rate (and resulting annual percentage yield) payable on any CD other than variable rate IRA CD's and Promotional CD's will be the rate(s) established at the opening of the account for the term of that account.
  - (ii) Promotional CD's. The Interest Rate (and resulting annual percentage yield) payable on promotional CD's will be the rate(s) established at the opening of the account for the initial term of the account until the

promotional option is exercised. The interest rate (and resulting annual percentage yield) established when the promotional option is exercised will then be applicable until the maturity of the CD.

(iii) Variable Rate Accounts. All other accounts are variable rate accounts. This means that your interest rate and resulting annual percentage yield can change. At our discretion, we may change the interest rate(s) (and resulting annual percentage yield) on an account at any time without prior notice to you.

- b) Other Amendments. We can make other amendments to this agreement by posting written notice in our lobbies or by delivery to you of a copy of the amendment(s). Federal law 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.

#### 1.7 WAIVER OF YOUR RIGHTS TO “NOTICE OF DISHONOR” AND “PRESENTMENT”.

If another institution refuses to pay a check (called “dishonor”) which you deposited or cashed, we may at our option, put the check through for collection again depending on the circumstances. We will not always give you notice that the check was dishonored before putting the check through for collection again. This means that in this instance 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.

#### 1.8 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 set-off 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 of any of you to pay the debts owed to us by any one or all of you. If we exercise this right by taking what you owe us from a certificate of deposit account, such payment shall be deemed an early withdrawal, and an early withdrawal penalty may be imposed.

#### 1.9 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 attorneys’ 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.

#### 1.10 IDENTIFICATION.

Federal law requires us to obtain, verify and record information that identifies each person who opens an account. We require proper identification when opening an account, and for other account transactions. When you open an account, we will ask you for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.

#### 1.11 SOCIAL SECURITY NUMBER REQUIRED.

If you fail to give us a correct social security or tax-identification number for the account on the signature card we can refuse to open an account or close your account. 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.

#### 1.12 OUR RIGHT TO CLOSE OR DISCONTINUE ACCOUNTS.

We reserve our right to stop offering any particular type of account and 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 reverse the right to decline to open an account for any person.

#### 1.13 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.

#### 1.14 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.

#### 1.15 STATEMENTS, ERRORS, ALTERATIONS, FORGERIES:

- (a) Our Checking accounts, NOW Accounts and Money Market Accounts are “truncated”. This means that, we do not return original cancelled checks with your statements. For “truncated” accounts your statement will include images of cancelled checks. If you open a truncated checking account that we offer, you agree that we are not required to send your original cancelled checks with your statement. You have the right to request a copy of your original check as provided by law.
- (b) 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 you receive a statement, we may consider the checks paid during that statement cycle to be genuine. We may also consider the statement to be correct, except as provided in our Electronic Fund Transfer Agreement which gives you 60 days to report an error concerning an electronic fund transfer. We will not be liable to you for payment of any forged or altered check (if that would cause us to suffer a loss) unless you notify us of the forgery or alteration within that thirty-day period. 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 of errors or unauthorized transactions. [UCC 4-406]

#### 1.16 USE OF OUR CHECKS AND FORMS:

- (a) Checks. We can require that you use only checks we have approved for account use. The only checks we have given our prior approval to are the ones offered to you through us by our approved vendor. If you use a check we have not approved we can refuse to pay the check and charge you the fees listed, if any, in our Schedule of Charges.
- (b) Forms. We can also require that you use our forms for making deposits, withdrawals and any other account matters.
- (c) Deposit of Checks. You agree not to deposit any copy of a check other than a substitute check that meets industry standards, or a substitute

check that we have returned to you and that you are re-depositing (see Section 1.21 below.) You agree that you will be liable for any losses that we suffer because you violated this provision.

#### 1.17 NOT 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, such as that which would occur on death, bankruptcy or as a result of a court order.

#### 1.18 STOP PAYMENT ORDERS.

If you request us to stop payment on an item, we will make a good faith effort to do so. If the check you want to place a stop payment has been converted to an EFT by the payee, tell us. If you do not tell us, the EFT may be paid electronically, because we placed the stop payment on the paper check and not an electronic item.

You may need to place two stop payment orders, one on the “check” and one on the “electronic funds transfer”. The stop payment order must describe the check with reasonable certainty. If the stop payment order does not do so, or if we do not 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 item(s), causes other items to be returned for insufficient funds. If we do stop payment of an item 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 stop payment order is only good for 365 days, but you may renew it by written notice we receive before it expires.

#### 1.19 RECEIPT OF FUNDS TRANSFER.

A “funds transfer” is a transfer of funds to your account which is not initiated by a check, draft or similar paper instrument. Most funds transfers, including regularly recurring transfers such as direct deposit of Social Security payments or paychecks are governed by our Electronic Fund Transfer (“EFT”) Agreement. Some, like wire transfers, are not, but under most circumstances we are required by law to accept them. If we receive a “funds transfer” to your account that is not governed by our EFT Agreement, we may, in our discretion, refuse to accept it, if it is a “funds transfer” we are not required by law to accept. If we accept “funds transfer” not governed by our EFT Agreement, we may, in our discretion, send notice by first class mail to your last address as it appears on our records, but we do not agree to send notice (other than your periodic statement, if you get a statement for that account.)

#### 1.20 PAYMENT OF CHECKS.

We will pay checks drawn on your account that are presented for payment on a banking day from other financial institutions in “Check Number” order from the smallest number to the largest number. This order of payment is designed to provide for the processing of checks in an orderly manner. We may pay other items such as ATM withdrawals and the electronic debits in the order in which they are presented for payment. If there are not available funds in the account to pay all of the checks and other charges against the account (such as ATM withdrawals, bank fees, and preauthorized transfers) presented on a banking day, you agree to pay any insufficient or uncollected check/ACH fees or check fees that result based on our payment of checks and other items in the order described in this paragraph and from our payment of other charges in any order we decide.

### 1.21 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 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,
- (ii) if you request a copy of the check, you may get a copy of the substitute check, rather than a copy of the original check.

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. In some cases you may have the right to expedited re-credit of the lost funds. If applicable, we have provided (or will provide) a separate disclosure describing the right to expedited re-credit and the timeframe for claiming the re-credit.

### 1.22 OVERDRAFTS AND UNCOLLECTED FUNDS:

- (a) If you do not have enough available funds in your account to pay a check, funds transfer or other non-check transaction such as an ATM withdrawal or other electronic debit, from on your account, you will have to pay a fee. A fee is charged for each item presented against non-sufficient funds whether we choose to pay the item or not.
- (b) We will determine in our sole discretion whether to pay an item presented for payment if your account does not contain sufficient available funds. If we do pay an item for which there are insufficient funds, we will send you a notice disclosing the overdraft amount and the fees associated with the overdraft. You agree to pay the amount of the overdraft plus any applicable fee(s). The overdraft and uncollected item charges are listed in the Schedule of Charges and on page 30 of this agreement.
- (c) 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. We may, at our option, re-deposit one time, any check deposited to your account which is returned to us, depending on the circumstances.

### 1.23 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 party in writing. You also agree to request us to stop payment on these transactions. We may require you to close your account and open a new account to prevent such future 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).

### 1.24 POSTDATED CHECKS.

If the date on a check is later than the date the check was issued, the check is called “postdated.” 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. We will not be liable if we pay the check before the date on the check or if such payment causes other checks to be returned for insufficient funds.

#### 1.25 STALEDATED CHECKS.

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

#### 1.26 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.

#### 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, to surrender any passbook or similar account documents, and to open a new account listing the new owners. If the account is a certificate of deposit, we may require you to pay any applicable early withdrawal penalty when you close the account.

#### 1.28 SERVICE OF PROCESS.

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 for the amount stated in the legal process. A "hold" means you may not 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 the 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 dark 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.

### 2. RULES WHICH APPLY TO SAVINGS, MONEY MARKET, CERTIFICATE OF DEPOSIT AND CLUB ACCOUNTS:

#### 2.1 INTEREST.

Savings accounts earn interest. The rates and certain other information about how we calculate interest are set forth in the Schedule of Charges.

#### 2.2 WHEN INTEREST BEGINS TO ACCRUE ON DEPOSITED CHECKS.

Interest begins to accrue on a non-cash deposit made to a savings account on the business day the deposit is considered to have been made, (see our Funds Availability Policy for an explanation of when a deposit is not considered made on the day you deliver checks to us).

#### 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 principal in the account

each day. The principal balance used to calculate interest is the balance on which interest has begun to accrue (see Section 2.2 above).

#### **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 the Schedule of Charges. We use the daily balance method to determine if the minimum balance requirement has been met.

#### **2.5 WITHDRAWAL BEFORE INTEREST CREDITED.**

Our crediting and compounding policies for all deposit accounts are set forth in the Schedule of Charges and Accounts Disclosures. If you close an account (other than a statement savings and passbook savings account) before interest is credited, you will not receive the accrued interest.

#### **2.6 RESTRICTIONS ON WITHDRAWALS.**

We have the right to require that you give us at least 7 days written notice to withdraw funds from a regular savings, NOW, and Money Market account. We would expect, except in unforeseen circumstances, to give advance notice of our intent to impose this requirement. We are prohibited by law from imposing the notice requirement on any depositor with these types of accounts unless the notice is required of all depositors with these types of accounts. Except for NOW Accounts and Money Market Accounts, we can require that you make withdrawals which are made in person only at the office where you opened the account.

#### **2.7 PASSBOOK ACCOUNTS.**

We record transactions for 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 from this type of account. If you intend to allow pre-authorized transfers from an account, we may ask you to open a statement savings account for this purpose. 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.

#### **2.8 STATEMENT SAVINGS ACCOUNTS.**

We will send you a monthly statement for these accounts. To withdraw from your statement savings or Money Market account, you must show us proper identification and present a withdrawal order.

You may make up to six preauthorized transfers, internet, or telephone transfers per month, but these preauthorized 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 preauthorized transfers are described in Section 2.10 below.

#### **2.9 MONEY MARKET ACCOUNTS.**

Our Money Market Accounts are statement savings accounts from which you are permitted to make up to 6 preauthorized, internet, or telephone transfers per statement cycle by check, draft, Point of Sale or similar order made by you and payable to third parties. Limitations on preauthorized transfers are described in Section 2.10.

## 2.10 PREAUTHORIZED TRANSFERS.

You can make limited preauthorized or telephone transfers from our statement savings and money market accounts. The limitations on preauthorized transfers do not apply to pre-authorized transfers made to pay loans you have with us or to withdrawals or transfers to another account you maintain with us if made in person or by mail or through an automated teller machine.

If you exceed the limitations on pre-authorized transfers on more than an occasional basis, (in more than three consecutive statement periods, or more than six statement periods within the last twelve months) 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 NOW account or checking account depending on the ownership type. We will advise you of violations.

## 2.11 CLUB ACCOUNTS.

We record transactions for this account in your passbook or on separate documents if your account is a Statement Savings account. 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 from this type of account. At a pre-determined date set at the time of opening a club account, we will mail you a check for the balance together with interest to date, unless you instruct us otherwise. You will be assessed a fee, (please refer to the Schedule of Fees and Charges) if you make a withdrawal or close the account prior to pre-determined date. We will allow the account to maintain a zero balance for no more than 90 days from the pre-determined date, in order to give you time to start a new club. After that time, we will automatically close the account.

## 2.12 CERTIFICATE OF DEPOSIT ("CD"):

- (a) **The Term.** A CD is a type of deposit which requires you to leave money in the account for a certain period of time (called the "term") to earn interest throughout the term at the specified rate. CD's are subject to penalties for early withdrawal; that is, withdrawal before the "Maturity Date". The "Maturity Date" is the first day following the last day of the term. These penalties are described in Section 2.12.f. below. When you establish a CD, you may select any term that we currently offer, as described in our current Schedule of Charges. If the Maturity Date falls on a day we are not open (such as a weekend or holiday), for accounts that do not renew automatically we will pay interest at the rate specified for your CD until the next business day we are open.
- (b) **Promotional CD's.** From time to time, at our option, we may offer you a CD where you may request to change the interest rate being paid on your CD to equal the interest rate we would pay on a new CD of comparable term. An Interest Rate change may be initiated by you at your discretion. The Interest Rate change will be allowed only once during the term of a certain range of CD accounts.
- (c) **Later Deposits.** From time to time, at our option, we may allow you to make additional deposits to an existing CD, during the term of the CD.
- (d) **Notice of Maturity.** We are required by federal law to send a notice of maturity for all our automatically renewable CD's with terms greater than one month and for all CD's which do not renew automatically and have terms of more than one year. We will send a maturity notice for all CD accounts to the address we have on file.
- (e) **Automatic Renewal of CD's.** If you do not withdraw the funds from the

account within the “grace period” of 7 calendar days after maturity, your CD account 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.

If you elect against automatic renewal of your CD, you must give us written instructions. You must 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. We must get your instructions within 7 days after the end of the term.

When properly renewed, your new CD will begin on the Maturity Date of the maturing CD. If the account is closed during the 7 day period we pay interest from the Maturity Date until the date of withdrawal. If, on the Maturity Date we no longer offer the same type of CD, and you do not instruct us otherwise, the funds in the account will be placed in a CD which we offer, which we, in our discretion, determine is most similar to your CD. If you renew a CD or a CD is automatically renewed, all interest which is on deposit at the time of renewal will become principal of the renewed CD.

- (f) **Penalty for Early Withdrawal.** We will allow withdrawal from your CD before the Maturity Date without penalty in the following events: (1) a court’s declaration of your mental incompetence, (2) your death, or (3) according to the terms provided in the account disclosure for Liquid CD’s.

In all other cases you cannot withdraw all or any part of the principle 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 CD’s with an originally scheduled term of 100 days or less, the penalty will be an amount equal to 1 month’s interest on the amount withdrawn at the rate being paid on the deposit. For CD’s with an originally scheduled term of 1 year or less but greater than 100 days, the penalty will be an amount equal to 3 month’s interest on the amount withdrawn at the rate being paid on the deposit. For CD’s with an originally scheduled term of greater than 1 year, the penalty will be an amount equal to 6 month’s interest on the amount withdrawn at the rate being paid on the deposit. We may take all or part of the penalty from the original deposit, if necessary.

- (g) **Effect of Interest Withdrawal.** The annual percentage yield assumes that interest will remain on deposit until maturity. A withdrawal of interest prior to maturity will reduce earnings.

### 3. IRA AND KEOGH ACCOUNTS:

These accounts are governed by separate contracts and by the rules in this agreement for the type of IRA or KEOGH savings account opened.

### 4. RULES WHICH APPLY TO NOW ACCOUNTS AND INTEREST CHECKING ACCOUNTS:

#### 4.1 SAVINGS ACCOUNT.

A NOW account is a savings account upon which you can draw checks. Interest bearing Checking accounts are NOW accounts. The rules for savings accounts described above in Sections 2.1 – 2.6, also apply to NOW accounts.

#### 4.2 LIMITATION.

NOW accounts and Interest Checking accounts may be owned only by individuals or by certain non-profit organizations. For example, an individual can open a NOW account for a sole proprietorship.

See section 9 below.

## 5. RULES WHICH APPLY TO REGULAR CHECKING ACCOUNTS:

### 5.1 DEMAND DEPOSIT.

A checking account is a demand deposit account. That means we reserve no right to require notice before withdrawal from checking accounts and permit unlimited numbers of transfers to third parties by check. We will pay no interest on a checking account.

### 5.2 AVAILABILITY.

A personal Checking Account may be owned only by one or more individuals and used only for personal purposes.

## 6. IN TRUST FOR, PAYABLE ON DEATH ("POD") OR BENEFICIARY DESIGNATION.

The "Payable on Death", "In Trust For" or "Beneficiary" designation means that you intend to open an account under section 36a-296 of the Connecticut General Statutes (entitled "Deposits in Trust") or the successor to that statute. The Payable on Death, In Trust For or Beneficiary designation means that you have full ownership of the account until your death. You, as the owner, must include your social security number on the signature card. 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.

## 7. UNIFORM TRANSFERS TO MINORS ACT ("UTMA").

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

## 8. FIDUCIARY DESIGNATION.

### 8.1 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 or court order or decree will define your rights and duties as fiduciary.

### 8.2 TAX IDENTIFICATION NUMBER.

We may require that you apply for a taxpayer identification number for any account that you open on behalf of a trust or other separately taxable entity.

### 8.3 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. [We are not required to honor a Power of Attorney.]

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, becomes disabled or incompetent.

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.

### 9. SPECIAL RULES WHICH APPLY TO INTEREST CHECKING AND NOW ACCOUNTS.

These account types are "NOW" accounts. A "NOW" account is a savings account upon which you can draw checks. "NOW" accounts may only be held by Individuals, Sole Proprietorships, Associations and Organizations that are organized for non-profit purposes. Partnerships and Corporations that are organized for profit purposes are not eligible to open a "NOW" Account. In addition, "LLC's", (Limited Liability Companies) are not eligible to open a "NOW" account.

In order to be eligible for "NOW" account status, the account must consist solely of funds in which the entire beneficial interest is held by one or more individuals, (natural persons) or by an organization which is operated primarily for religious, philanthropic, charitable, educational, political, or other similar purposes and which is not operated for profit, and that is described in paragraphs 501(c)(3) – (13) and (19) and section 528 of the Internal Revenue Code. In addition, deposits of public funds by an officer, employee, or agent of the United States, any State, county, municipality, or political subdivision thereof are eligible for "NOW" account status.

### 10. INTERNAL ACCOUNTING OF BALANCES.

For our internal accounting purposes only, your checking account consists of two sub-accounts; a checking sub-account and a savings sub-account. On interest-bearing checking accounts, the same interest rate is paid on both sub-accounts; for non interest-bearing checking accounts interest is not earned on either sub-account.

Whenever your checking sub-account balance exceeds a certain amount that we set (and may change from time to time), we may transfer funds, (sweep) above that amount to the savings sub-account.

As these funds are needed to pay items presented against your checking account, we will transfer, (sweep) funds from the savings sub-account to the checking sub-account, up to six times per statement period. If a sixth transfer is needed, the entire balance in the savings sub-account will be transferred into the checking sub-account. This process may be repeated each statement period.

This balance accounting is transparent and has no effect on your account balance, on the daily use of your account, on how checks are paid, or on how your account activity appears on your monthly statement.

## Electronic Fund Transfer Agreement

### Definitions:

“We”, “us” and “our” mean Farmington Bank. “You” and “your” mean anyone who has an Account with us and is authorized to use the applicable EFT service.

“Account” means any deposit account you have with us from or to which we allow electronic fund transfers (“EFT’s”).

“ATM” means any automated teller machine where you can use your Card and PIN.

“Available Funds” means the money in your Account which can be withdrawn or transferred together with any credit you may have available to you under your Reserve Credit Agreement with us (if applicable). Available Funds may be less than the entire balance in your Account if, for example, we have placed a “hold” against certain funds in your Account to allow a reasonable time for checks deposited to or cashed against your Account, or to allow certain Account withdrawals, such as point of sale (POS) transfers, to clear.

“Bill Payment” is the service we offer that allows you to request transfers of funds to third parties through “Online Bill Pay”, Internet Banking, or by other means that we specify. “Internet Banking” means our system that allows you to access your Accounts and make transfers through the Internet.

“Telebanc” means our automated voice response telephone banking system.

“Business Day” See Section 3 below for a definition of our “Business Day”.

“Card” means the Farmington Bank ATM and/or the Farmington Bank MasterCard Debit Card ®. “Checking” Account means the Checking Account or NOW Account, or any other checking account that we offer and that you have selected in your application for the EFT service. “Savings” Account means the Money Market Account, Statement Savings Account or Regular Savings Account you have selected in your application for the EFT service.

“Electronic Fund Transfer” or “EFT” is a transfer of funds at our bank that is initiated electronically. The EFT services we offer are listed in Section 1 below.

“PIN” means, as applicable, the personal identification number you agree to use to identify yourself when using an ATM or POS or making a telephone transfer, or using Internet Banking. These numbers need not be the same.

“Point of Sale” or “POS” terminal means an electronic terminal at which you can use your Card and PIN to pay for goods and services and receive cash by debiting your Account.

“Preauthorized Transfers” mean transfers you have arranged in advance for us to make, including checks written to third parties, POS transfers, telephone transfers, and transfers made through Internet Banking, including transfer orders made in advance through Internet Banking.

“Reserve Credit” means the Overdraft Protection Credit Agreement you have with us.

## 1. WHAT IS AN EFT?

An EFT is a transfer of your funds at our bank which is initiated electronically, for example, by telephone, computer, Internet access device, ATM or POS. We currently offer the following EFT services:

- (a) **Direct Deposit:** You can arrange for the direct deposit to your Account of Social Security benefits or other deposits such as payroll that we allow to be deposited directly to your Account through the computer or internet access device.

If funds have been deposited in your accounts, into which you are not legally entitled, by mistake or otherwise, you agree that such amounts are debts owing from you to us and you authorize us summarily to withdraw such amounts from the account or any other account you have with us. We can do this without giving you prior notice or demand. We can also exercise our right of setoff to recover any such amount. (An example of such an overpayment to your account to which you are not legally entitled would be a Social Security payment received by direct deposit after your death.)

- (b) **“Telebanc”:** You may use your Account number and PIN to make the following types of transfers by telephone:

- (1) Transfer Available Funds between your Checking and Savings Accounts
- (2) Transfer Available Funds from your Checking or Savings Account to make a payment on a Farmington Bank loan
- (3) Find out what the current Available Funds balance is on your Checking or Savings Account
- (4) Get information on Deposit Rates
- (5) Check you last 10 Transactions
- (6) Check to see if a specific Check has Cleared your account

Any payment or transfer called in after 7:00 p.m. Monday through Friday will be processed the next business day.

To use Telebanc call (860) 676 – 4777 or (800) 845 – 2308.

- (c) **Preauthorized Payments:** You can arrange to have payments or transfers (that we allow) made from certain Accounts automatically. These payments or transfers are made to third parties such as insurance and utility companies.

- (d) **Services Available at our ATMs:** You may use your Card and PIN to do the following at our ATMs:

- (1) Withdraw Available Funds from those Accounts that you have selected in your application for the EFT service.
- (2) Make deposits to those Accounts that you have selected in your application for the EFT service. (This EFT service is not available at ATMs that are located at other banks.)
- (3) Transfer Available Funds between those Accounts that you have selected in your application for the EFT service.
- (4) Make payments on mortgages or certain other loans with us. (This EFT service is not available at ATMs that are located at other banks.)
- (5) Find out what the current Available Funds balance is on your Checking or Savings Account.
- (6) If you have Reserve Credit, you can, by overdrawing your Checking Account, obtain a loan advance from the credit available under your Reserve Credit.

- (e) **Other Services Available with your Card and PIN:** You can pay for purchases by accessing your Checking Account with your ATM Card or MasterCard Debit Card (whether through a POS terminal or otherwise) at merchants that have agreed to accept the Card (in some cases together with the PIN) for this purpose. At the time of the purchase, you may also be able to withdraw cash, subject to cash availability and merchant agreement. POS transactions are not available at all places or merchants. The merchant's own policy on refunds and returns governs your rights relating to refunds and returned merchandise. You must resolve issues of this type directly with the merchant.
- (f) **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;
  - (1) Pay for purchases
  - (2) Pay Bills
- (g) **Services Available through Internet Banking:** You may use your Internet Banking PIN to do the following through the Internet:
  - (1) Obtain account balances and transaction information for your Accounts.
  - (2) Transfer funds between your Accounts.
  - (3) View and print Check Images of checks and send electronic messages to us.
  - (4) If you have Reserve Credit you can, by overdrawing your Account, obtain a loan advance from the credit available to you under Reserve Credit.
- (h) **Services Available through Online Banking Bill Payment:** If you have applied and been approved for Bill Payment, you may conduct the following transactions from your designated Checking Account:
  - (1) Make payments to any person or business (a "payee") in the United States that we allow.
  - (2) Schedule and make future payments.
  - (3) Set up automatic recurring future payments.
  - (4) Review, change and cancel payments.
  - (5) Inquire about specific payments.Internet Banking and Online Bill Payments are governed by a separate agreement. To the extent there may be conflicts between the Internet Banking and Online Banking Bill Payment Agreement and this agreement, the Internet Banking and Online Banking Bill Payment Agreement will apply.
- (i) **When Service is Available:** Farmington Bank ATMs and ATM Switch Network ATMs are open 24 hours every day, except:
  - (1) All ATMs are closed briefly each day for balancing.
  - (2) ATMs located inside bank premises are open only during banking hours.Except as noted above our Electronic Funds Transfer services are generally available 24 hours every day but may be closed for maintenance, for security reasons, or due to malfunction.
- (j) **Limitations on Availability of Services:** We are members of "NYCE" and "CIRRUS" ATM Switch Networks, and all of the transactions described in (d) and (e) above may not be available at all ATMs or POS terminals where

you can use your Card and PIN.

We do not allow Preauthorized Transfers from a Passbook Savings Account, and you cannot use a Card to access a Passbook Savings Account. If an EFT service is received and posted to a Passbook Savings Account, the account will be automatically converted to a Statement Savings Account at the end of the month in which the first EFT was received.

## 2. AGREEMENT.

By signing an application or by using your Card or by using an EFT, you agree to the rules in this Agreement for the type of EFT service that you use. Your Deposit Account Contract contains additional rules about the use of your Account, and is a part of this Agreement.

You agree that if you give your Card or your PIN to another person, or if you ask us to issue a Card and a PIN to another person, you will be responsible for all transactions done by that other person, just as if you had made the transactions yourself, unless and until you notify us that further transactions by that other person are no longer authorized by you. If you notify us orally, we may ask you to confirm the notification in writing. Any Card or PIN we issue to another person at your request will be subject to this Agreement. (See also Section 15 below.)

## 3. BUSINESS DAYS.

Our business days are Monday through Friday. Holidays are not included.

## 4. GENERAL LIMITATIONS ON TRANSACTIONS.

- (a) General: We may limit the number, type and form of Accounts to or from which we will allow EFTs (see, for example, Section 1(i) above).
- (b) Savings Account limitations: You are limited to six (6) Preauthorized Transfers of Available Funds per month from a Statement Savings Account or Money Market Account, including transfers by checks, draft, Point of Sale, or similar order made payable to third parties.  
The following types of transfers do not count towards the six (6) transfer limit described above:
- (1) Preauthorized Transfers from your Statement Savings account or Money Market account to make a loan payment to us. However, transfers of funds from your Statement Savings account or Money Market account to cover an overdraft in any Checking Account do count towards the six (6) transfer per monthly statement period limit described above.
  - (2) Transfers or withdrawals you request in person, by mail, or by messenger.
  - (3) Transfers or withdrawals that you make at an ATM or POS terminal or that you otherwise make in person with a Card.
  - (4) Preauthorized Transfers of funds into a Savings Account or Money Market account you maintain with us.
  - (5) Checks that we mail to you at your request, provided that they are payable to you. This includes checks payable to you that you request by using Internet Banking.
- If you exceed the six (6) transfer limit described above on more than an occasional basis, we reserve the right to close your account, take away the Preauthorized Transfer capacities, and/or convert your Statement Savings account or Money Market account to a Checking Account or another type of transaction account, as a penalty for repeated violation of the limit.
- (c) Overdrafts and Transfers that exceed Daily Limit: If you do not have enough Available Funds to cover a transaction, or if a transaction would go over the daily limit described below in Section 5a, you agree that we do not

have to permit the transaction. You also agree that you will not request any transaction which would cause your Account to become overdrawn, or which would otherwise break the rules in this Agreement or in any other agreement you have with us. (See also Section 2 above.)

If any of your Accounts has an overdraft, for whatever reason, You agree to pay us the amount of the overdraft promptly. If you do not pay promptly, you also agree to pay our collection costs, including attorneys fees, as allowed by law.

We may reduce the amount of the overdraft by using our right of set off (as described more fully in your Deposit Account Contract).

#### 5. LIMITATIONS ON ATM AND POS TRANSACTIONS.

- (a) Daily Limit for transfers with a Card and PIN. You may withdraw up to \$300.00 in cash each day by using your Card and PIN. This limit applies separately to each cardholder, and applies even if you have access to more than one Account with your Card and PIN. This limit applies to the total of all withdrawals and POS transactions from all Checking Accounts and all Savings Accounts with a Card and PIN. If on a particular day, the amount of Available Funds in your Accounts totals less than the daily limit, you may not withdraw more than the total of Available Funds on that day with a Card and PIN.

The minimum withdrawal from a Farmington Bank ATM is \$20.00 and above that amount withdrawals must be in multiples of \$20.00.

- (b) Limit on transfers with a Card only. Some merchants may allow you to use your card without your PIN to pay for purchases. The daily limit described in subsection (a) above does not apply to any POS transfers you are allowed to make with your Card alone, without your PIN.

You may make POS transfers with your Card alone, without your PIN, up to the amount of Available Funds in your Account(s).

In deciding whether to process a POS transfer from your Account that is made with your Card alone, and without your PIN, you agree that we may either (1) immediately debit your Account for the amount of the POS transfer as soon as we receive any electronic or other notice of the POS transfer, or (2) place a "hold" on funds in your Account in an amount equal to the POS transfer as soon as we receive any electronic or other notice of the POS transfer. If we place a "hold on funds in your Account to cover a POS transfer that you make with your Card alone, without your PIN, we do not have to make the funds that are subject to a "hold" available to you for withdrawal or to pay for any transfer from your Account, apart from the POS transfer that was the reason for our putting the funds on "hold".

- (c) Other limitations. During a malfunction of an ATM or POS terminal, our computer system or the ATM or POS system, we may limit the number, dollar amount and the types of EFT's you can make, including the types of Accounts you can access with a Card (whether or not at an ATM or POS terminal). For security reasons, there are other limits on the number and dollar amount of EFT transactions you can make, in addition to the limits that are described in this Agreement.

Other limitations may apply at merchants or at ATMs or POS terminals which you can access through the ATM and POS Switch Network.

- (d) Purchases With Your MasterCard Debit Card ®: In addition to the limits of \$300.00 in cash per day, If your card is a MasterCard Debit Card ®, you can use your Card to make MasterCard Debit Card ® purchases up to a maximum limit of \$ 1,000.00 per day. When you make a MasterCard Debit Card ® purchase, you authorize us to put a hold on your Account for the

amount of the purchase. When the transaction has cleared, the funds on which we have placed a hold will be debited from your Account.

- (e) **International MasterCard Debit Card ® Transactions:** If you effect a transaction with your MasterCard Debit Card ® in currency other than U.S. dollars, MasterCard International Incorporated will convert the change into a U.S. dollar amount. MasterCard International will use its currency conversion procedure, which is disclosed to institutions that issue MasterCard® cards. Currently the currency conversion rate used by MasterCard International to determine the transaction amount in U.S. dollars for such transactions is generally either a government mandated rate or a wholesale rate determined by MasterCard International for the processing cycle in which the transaction is processed, increased by an adjustment factor established from time to time by MasterCard International. The currency conversion rate used by MasterCard International on the processing date may differ from the rate that would have been used by MasterCard International on the purchase date or cardholder statement posting date.

## 6. DOCUMENTATION AND TELEPHONE INQUIRY.

- (a) **Account statement and receipts.** You have a right to receive certain types of documentation and information concerning EFTs. You will get a monthly Account statement unless subsection (c) below applies to you. You can get a written acknowledgment at the time you make a transaction through an ATM or POS terminal, unless the ATM or POS terminal is not working properly. This acknowledgment will show certain information such as the amount of your transaction, the type of transaction, and the date of the transaction.
- (b) **Direct Deposits.** You can arrange to have direct deposits made to your Account on a regular basis from the same person or organization. If you have arranged to have direct deposits made to your Account at least once every sixty (60) days from the same person or organization, call the Customer Support Center at 860-676-4600 or Toll-free at 877-376-2265 to find out whether or not the deposit has been made.
- (c) **Special Rule for Passbook Savings Accounts.** You may not arrange to have direct deposits made to your Passbook Savings Account. However, if an EFT service is posted to your Passbook Savings Account, the account will automatically be converted to a Statement Savings Account at the end of the month in which the first EFT occurred. Once the account is converted, you will receive a monthly account statement. (See Section 1(i) above).

## 7. PRE-AUTHORIZED TRANSFERS FROM YOUR ACCOUNT.

- (a) **Stop Payment.** If you have told us in advance to make regular payments out of your Account, or if you have given us payment instructions through Bill Payment, you can stop any of these payments. Here's how:

Call us at: 860-676-4600 or Toll-free 877-376-2265

Write us at: Farmington Bank  
One Farm Glen Boulevard  
Farmington, CT 06032  
Attention: Customer Support

Please write to us in time for us to receive your request three (3) 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 send it to us at an

address we specify within fourteen (14) days after you call. If we require you to put your request in writing and send it to us within fourteen (14) days and you do not do so, then your oral stop payment request will cease fourteen (14) days after it has been made and we may make the payment if it is demanded by the particular person or organization involved.

NOTE: If you want to stop these preauthorized payments permanently (other than a payment requested through Bill Payment), you must notify the person or organization you have told us to pay. A stop payment request which we receive will only stop the particular payment to which it applies, unless you specifically instruct us otherwise. If you instruct us to stop these payments permanently we will do so, but we may require you to send us a copy of your notice to the person or organization you told us to pay. For payments initially requested through Bill Payment, you only need to notify us to stop these payments permanently.

- (b) **Notice of Varying Amounts.** If these regular payments may vary in amount, either we or the person or organization you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be. You may ask us or the person or organization you are going to pay to give you this notice only when the payment would differ by more than a certain amount from the prior payment or when the amount would fall outside certain limits that you set. We will not be liable if the person or organization you are going to pay fails to give you notice of varying amounts.
- (c) **Liability for Failure to Stop Payment of Pre-authorized Transfers.** If you ask us to stop one of these payments three (3) business days or more before the transfer is scheduled by giving us a proper stop payment request (as explained above), then if we do not follow your request to stop payment, we will be liable for certain types of losses or damages which you may suffer.
- (d) **Stop EFT.** Unless otherwise stated in this Agreement, you cannot stop an EFT, other than a preauthorized transfer.

## 8. CHARGES.

Our charges for EFT's are disclosed on the enclosed Schedule of Charges under the heading "Electronic Funds Transfer/ATM Charges".

## 9. OUR LIABILITY FOR FAILURE TO MAKE TRANSFERS.

If we do not complete a transfer to or from your Account in a timely manner in accordance with the terms and conditions of this Agreement and normal banking procedures or in the correct amount according to your instructions, we will be liable for certain types of losses or damages which you may suffer. However, there are some exceptions.

We will not be liable in the following instances:

- (a) We will not be liable if, through no fault of ours, you do not have enough Available Funds in your Account to make the transfer.
- (b) We will not be liable if the Account has a "hold" on it for the amount of all or part of the funds necessary to make the transfer.
- (c) We will not be liable if the ATM, POS terminal, Internet Banking or Bill Payment or the system that supports these services was not working properly and you knew or should have known about the breakdown when you started the transaction.
- (d) We will not be liable if you do not give us, where applicable, your name, correct PIN and, where applicable, correct Account numbers and correct Social Security Number when starting the transfer.

- (e) We will not be liable if circumstances beyond our control prevent the transfer despite reasonable precautions that we have taken. Such circumstances include delays or losses of bill payments caused by the U.S. Postal Service, equipment failure or breakdown, acts of God, or other conditions beyond our control.
- (f) We will not be liable if we do not receive proper instructions or notifications for the use of the Account for EFT's or proper instructions for the particular transfer.
- (g) We will not be liable if the ATM or POS terminal where you are making a withdrawal does not have enough cash.
- (h) We will not be liable if the funds in your Account are subject to a Court order, legal process or other encumbrance restricting such transfer.
- (i) We will not be liable if your Card has deteriorated or been damaged so that it does not function properly.
- (j) We will not be liable if your Card or PIN has been reported lost or stolen.
- (k) We will not be liable if you do not follow the procedures in this or any other agreement you have with us, or the applicable, Internet Banking or Bill Payment instructions on how to make transfers or payments.
- (l) We will not be liable if the transfer would not be within the daily limit described in Section 5(a) above.
- (m) We will not be liable if you fail to confirm the completion of a transfer made through Internet Banking or Bill Payment.
- (n) We will not be liable if we have reason to believe that you or someone else are using the ATM or POS terminal, Internet Banking or Bill Payment for fraudulent or illegal purposes.
- (o) We will not be liable if you or we have terminated this Agreement, or we have canceled your Card and / or your PIN.
- (p) We will not be liable if the telephone or Internet access device you are using for the transaction fails or malfunctions.
- (q) We will not be liable if you do not authorize a payment through Bill Payment soon enough for your payment to be made and properly credited by the payee by the time it is due.
- (r) We will not be liable if we make a timely bill payment but the payee does not credit your account promptly after receipt.
- (s) There may be other reasons under Federal or State law why we will not be liable.

#### 10. RESERVE CREDIT.

If you have Reserve Credit, you can use the Card and / or PIN (as stated in Sections 1(d), (e) and (f) of this Agreement) to obtain credit in the form of loan advances under the terms disclosed to you in the Reserve Credit Agreement which you have already received.

#### 11. ACCOUNT INFORMATION DISCLOSURE.

We will disclose information to third parties about your Account or the transfers you make in the following instances:

- (a) We will disclose information where it is necessary for completing transactions, making bill payments, or collecting checks.
- (b) We will disclose information as allowed by law in order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant, payee, or holder of a check issued by you or by Bill Payment.
- (c) We will disclose information in order to comply with any law, court order, or proper governmental request, such as subpoenas, tax information,

- bank examinations and reports of unusual cash transactions.
- (d) We will disclose information if you give us your written permission.
  - (e) We will disclose information to our agents, auditors and collection attorneys.
  - (f) We will tell a holder of one of your checks or a merchant attempting to process a POS transfer whether it would be paid or honored if presented at the time of the request.
  - (g) We will disclose information to government officials in connection with suspected violations of law.
  - (h) We will disclose information to third parties if you owe us money and we must take legal action to get it.
  - (i) We may disclose information relating to an Account which does not identify you or your Account.
  - (j) We will disclose information to carry out your instructions to another party that, under an agreement with us, assists us in providing EFT services.
  - (k) We may disclose information relating to your Account which is allowed to be disclosed under the State and Federal privacy laws. We may also have other reasons for disclosing information to third parties about your Account(s) or about your transactions.

## 12. IF YOUR CARD OR PIN IS LOST OR STOLEN.

If you believe your Card and/or PIN and/or Account number(s) has been lost or stolen or that someone has withdrawn or transferred or may withdraw or transfer money from your Account without your permission,

Call us and speak to a Bank Representative during regular business hours at:

860-676-4600 or Toll-free at 877-376-2265

Or you may write us at:

Farmington Bank

P. O. Box 8

Farmington, CT 06034 – 0008

Attn: Customer Support

If you telephone us about anything described in this Section 12, we may ask you to confirm the information in your telephone call to us in writing.

To report a lost or stolen MasterCard Debit Card ® during non-business hours, please call the lost / stolen card hot line at (800) 754 – 4128.

## 13. YOUR LIABILITY.

- (a) General: Tell us AT ONCE if you believe your Card or PIN has been lost or stolen. Telephoning is the best way of keeping your possible losses down. If you do not promptly notify us of such loss or theft you might lose all your Available Funds. If you tell us within two (2) business days after you learn of the loss or theft, you can lose no more than \$50.00 if someone used your Card or PIN without your permission.

If you do NOT tell us within two (2) business days after you learn of the loss or theft of your Card or PIN, and we can prove we could have stopped someone from using your Card or PIN without your permission if you had told us, you could lose as much as \$500.00.

If your statement shows transfers that you did not make, tell us AT ONCE. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after the sixty (60) days

if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

If you telephone us about anything described in this Section 13, we may ask you to confirm the information in your telephone call to us in writing.

- (b) **Special Rule for MasterCard Debit Card® Purchases:** For MasterCard Debit Card ® purchases, you will generally have no liability for unauthorized purchases. However, if we determine that the unauthorized transactions occurred because of your gross negligence or fraud, these special limitations on liability may not apply, up to \$500.

#### 14. IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS.

If you think your statement, passbook or receipt is wrong, or if you need more information about a transfer listed on the statement, passbook or receipt, call us or write us as soon as you can.

Our phone number for this purpose is:  
860-676-4600 or Toll-free at 877-376-2265

Our address for this purpose is:  
Farmington Bank  
One Farm Glen Boulevard  
Farmington, CT 06032  
Attn: Bank Operations

We must hear from you not later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and Account number.
- (2) Describe the error or the transaction you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.

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

We will tell you the results of our investigation within ten (10) business days (twenty (20) business days if the error involves any POS Transfer or an EFT initiated outside the United States) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days (ninety (90) days if the error involves any POS Transfer or an EFT initiated outside the United States) to investigate your complaint or question.

If we decide to do this, we will re-credit your Account within ten (10) business days (twenty (20) business days if the error involves any POS Transfer or an EFT initiated outside the United States) for the amount you think is in error, so that you may have the use of the money during the time it takes us to complete our investigation.

If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not re-credit your Account.

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

**15. THE CARD.**

The Card belongs to us. We can take it back at any time. You agree to promptly surrender the Card whenever we or our agents request it.

If more than one person is authorized to request EFT's from your Account, or if another person has a Card and a PIN that can access your Account, we cannot stop that person from making EFT's from your Account unless we cancel all Cards and PIN's that access the Account. (See also Section 2 above.) If you give an ATM or POS terminal the wrong PIN, the ATM or POS terminal may keep your Card. You understand that this is for your protection.

**16. YOUR PIN.**

You agree that you will not give your PIN to anyone. You also agree that you will not write your PIN on the Card or on anything that is easily accessible to an unauthorized user. **DO NOT WRITE YOUR PIN ON THE CARD. DO NOT KEEP YOUR PIN, ACCOUNT NUMBER(S) AND CARD IN THE SAME PLACE.** If you forget your PIN, you will have to get a new PIN and you may also have to get a new Card. We do not keep any record of your PIN.

**17. JOINT ACCOUNTS.**

If the Account is a joint Account, the following applies:

- (a) Each owner of the Account must have his or her own Card and/or PIN (as applicable) in order to use any of the EFT services described in Section 1 (b), (d), (e), (f) or (g) above.
- (b) All obligations and charges that bind you under this Agreement and any other agreement relating to the Account also bind all other owners of the Account. Each owner of the Account is jointly and severally liable for the use of the Account and for all transactions from the Account, including transactions made with a Card or PIN.
- (c) Any one of you can give us written permission to disclose information about the Account or about transactions you make to third parties. (See Section 11(d) above.) Any one of you can also ask us to cancel this Agreement or the Cards and PINs that access your Account(s), or take any other action in connection with the Account. We may make such disclosures or take such other actions without any prior or subsequent notice to or approval by the other Account owners.

**18. CANCELING THIS AGREEMENT.**

We can cancel this Agreement at any time, without any advance notice to you. You can cancel this Agreement by telling us in writing that you want to cancel this Agreement. You can also cancel this Agreement by closing your Account(s). You agree to give us three (3) business days to cancel this Agreement after you give us notice. You remain responsible for all transactions of funds to and from your Account(s) during these three (3) business days.

Even if this Agreement is canceled or ends, you understand that you will continue to be responsible for paying us whatever you owe us at that time under this Agreement.

**19. OUR RIGHTS WITH REGARD TO OVERPAYMENTS.**

If funds have been deposited into your Account(s), to which you are not legally entitled, by mistake or otherwise, you agree that such amounts are debts owing from you to us and you authorize us summarily to withdraw such amounts from your Account(s) or any other account you have with us. We can do this without giving you prior notice or demand. We can also exercise our right of set-off to recover any such amount, as described more fully in your Deposit Account Contract. (An example of such an

overpayment to your Account to which you are not legally entitled would be a Social Security payment received by direct deposit after your death.)

#### 20. TERMINATION OF EFT SERVICES.

We have the right to terminate your ability to use any of our EFT services at our discretion. If you terminate Bill Payment, you authorize us to continue making transfers or bill payments until we have had a reasonable opportunity to act on your termination notice. If you wish to stop making automatic recurring payments that you have authorized through Bill Payment or otherwise, you must provide us with a separate notice in accordance with Section 7 above.

#### 21. ATTORNEY FEES.

If you bring a legal action against us or if we bring a legal action against you and the legal action involves EFT's or matters discussed in this Agreement, you agree to pay our reasonable attorney fees if we win, to the fullest extent permitted by law and as awarded by the court.

#### 22. NON-ENFORCEMENT OF OUR RIGHTS.

We can choose not to enforce or to delay in enforcing any of our rights under this Agreement or under applicable law, without losing any of our rights in the future.

#### 23. EVIDENCE OF TRANSACTIONS.

You agree that a photographic record or copy of any withdrawal, transfer, or other transaction involving your account shall be evidence establishing your liability in any legal action involving you and us.

#### 24. AMENDMENTS.

We can change these rules, including, for example, adding or increasing fees. We will give you notice of these changes as required by law. We will send any required notice to the address where you receive monthly statements for your Account(s). You agree to tell us whenever your address changes.

#### 25. SPECIAL RULES RELATING TO INTERNET BANKING AND BILL PAYMENT

Before you use Internet Banking or Bill Payment services you should read this entire Agreement carefully.

- (a) **Application.** To use Internet Banking or Bill Payment, you must complete an application. If we approve your application, we will send you a user ID and PIN. You may begin using Internet Banking or Bill Payment, as applicable, after you receive your User ID and PIN.
- (b) **Limitation of Liability.** We won't be liable if we fail to complete a transfer you request through Internet Banking or Bill Payment for any of the reasons set forth in Section 9 above. Provided none of those reasons are applicable, if we fail to process a transaction, cause an incorrect amount of funds to be removed from your Account or cause funds from your Account to be directed to a person or entity which does not comply with your payment instructions, we will be responsible for returning any improperly transferred funds to your Account and for directing to the proper recipient any payments or transfers that were previously misdirected or not completed. **THE RECREDITING OF YOUR ACCOUNT AND THE REDIRECTING OF PAYMENTS AND TRANSFERS SHALL CONSTITUTE OUR ENTIRE LIABILITY FOR INCOMPLETE OR INCORRECT PAYMENTS OR TRANSFERS. THESE ARE YOUR ONLY REMEDIES. IN**

NO EVENT SHALL WE BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS (EVEN IF ADVISED OF THE POSSIBILITY THEREOF) ARISING IN ANY WAY OUT OF THE USE OF INTERNET BANKING OR BILL PAYMENT, EXCEPT TO THE EXTENT SUCH DAMAGES CANNOT BE WAIVED BY LAW.

- (c) **Warranty Disclaimer.** We disclaim all warranties regarding internet banking and bill payment expressed or implied, including but not limited to implied warranties of merchantability and fitness for a particular purpose.
- (d) **Your Equipment.** We are not responsible for any errors or failures in your use of Internet Banking or Bill Payment which result from any malfunction of your equipment, such as your telephone, computer or your software, or your Internet access device or system, including errors or failures that result from any computer virus or related problems that may be associated with the use of Internet Banking or Bill Payment.
- (e) **Accounts.** You must maintain your Account, and, if applicable, your Reserve Credit in good standing with us in order to perform transactions through Internet Banking or Bill Payment. If you do not maintain your Account in good standing we may terminate your ability to access your Account through Internet Banking or Bill Payment, or we may close your Account. We do not have to give you prior notice to take these actions.
- (f) **Transfers between Accounts.** There may be a one (1) business day delay in transferring funds between designated Accounts depending upon the day and time on which you request the transfer. Transfers are subject to funds availability.
- (g) **Eligible Accounts.** No transfers may be made from any Account that requires two or more signatures. There may be other reasons an Account may not be eligible for Internet Banking or Bill Payment.
- (h) **Special Rules that Apply to Internet Banking.**
  - (i) **Your PIN.** After receipt of your initial PIN, upon your first use of Internet Banking, you will be asked to select a new confidential PIN. You agree to select a confidential PIN and to keep the PIN confidential to prevent unauthorized access to your Accounts and to prevent unauthorized use of Internet Banking. Your PIN may be revoked or canceled at any time without giving you prior notice to assist us in maintaining the security of your Accounts. The PIN is used to identify you as an authorized user of Internet Banking. You therefore agree to notify us immediately if the secrecy of your PIN is compromised and you also agree not to reveal your PIN to any person not authorized by you to use Internet Banking. The security of your accounts depends upon you maintaining the secrecy of your PIN. If you believe that the secrecy of your PIN has been compromised you should call us AT ONCE at the number in Section 12. You also agree to change your PIN at once if you believe your Internet Banking PIN has been lost or stolen, following the instructions on Internet Banking.

We recommend that you change your PIN often. If you forget your PIN, you must call us at 860-676-4600 or Toll-free at 877-376-2265 during regular business hours to reset Internet Banking so that you can select a new PIN. You agree to retain your PIN in a secure location and separate from your Internet access device.
  - (ii) **Internet Use.** You understand that by using Internet Banking, information about your account will be transmitted over the Internet.

You agree that our transmission of information in this manner does not constitute a breach of any duty we have to keep information about your accounts confidential. You agree that we will not be liable if an unauthorized third party obtains information about your account despite reasonable precautions we have taken to maintain the confidentiality of such information.

(iii) **Account Information.** Some transactional information from your current statement cycle for your accounts may be available from Internet Banking. Balance and transaction information provided on any day may be current only as of the close of business on the preceding business day. For a complete transaction history, you should refer to the periodic statements that we mail to you.

(iv) **Electronic Messages.** Electronic messages sent by you may not be immediately received by us. See Section 14 if you need to contact us immediately (for example, to report an unauthorized transaction from an account or to stop payment on a check.) No action will be made on your electronic message request until we actually receive your message and have a reasonable opportunity to act.

(v) **Data Recording.** The information and electronic messages you enter on Internet Banking may be recorded. By using Internet Banking you consent to such recording.

(i) **Special Rules that Apply to Bill Payment.**

(i) **Electronic and Check Payments.** After we receive your authorization for payment to any payee, the payment will be made either by transferring funds electronically from your account to the payee or by preparing a check from your account to the payee or by preparing a check from your account and sending the check to the payee. By authorizing a payment, you authorize the preparation and payment of such checks from the Account without your signature. We may pay checks, electronic payments, withdrawal tickets or instruments drawn on your Account in any order which we decide. You must have enough money in your account to complete the payment and should be aware that other transactions (such as ATM or in-branch withdrawals) may affect your account balances.

(ii) **Payment Instructions.** Payment instructions received on weekends or holidays on which we are closed will be considered received on the next business day. We are not responsible for delays in delivery of payments caused by the U.S. Postal Service, so you must authorize your bill payment in such a manner that your payments will be made on time. Any late payment or finance charges that may be imposed as a result of your failure to transmit payment instructions at least four (4) business days before a payment is to be made will be your responsibility. Our responsibility for any late payment or finance charges is limited by Section 25(b) above.

(iii) **Recurring Payments.** Bill Payment may be used to authorize automatic recurring payments of recurring bills. These payments must be for the same amount each month and they will be paid on the same calendar day of each month, or on the preceding business day if the regular payment day falls on a weekend or holiday. You must transmit your payment instructions for recurring payments at least four (4) business days before the payment is scheduled to be made.

(iv) **Limitations on Payees.** Only payees with United States addresses may be paid using Bill Payment. **YOU MAY NOT MAKE TAX PAYMENTS OR**

COURT-ORDERED PAYMENTS THROUGH Internet Banking. We reserve the right to refuse to pay certain payees.

(v) Authorization to Debit Account. When you have entered and transmitted a payment instruction, you authorize us to reduce the Account accordingly. If the available balance in the Account (including any Reserve Credit Account) is not sufficient to make payments you have authorized, we may either refuse to pay the item or we may make the payment and thereby overdraw the Account. In either event, you are responsible for any non-sufficient funds and overdraft charges we may impose, as stated in the Deposit Account Contract. We reserve the right to refuse to honor payment requests that reasonably appear to us to be fraudulent or erroneous.

(vi) Voiding Payments. If you have transmitted a payment request, you may use Internet Banking to void the payment (if, for example, a payment date or a payment amount is incorrect) if the voiding request is transmitted at least four (4) business days before the business day on which the payment is scheduled to be made. You will be responsible for the payment if your voiding request is not received at least four (4) business days before payment is to be made and you fail to stop the payment. If it is too late to void the payment in this manner and you wish to stop payment, call or write us at the phone number or address set forth in Section 7 above. The procedures set forth in Section 7 will apply.

## Funds Availability Policy

### Availability of funds and collection of checks:

#### 1. Your Ability to Withdraw Funds at Farmington Bank

Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits 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.

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 7:00 PM 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 7:00 PM or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

#### 2. 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. Depending on the type of check that you deposit, funds may not be available until the 5th business day after the day of your deposit. The first \$100 of your deposits, however, may 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:

- (a) We believe a check you deposit will not be paid.
- (b) You deposit checks totaling more than \$5,000 on any one day.
- (c) You redeposit a check that has been returned unpaid.
- (d) You have overdrawn your account repeatedly in the last six months.
- (e) 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 11th business day after the day of your deposit.

#### 3. 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 electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the

9th 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 generally be available no later than the 11th business day after the day of your deposit.

## Check 21 – Check Clearing for the 21st Century Substitute Checks and Your Rights

### 1. What is a Substitute Check?

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

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

### 2. Legal Substitute Checks

Once your paper check is turned into an electronic image, you generally won't see your original check again. Instead, you will receive a substitute check that is similar in size to the original check with a slightly reduced image of the front and back of the original check. The front bears the statement, “This is a legal copy of your check. You can use it the same way you would use the original check.”

The financial institution that converts your paper check into a substitute check must truncate, or take out of circulation, your paper check. The institution may either destroy the check or store it for a period of time. Banks can then process the electronic version or use it to create a paper copy and time during the process.

### 3. What Are My Rights Regarding Substitute Checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think 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 (for example, bounced check fees).

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

If you use this procedure, you may receive up to \$2,500 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.

#### 4. How do I Make a Claim for a Refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account,

please call us at: 860-676-4600 or Toll-free 877-376-2265

or write to us at: Farmington Bank  
One Farm Glen Boulevard  
Farmington, CT 06032  
Attn: Deposit Operations

You must contact us 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. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your Claim Must Include —

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

#### 5. What if the Substitute Check is Not an Accurate Image of My Original Check?

If you think the substitute check does not accurately reflect the transaction, you have the right to file a claim for an expedited refund. Contact us immediately, (you may be required to submit a written claim) with the details noted above under “Your Claim Must include”.

#### 6. How Long Will a Refund Take?

If we have not made a decision on your claim within 10 business days after submission, we will refund the amount that we owe to your account, up to \$2,500, (plus interest, if your account earns interest) by that date. We will refund the remaining amount, if any, plus interest, to your account by the 45th calendar day after you submitted the claim. We can, however, reverse any refund (including interest earned) if we later determine that the substitute check was correctly charged to your account.

#### 7. What if I Need a Check for Proof of Payment?

The Substitute Check is a legal equivalent of the original and must be accepted as proof of payment as if it were the original check.

#### 8. What is the Difference Between a Substitute Check and Electronic Check Conversion?

A substitute check is processed the same way as a paper check, is a legal equivalent of the paper check and is noted as a check on your statement. “Electronic Check Conversion”, however creates an electronic funds transfer in place of the check. The transaction is routed through the Automated Clearing House, (ACH) network. The Merchant takes your check, scans it for financial information and gets your authorization to conduct the transfer. The check is stamped “VOID” and returned to you. The purchase will appear with other electronic or ACH type transactions on your account statement. It is similar to making a purchase with your debit card.

## Discretionary Overdraft Privilege Policy

Based on certain selection criteria listed below, Farmington Bank may at any time, at our discretion, offer you the “Discretionary Overdraft Privilege” service. If we decide to offer you this service, we will notify you in writing. If you are selected for this service, the following rules will apply;

### 1. Deposit Account Agreement and Account Disclosures.

The Deposit Account Agreement and accompanying Account Disclosure provided to you, controls the duties, obligations and rights of the Depositor, the Authorized Signatories and Farmington Bank with regard to your checking account. The Deposit Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Overdraft Privilege Policy and the Deposit Account Agreement and Account Disclosure.

### 2. Discretionary Privilege.

Overdraft privilege is not a line of credit. However, if you inadvertently overdraw your account, we will have the discretion to pay the overdraft, subject to the limit of your overdraft privilege and the amount of the overdraft fee. Farmington Bank is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by Farmington Bank of an overdraft check (or items, such as ATM withdrawals) does not obligate Farmington Bank to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

Pursuant to Farmington Bank’s commitment to always provide you with the best level of service, now and in the future, if your consumer account (primarily used for personal and household purposes) has been open for at least thirty (30) days, or if your commercial account has been open for at least sixty (60) days, and thereafter you maintain your account in good standing, which includes at least:

- (a) Bringing your account balance to a positive balance within every thirty (30) day period for a minimum period of 24 hours;
- (b) Not being in default on any loan or other obligation to Farmington Bank and
- (c) Not being subject to any legal or administrative order or levy including a Bankruptcy

### 3. Selection Criteria.

Farmington Bank will have the discretion to pay overdrafts within the overdraft privilege limits, but payment by Farmington Bank is a discretionary courtesy and not a right of the customer or an obligation of Farmington Bank. In addition, the following criteria will be used to determine eligibility for the Overdraft Privilege;

- a) Your account must have a positive balance and be active, (not dormant).
- b) Your address must be current and we have not received any return mail since your account was opened.
- c) All account signatories must be at least 18 years of age.
- d) Your account may not be organized to hold public funds, funds in trust for other parties or be a non-profit account.
- e) Your account must have deposits or credits totaling \$350 or more each month.

#### 4. Limitations.

This privilege for consumer checking or savings accounts will generally be limited to a maximum of \$500.00 overdraft (negative) balance. This privilege for commercial accounts will generally be limited to a maximum of \$700.00 overdraft (negative) balance. Of course, any and all fees and charges, including without limitation the non-sufficient funds fees (as set forth in our Schedule of Charges, Deposit Account Agreement and Account Disclosure), will be included as part of this maximum amount.

The total of the discretionary overdraft privilege (negative) balance, including any and all fees and charges, including all non-sufficient funds/overdraft fees is due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Deposit Account Agreement and Account Disclosure with a maximum repayment period of 30 days.

#### 5. Associated Fees and Charges.

Please refer to the following section titled “Discretionary Overdraft Privilege Account Disclosure” for a list of associated fees.

#### 6. Types of Transactions Covered.

The following types of transactions are covered under the Discretionary Overdraft Privilege; Checks, ATM withdrawals, Withdrawals made in person, POS, (Point of Sale Transaction), ACH debits, and other Electronic debits, (such as “Online Bill-Pay”)

#### 7. Your Right to “Opt – Out”.

If we offer you the “Discretionary Overdraft Privilege” service, we will notify you in writing. If you do not wish to participate in the “Discretionary Overdraft Privilege” service, you may “Opt – Out” at anytime by contacting us to obtain an “Opt – Out” notice.

You may obtain an “Opt – Out” notice by any of the following methods;

- (a) Call our Customer Support Center at 860-676-4600 or Toll-free at 877-376-2265
- (b) Visit any one of our branch offices and ask to speak with an account representative.
- (c) Complete and sign the “Opt – Out” notice and mail to:

Farmington Bank  
PO Box 8  
Farmington, CT. 06032 – 9938  
Attn: Overdraft Privilege Administrator

You may cancel the “Opt – Out” provision at any-time and be re-considered for the “Discretionary Overdraft Privilege” as long as you meet the selection criteria and your account remains in good standing as defined in section 3 of this policy. To be re-considered for the “Discretionary Overdraft Privilege”, please contact our Customer Support Center at the numbers listed above, or visit any of our branch locations and ask to speak with an “Account Representative”.

AGAIN, WHILE Farmington Bank WILL HAVE THE DISCRETION TO PAY OVERDRAFTS ON ACCOUNTS IN GOOD STANDING (AS DESCRIBED ABOVE), ANY SUCH PAYMENT IS A DISCRETIONARY COURTESY, AND NOT A RIGHT OF THE CUSTOMER OR AN OBLIGATION OF FARMINGTON BANK AND FARMINGTON BANK IN ITS SOLE AND ABSOLUTE DISCRETION, CAN CEASE PAYING OVERDRAFTS AT ANY TIME WITHOUT PRIOR NOTICE OF REASON OR CAUSE.

## Discretionary Overdraft Privilege Disclosure

In addition to the terms and conditions set forth in your applicable “Deposit Account Disclosure”, the following terms and conditions will apply to all accounts that are eligible for and have been selected for the “Discretionary Overdraft Privilege”;

### 1. Fee Assessment:

Fees are assessed for any item which creates an overdraft on your account whether the item is a check, in-person withdrawal, ATM withdrawal, or other electronic means such as ACH, POS and electronic debit.

- (a) You will be assessed a \$29.00 NSF Paid Item Fee for each item presented against insufficient funds that we pay that creates or increases an overdraft on your account.
- (b) You will be assessed a \$29.00 NSF Return Item Fee for each item presented against insufficient funds that we return unpaid regardless of the type of item.  
You will be assessed this standard fee whether or not the item(s) is/are paid. Each item will be assessed the fee.

### 2. Categories of Transactions Covered:

The following transaction types are covered;

- (a) Checks
- (b) ATM Withdrawals
- (c) Withdrawals Made in Person
- (d) POS (Point of Sale Transaction)
- (e) ACH Debits
- (f) Other Electronic Debits (such as “Online Bill-Pay”)

### 3. Discretionary Privilege:

Overdraft privilege is not a line of credit. This means that should you inadvertently overdraw your account, we have the sole discretion to cover your overdrafts up to the amount of the limit specified in the “Discretionary Overdraft Privilege Policy” for your account type, by first subtracting the amount of the overdraft fee(s) as outlined in the above section.

### 4. Statements and Receipts:

The Discretionary Overdraft Privilege will not be added to your available balance on ATM receipts or balance inquiries made through “Telebanc”, our telephone banking system or “Online Banking”, however the “Discretionary Overdraft Privilege” will be available for transactions made at ATM's and through “Online Bill Pay”.

The following information will be included on periodic statements;

- (a) NSF Paid Item Fees This Statement
- (b) NSF Paid Item Fees Year To Date
- (c) NSF Return Item Fees This Statement
- (d) NSF Return Item Fees Year To Date

### 5. Order of Payment:

Transactions may not be processed in the order in which they occur. For example, payments you authorize against your account may not be presented to us in the order in which you authorized them. The order in which transactions are received and processed by the bank can affect the total amount of overdraft fees incurred.

If multiple items, as described above are presented on the same day for payment, they will be considered for payment in the following order;

- (1) Withdrawals made in person
- (2) ATM withdrawals
- (3) POS, ACH, Bill-Pay and other debits
- (4) Checks

Example:

If your account balance is \$102.00 and you issue two \$40.00 checks, but before they arrive you withdraw \$100.00 from an ATM machine, you will incur two overdraft fees rather than the one you would have incurred if the checks had been presented before the ATM withdrawal.

#### 6. Time Period To Repay:

You must deposit sufficient funds to your account to cover any and all overdrafts plus applicable fees immediately or upon receipt of a notice of overdraft. If you do not restore your overdrawn account to a positive balance within 30 days of the original overdraft, your participation in the Discretionary Overdraft Privilege will be terminated.

#### 7. Eligibility:

Farmington Bank will have the discretion to pay overdrafts within the overdraft privilege limits, but payment by Farmington Bank is a discretionary courtesy and not a right of the customer or an obligation of Farmington Bank. We use the following criteria as a guide to determine eligibility for the Overdraft Privilege, which is subject to change at any time;

- (a) Your account must have a positive balance and be active, (not dormant).
- (b) Your address must be current and we have not received any return mail since your account was opened.
- (c) All account signatories must be at least 18 years of age.
- (d) Your account may not be organized to hold public funds, funds in trust for other parties or be a non-profit account.
- (e) Your account must have average deposits or credits totaling \$350 or more each month.

At our sole discretion, we may terminate your participation in the Discretionary Overdraft Privilege for any of the following reasons;

- (a) You fail to bring your account to a positive balance promptly, or for a minimum of (24) hours within every (30) day period.
- (b) You default on any loan or other obligation of Farmington Bank
- (c) You become subject to any legal or administrative order or levy or file bankruptcy
- (d) The total average deposits or credits to your account fall below the \$350.00 monthly limit

#### 8. Alternatives to the Discretionary Overdraft Privilege

Overdraft Privilege is not a line of credit. This means that should you inadvertently overdraw your account, we have the sole discretion to pay or return your overdraft item or items. Whether or not we pay or return some or all of the items, you will incur a fee for each item presented. Customers seeking assurances that NSF items will be paid should consider alternative products such as telephone or online banking transfers and or a formal line of credit such as the Cashmate open end line of credit.

**AVON**

310 West Main Street | Route 44  
427 West Avon Road | Route 167

**BRISTOL**

475 Broad Street | Route 72

**BURLINGTON**

253 Spielman Highway | Route 4

**FARMINGTON**

32 Main Street | Route 10 (Main Office)  
282 Scott Swamp Road | Routes 6 & 177  
550 South Street | Westfarms Mall

**NEW BRITAIN**

73 Broad Street

**PLAINVILLE**

117 East Street | Route 10

**SOUTHINGTON**

One Center Street | Route 10  
17 Center Place (Drive-up)

**UNIONVILLE**

1845 Farmington Ave | Routes 4 & 177

**WEST HARTFORD**

962 Farmington Avenue

**FARMINGTON BANK**

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