

Health Savings Account Engagement Form



Welcome to Genesee Regional Bank (GRB). You have been offered enrollment into the GRB Health Savings Account (HSA). The HSA enables you to pay for current qualified medical expenses and save for future qualified medical expenses on a tax-free basis. You can make pre-tax contributions to the HSA through your employer. The application process is outlined below and must be completed before GRB can activate your account and accept deposits.

This document is your Health Savings Account Engagement Form. It includes the Application, Signature Card, and Account Agreement. This document, in its entirety serves as your Account Agreement. By signing the Engagement Form, you are acknowledging that you have read and reviewed all of the disclosures listed in Part 3. Inside this Engagement Form are other disclosures for your review.

Part 1: Account Information and Proof of Identity

To complete the application, we will need one form of ID as outlined below:

- A CLEAR photocopy of your current, unexpired Driver's License
- If the address as listed on this application is NOT what is listed on the front side of your driver's license, then you will need to provide a CLEAR photocopy of a document with your current address such as a utility bill or car insurance card
- If you do not have a Driver's License you may use one of the following examples containing a photo and signature *in addition* to proof of current physical address:
 - U.S. Passport (non-expired)
 - Military ID card
 - Resident Alien Card/Permanent Resident Card

Part 2: HSA Debit Card

- You need to designate who you are authorizing to receive an HSA debit card. This includes your spouse or any dependents you claim on your tax return.
- You may use your HSA debit card to pay for qualified medical expenses.

Part 3: Disclosures

- Signature
- Backup Withholding Certifications
- HSA Eligibility
- Patriot Act

Part 1: Account Information and Proof of Identity



ACCOUNT HOLDER INFORMATION

Full Legal Name _____

Address _____

Home Phone _____ Alternate Phone _____

Email _____ DOB _____

Social Security # — —

Employer _____

Occupation _____

Citizen of a foreign country? Yes No Do you travel outside the U.S. for business? Yes No



PLAN SELECTION _____ SINGLE PLAN _____ FAMILY PLAN



PROOF OF IDENTITY

Section 326 of the USA Patriot Act requires GRB to not only obtain identifying information on our customers but also to keep records of our efforts to verify their identifying information.

- Please provide a legible photocopy of your current, unexpired Driver's License
- If you do not have a Driver's License, you may use one of the following examples containing a photo and signature *in addition* to proof of physical address:
 - U.S. Passport (non-expired)
 - Military ID card
 - Resident Alien Card/Permanent Resident Card

PLEASE NOTE: IF YOUR CURRENT ADDRESS IS NOT WHAT IS LISTED ON YOUR DRIVER'S LICENSE, YOU MUST ALSO PROVIDE PHOTOCOPY PROOF OF ADDRESS. EXAMPLES INCLUDE A UTILITY BILL, PAY STUB OR CAR INSURANCE CARD.



Primary Account Holder Signature _____



Part 2: HSA Debit Card



Consumer Account Service Application

Your HSA allows you to use a Debit card to make qualified medical expense transactions. You may order additional cards for covered dependents.

Number of cards requested _____

Name _____ Name _____

Name _____ Name _____

Name _____ Name _____



Authorization

By signing this document, I authorize Genesee Regional Bank (GRB) to open a Health Savings Account. By signing this document, I acknowledge receipt and review of all disclosures attached to this document. I also understand that I am responsible for all transactions on the above authorized debit cards.



Account Owner _____

Date _____



Part 3: Disclosures

Signature

The undersigned authorize the financial institution to investigate credit and employment history and obtain reports from consumer reporting agency(ies) on them as individuals. Except as otherwise provided by law or other documents, each of the undersigned is authorized to make withdrawals from the account (s), provided the required number of signatures indicated above is satisfied. The undersigned personally and as, or on behalf of, the account owner agree to the terms of, and acknowledge receipt of copy(ies) of, this document and the following:

- HSA Custodial Booklet
- Fees
- Funds Availability
- Privacy
- Common Features
- Terms and Conditions
- Truth in Savings

Backup Withholding Certifications

(If not a U.S. Person, certify foreign status separately)

By signing the signature field on this document, I certify under penalties of perjury that the statements made in this section are true and that I am a U.S. citizen or other U.S. person (as defined in the instructions).

Taxpayer ID Number (as stated on page 2 of this Engagement Form)

The Taxpayer ID Number (TIN) shown is my correct taxpayer identification number.

Backup Withholding: I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

HSA Eligibility

If this HSA is being established with a regular contribution, I am an eligible individual, covered by a qualified high deductible health plan (HDHP), and not covered by a health plan other than an HDHP that provides any of the same benefits as an HDHP. I certify that the information provided by me on this application is accurate, and that I have received a copy of IRS Form 5305-C, Health Savings Custodial Account or IRS Form 5305-B, Health Savings Trust Account and Disclosure Statement. I agree to be bound by the terms and conditions found in the Agreement, understand that the custodian/trustee cannot provide, and has not provided, me with tax or legal advice. I have been advised to seek the guidance of a tax or legal professional.

Patriot Act

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask 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.

Health Savings Account (HSA) Application

1 HSA OWNER INFORMATION

(Custodian's/Trustee's name, address, and phone number above)

NAME, ADDRESS, CITY, STATE, AND ZIP		HSA ACCOUNT (PLAN) NUMBER
		SOCIAL SECURITY NUMBER (SSN)
		DATE OF BIRTH
DAYTIME PHONE NUMBER	E-MAIL (OPTIONAL)	

Type of Health Insurance Plan Coverage (select one): Self-Only Family

2 CONTRIBUTION INFORMATION (See Additional Information included with the form.)

INVESTMENT NUMBER	AMOUNT	CONTRIBUTION DATE	TAX YEAR
	\$		

CONTRIBUTION TYPE (select one):

<input type="checkbox"/> Regular (including Catch-Up)	<input type="checkbox"/> Rollover from an Archer MSA
<input type="checkbox"/> Rollover from an HSA	<input type="checkbox"/> Transfer from an Archer MSA
<input type="checkbox"/> Transfer from an HSA	<input type="checkbox"/> Return of Mistaken Distribution
<input type="checkbox"/> Contribution from an IRA	Original Distribution Date _____

3 DESIGNATION OF BENEFICIARY (See Additional Information included with the form.)

At the time of my death, the primary beneficiaries named below will receive my HSA assets. If all of my primary beneficiaries die before me, the contingent beneficiaries named below will receive my HSA assets. In the event a beneficiary dies before me, such beneficiary's share will be reallocated on a pro-rata basis to the other beneficiaries that share the deceased beneficiary's classification as a primary or contingent beneficiary. A designation of a beneficiary's primary or contingent classification is generally made by entering a percentage in one of the two columns to the left of the name. In the event a beneficiary is named as both a primary and contingent beneficiary, or if a beneficiary is not assigned to a beneficiary classification, such beneficiary shall be a primary beneficiary. If no percentages are assigned to beneficiaries, or if the percentage total for any beneficiary classification exceeds 100 percent, the beneficiaries in that beneficiary classification will share equally. If the percentage total for each beneficiary classification is less than 100 percent, any remaining percentage will be divided equally among the beneficiaries within such class. If all of the beneficiaries die before me, or if none are designated, my HSA assets will be paid to my estate. This designation revokes and supercedes all earlier beneficiary designations which may apply to this HSA.

PRIMARY SHARE	CONTINGENT SHARE	NAME OF BENEFICIARY	SSN OR TIN	RELATIONSHIP TO HSA OWNER	DATE OF BIRTH	ADDRESS, CITY, STATE, AND ZIP
%	%					
%	%					
%	%					
%	%					
%	%					
%	%					
%	%					
Total 100%	Total 100%					



4 SPOUSAL CONSENT

Community or marital property state laws may require spousal consent for a nonspouse beneficiary designation. The laws of the state in which the financial organization is domiciled, the HSA owner resides, the trust is located, the spouse resides, or this transaction is consummated should be reviewed to determine if such a requirement exists. Spousal consent for the beneficiary designation may also be required by financial organization policy.

 (HSA Owner Initials) **I Am Married.** I understand that if I designate a primary beneficiary other than my spouse, my spouse must consent by signing below.

 (HSA Owner Initials) **I Am Not Married.** I understand that if I marry in the future, I must complete a new Designation of Beneficiary form, which includes the spousal consent documentation.

I am the spouse of the HSA owner. Because of the significant consequences associated with giving up my interest in the HSA, the custodian/trustee has not provided me with legal or tax advice, but has advised me to seek tax or legal advice. I acknowledge that I have received a fair and reasonable disclosure of the HSA owner's assets or property, including any financial obligations for a community property state. In the event I have a legal interest in the HSA assets, I hereby give to the HSA owner such interest in the assets held in this HSA and consent to the beneficiary designation set forth in this Application.

 Signature of Spouse

 Date

 Signature of Witness (if required)

(Witness cannot be a beneficiary of this HSA)

 Date

5 SIGNATURES

If this HSA is being established with a regular contribution, I am an eligible individual, covered by a qualified high deductible health plan (HDHP), and not covered by a health plan other than an HDHP that provides any of the same benefits as an HDHP. I certify that the information provided by me on this Application is accurate, and that I have received a copy of IRS Form 5305-C, *Health Savings Custodial Account* or IRS Form 5305-B, *Health Savings Trust Account* and Disclosure Statement. I agree to be bound by the terms and conditions found in the Agreement, Disclosure Statement, and amendments thereto. I assume sole responsibility for all consequences relating to my actions concerning this HSA. I understand that the custodian/trustee cannot provide, and has not provided, me with tax or legal advice. I have been advised to seek the guidance of a tax or legal professional.

 Signature of HSA Owner

 Date

 Signature of Custodian/Trustee

 Date

ADDITIONAL INFORMATION

Purpose. The Health Savings Account (HSA) Application form is designed to assist you in opening an HSA. This Application will accompany an Internal Revenue Service (IRS) Form 5305-B, *Health Savings Trust Account*, IRS Form 5305-C, *Health Savings Custodial Account*, or IRS-approved prototype and Disclosure Statement.

Additional Documents

Applicable law or policies of the HSA custodian/trustee may require additional documentation such as IRS Form W-9, *Request for Taxpayer Identification Number and Certification*.

For Additional Guidance

It is in your best interest to seek the guidance of a tax or legal professional before completing this document. For more information, refer to Internal Revenue Code (IRC) Section 223, other relevant IRC sections, and all additional IRS guidance; IRS publications that include information about HSAs; instructions to your federal income tax return; your local IRS office; or the IRS's web site at www.irs.gov.

Terms. A general understanding of the following terms may be helpful in completing your transactions.

Archer Medical Savings Account (MSA). An Archer MSA is a tax-favored savings account designed to help you pay for qualified medical expenses if you are an employee of a small employer or a self-employed individual participating in a high-deductible health plan. Archer MSA assets may be rolled over or transferred to an HSA.

Health Savings Account (HSA). An HSA is a tax-exempt trust or custodial account established exclusively for the purpose of paying qualified medical expenses of you, your spouse, and your dependents.



HSA

.....

Health Savings Account



**Custodial
Booklet**
(includes self-direction)

HEALTH SAVINGS CUSTODIAL ACCOUNT

(Under section 223(a) of the Internal Revenue Code)

Form **5305-C** (October 2016) Department of the Treasury Internal Revenue Service

The account owner and the custodian make the following agreement:

Do not file with
Internal Revenue Service

Amendment

Article I.

1. The custodian will accept additional cash contributions for the tax year made by the account owner or on behalf of the account owner (by an employer, family member or any other person). No contributions will be accepted by the custodian for any account owner that exceeds the maximum amount for family coverage plus the catch-up contribution.

2. Contributions for any tax year may be made at any time before the deadline for filing the account owner's federal income tax return for that year (without extensions).

3. Rollover contributions from an HSA or an Archer Medical Savings Account (Archer MSA) (unless prohibited under this agreement) need not be in cash and are not subject to the maximum annual contribution limit set forth in Article II.

4. Qualified HSA distributions from a health flexible spending arrangement or health reimbursement arrangement must be completed in a trustee-to-trustee transfer and are not subject to the maximum annual contribution limit set forth in Article II.

5. Qualified HSA funding distributions from an individual retirement account must be completed in a trustee-to-trustee transfer and are subject to the maximum annual contribution limit set forth in Article II.

Article II.

1. For calendar year 2011, the maximum annual contribution limit for an account owner with single coverage is \$3,050. This amount increases to \$3,100 in 2012. For calendar year 2011, the maximum annual contribution limit for an account owner with family coverage is \$6,150. This amount increases to \$6,250 in 2012. These limits are subject to cost-of-living adjustments after 2012.

2. Contributions to Archer MSAs or other HSAs count toward the maximum annual contribution limit to this HSA.

3. For calendar year 2009 and later years, an additional \$1,000 catch-up contribution may be made for an account owner who is at least age 55 or older and not enrolled in Medicare.

4. Contributions in excess of the maximum annual contribution limit are subject to an excise tax. However, the catch-up contributions are not subject to an excise tax.

Article III.

It is the responsibility of the account owner to determine whether contributions to this HSA have exceeded the maximum annual contribution limit described in Article II. If contributions to this HSA exceed the maximum annual contribution limit, the account owner shall notify the custodian that there exist excess contributions to the HSA. It is the responsibility of the account owner to request the withdrawal of the excess contribution and any net income attributable to such excess contribution.

Article IV.

The account owner's interest in the balance in this custodial account is nonforfeitable.

Article V.

1. No part of the custodial funds in this account may be invested in life insurance contracts or in collectibles as defined in section 408(m).

2. The assets of this account may not be commingled with other property except in a common trust fund or common investment fund.

3. Neither the account owner nor the custodian will engage in any prohibited transaction with respect to this account (such as

borrowing or pledging the account or engaging in any other prohibited transaction as defined in section 4975).

Article VI.

1. Distributions of funds from this HSA may be made upon the direction of the account owner.

2. Distributions from this HSA that are used exclusively to pay or reimburse qualified medical expenses of the account owner, his or her spouse, or dependents are tax-free. However, distributions that are not used for qualified medical expenses are included in the account owner's gross income and are subject to an additional 20 percent tax on that amount. The additional 20 percent tax does not apply if the distribution is made after the account owner's death, disability, or reaching age 65.

3. The custodian is not required to determine whether the distribution is for the payment or reimbursement of qualified medical expenses. Only the account owner is responsible for substantiating that the distribution is for qualified medical expenses and must maintain records sufficient to show, if required, that the distribution is tax-free.

Article VII.

If the account owner dies before the entire interest in the account is distributed, the entire account will be disposed of as follows:

1. If the beneficiary is the account owner's spouse, the HSA will become the spouse's HSA as of the date of death.

2. If the beneficiary is not the account owner's spouse, the HSA will cease to be an HSA as of the date of death. If the beneficiary is the account owner's estate, the fair market value of the account as of the date of death is taxable on the account owner's final return. For other beneficiaries, the fair market value of the account is taxable to that person in the tax year that includes such date.

Article VIII.

1. The account owner agrees to provide the custodian with information necessary for the custodian to prepare any report or return required by the IRS.

2. The custodian agrees to prepare and submit any report or return as prescribed by the IRS.

Article IX.

Notwithstanding any other article that may be added or incorporated in this agreement, the provisions of Articles I through VIII and this sentence are controlling. Any additional article in this agreement that is inconsistent with section 223 or IRS published guidance will be void.

Article X.

This agreement will be amended from time to time to comply with the provisions of the Code or IRS published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the Application that accompanies this Agreement.

Article XI.

11.01 Your HSA Documents. This Internal Revenue Service (IRS) Forms 5305 series agreement for HSAs, amendments, application, beneficiary designation, disclosure statement, and other documentation, if any, set forth the terms and conditions governing your HSA relationship with us. Articles I through X of the IRS 5305 agreement have been reviewed and approved by the IRS. The disclosure statement sets forth various HSA rules in simpler language. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

- 11.02 Definitions.** This agreement refers to you as the account owner, and us as the custodian. References to "you," "your," and "HSA owner" will mean the account owner, and "we," "us," and "our" will mean the custodian. Upon your death, your spouse beneficiary, if applicable, becomes "you" for purposes of this agreement. In the event you appoint a third party, or have a third party appointed on your behalf to handle certain transactions affecting your HSA, such third party will be considered your agent and, therefore, "you" for purposes of this agreement. Additionally, references to "HSA" will mean the custodial account.
- 11.03 Additional Provisions.** Additional provisions may be attached to, and made a part of, this agreement by either party. The provisions must be in writing, agreed to by us, and in a format acceptable to us.
- 11.04 Our Fees and Expenses.** We may charge reasonable fees and are entitled to reimbursement for any expenses we incur in establishing and maintaining your HSA. We may change the fees at any time by providing you with notice of such changes. We will provide you with fee disclosures and policies. We may deduct fees directly from your HSA assets or bill you separately. The payment of fees has no effect on your contributions. Additionally, we have the right to liquidate your HSA assets to pay such fees and expenses. If you do not direct us on the liquidation, we will liquidate the assets of our choice and will not be responsible for any losses or claims that may arise out of the liquidation.
- 11.05 Amendments.** We may amend your HSA in any respect and at any time, including retroactively, to comply with applicable laws governing HSAs and the corresponding regulations. Any other amendments shall require your consent, by action or no action, and will be preceded by written notice to you. Unless otherwise required, you are deemed to automatically consent to an amendment, which means that your written approval is not required for the amendment to apply to the HSA. In certain instances the governing law or our policies may require us to secure your written consent before an amendment can be applied to the HSA. If you want to withhold your consent to an amendment, you must provide us with a written objection within 30 days of the receipt date of the amendment.
- 11.06 Notice and Delivery.** Any notice mailed to you will be deemed delivered and received by you, five days after the postmark date. This fifth day following the postmark is the receipt date. Notices will be mailed to the last address we have in our records. You are responsible for ensuring that we have your proper mailing address. Upon your consent, we may provide you with notice in a delivery format other than by mail. Such formats may include various electronic deliveries. Any notice, including terminations, change in personal information, or contributions mailed to us will be deemed delivered when actually received by us based on our ordinary business practices. All notices must be in writing unless our policies and procedures provide for oral notices.
- 11.07 Applicable Laws.** This agreement will be construed and interpreted in accordance with the laws of, and venued in, our state of domicile.
- 11.08 Disqualifying Provisions.** Any provision of this agreement that would disqualify the HSA will be disregarded to the extent necessary to maintain the account as an HSA.
- 11.09 Interpretation.** If any question arises as to the meaning of any provision of this agreement, then we shall be

authorized to interpret any such provision, and our interpretation will be binding upon all parties.

- 11.10 Representations and Indemnity.** You represent that any information you and/or your agents provide to us is accurate and complete, and that your actions comply with this agreement and applicable laws governing HSAs. You understand that we will rely on the information provided by you, and that we have no duty to inquire about or investigate such information. We are not responsible for any losses or expenses that may result from your information, direction, or actions, including your failure to act. You agree to hold us harmless, to indemnify, and to defend us against any and all actions or claims arising from, and liabilities and losses incurred by reason of your information, direction, or actions. Additionally, you represent that it is your responsibility to seek the guidance of a tax or legal professional for your HSA issues.

We are not responsible for determining whether any contributions or distributions comply with this agreement and/or the federal laws governing HSAs. We are not responsible for any taxes, judgments, penalties or expenses incurred in connection with your HSA, or any losses that are a result of events beyond our control. We have no responsibility to process transactions until after we have received appropriate direction and documentation, and we have had a reasonable opportunity to process the transactions. We are not responsible for interpreting or directing beneficiary designations or divisions.

11.11 Investment of HSA Assets.

- (a) Investment of Contributions.** You may invest HSA contributions in any HSA investments we offer. If you fail to provide us with investment direction for a contribution, we will return or hold all or part of such contribution based on our policies and procedures. We will not be responsible for any loss of HSA income associated with your failure to provide appropriate investment direction.
- (b) Directing Investments.** All investment directions must be in a format or manner acceptable to us. You may invest in any HSA investments that you are qualified to purchase, and that we are authorized to offer and do offer at the time of the investment selection, and that are acceptable under the applicable laws governing HSAs. Your HSA investments will generally be registered in our name or our nominee's name (if applicable) for the benefit of your HSA. Specific investment information may be provided at the time of the investment.
- Based on our policies, we may allow you to delegate the investment responsibility of your HSA to an agent by providing us with written notice of delegation in a format acceptable to us. We will not review or guide your agent's decisions, and you are responsible for the agent's actions or failure to act. We are not responsible for directing your investments, or providing investment advice, including guidance on the suitability or potential market value of various investments. For investments in securities, we will exercise voting rights and other similar rights only at your direction, and according to our then current policies and procedures.
- (c) Investment Fees and Asset Liquidation.** Certain investment-related fees, which apply to your HSA, must be charged to your HSA and cannot be paid by you. We have the right to liquidate your HSA assets to pay fees

and expenses, federal tax levies, or other assessments on your HSA. If you do not direct us on the liquidation, we will liquidate the assets of our choice and will not be responsible for any losses or claims that may arise out of the liquidation.

- (d) **Deposit Investments.** The deposit investments provided by us may include savings, share, and/or money market accounts, and certificates of deposit (CDs), and will earn a reasonable rate.
- (e) **Nondeposit Investments.** Nondeposit investments include investments in property, annuities, mutual funds, stocks, bonds, and government, municipal and U.S. Treasury securities, and other similar investments. Most, if not all, of the investments we offer are subject to investment risks, including possible loss of the principal amount invested.
- (f) **Self-Directed HSA Investments.** If your HSA is self-directed, you may invest your contributions and HSA assets in various deposit and nondeposit investments.

11.12 Distributions. Withdrawal requests must be in a format acceptable to us, and/or on forms provided by us. We may require you, or your beneficiary after your death, to provide documentation and a proper tax identification number before we process a distribution. These withdrawals may be subject to taxes, withholding, and penalties. Distributions will generally be in cash or in kind based on our policies. In-kind distributions will be valued according to our policies at the time of the distribution. Any distribution by check, debit card or other method approved by us will be reported as a normal distribution, unless we inform you otherwise or unless - at the time of the distribution - we provide you with a means to state otherwise and you in fact state otherwise. Our policies may permit us to accept the return of a mistaken distribution.

11.13 Cash or In-Kind Contributions. We may accept transfers, rollovers, and other similar contributions in cash or in kind from other HSAs, Archer Medical Savings Accounts (MSAs), and as allowed by law. Prior to completing such transactions we may require that you provide certain information in a format acceptable to us. In-kind contributions will be valued according to our policies and procedures at the time of the contribution.

11.14 Reports and Records. We will maintain the records necessary for IRS reporting on this HSA. Required reports will be provided to you, or your beneficiary after your death, and the IRS. If you believe that your report is inaccurate or incomplete you must notify us in writing within 30 days following the receipt date. Your investments may require additional state and federal reporting.

11.15 Termination. You may terminate this agreement without our consent by providing us with a written notice of termination. A termination and the resulting distribution or transfer will be processed and completed as soon as administratively feasible following the receipt of proper notice. At the time of termination we may retain the sum necessary to cover any fees and expenses, taxes, or investment penalties.

11.16 Our Resignation. We can resign at any time by providing you with 30 days written notice prior to the resignation date, or within five days of our receipt of your written objection to an amendment. In the event you materially breach this agreement, we can terminate this agreement by providing you with five days prior written notice. Upon our resignation, you must appoint a qualified successor custodian or trustee. Your HSA assets will be transferred to the successor custodian or trustee once we have received appropriate direction. Transfers will be completed within a reasonable time following our resignation notice and the payment of your remaining HSA fees or expenses. At the time of resignation we may retain the sum necessary to cover any fees and expenses, taxes, or investment penalties. If you fail to provide us with acceptable transfer direction within 30 days from the date of the notice, we can transfer the assets to a successor custodian or trustee of our choice, distribute the assets to you in kind, or liquidate the assets and distribute them to you in cash.

11.17 Successor Organization. If we merge with, purchase, or are acquired by, another organization, such organization, if qualified, may automatically become the successor custodian or trustee of your HSA.

11.18 Tax Year of Contributions. Any transaction, including a remote transaction - such as a computer/internet, ATM, or night deposit transaction - that results in a regular contribution to the HSA is considered a current tax year contribution unless you specify a different tax year.

IRS FORM 5305-C INSTRUCTIONS (10-2016)

What's New

Additional Tax Increased. For tax years beginning after December 31, 2010, the additional tax on distributions not used for qualified medical expenses increases from 10% to 20%.

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Form 5305-C is a model custodial account agreement that has been approved by the IRS. An HSA is established after the form is fully executed by both the account owner and the custodian. The form can be completed at any time during the tax year. This account must be created in the United States for the exclusive benefit of the account owner.

Do not file Form 5305-C with the IRS. Instead, keep it with your records. For more information on HSAs, see Notice 2004-2, 2004-2 I.R.B. 269, Notice 2004-50, 2004-33 I.R.B. 196, Pub. 969, Health Savings Accounts and Other Tax-Favored Health Plans, and other IRS published guidance.

Definitions

Identifying Number. The account owner's social security number will serve as the identification number of this HSA. For married persons, each spouse who is eligible to open an HSA and wants to

contribute to an HSA must establish his or her own account. An employer identification number (EIN) is required for an HSA for which a return is filed to report unrelated business taxable income. An EIN is also required for a common fund created for HSAs.

High Deductible Health Plan (HDHP).

For calendar year 2011, an HDHP for self-only coverage has a minimum annual deductible of \$1,200 and an annual out-of-pocket maximum (deductibles, co-payments and other amounts, but not premiums) of \$5,950. In 2012, the \$1,200 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to \$6,050. For calendar year 2011, an HDHP for family coverage has a minimum annual deductible of \$2,400 and an annual out-of-pocket maximum of \$11,900. In 2012, the \$2,400 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to \$12,100. These limits are subject to cost-of-living adjustments after 2012.

Self-only coverage and family coverage under an HDHP. Family coverage means coverage that is not self-only coverage.

Qualified medical expenses. Qualified medical expenses are amounts paid for medical care as defined in section 213(d) for the account owner, his or her spouse, or dependents (as defined in section 152) but

only to the extent that such amounts are not compensated for by insurance or otherwise. With certain exceptions, health insurance premiums are not qualified medical expenses.

Custodian. A custodian of an HSA must be a bank, an insurance company, a person previously approved by the IRS to be a custodian of an individual retirement account (IRA) or Archer MSA, or any other person approved by the IRS.

Specific Instructions

Article XI. Article XI and any that follow it may incorporate additional provisions that are agreed to by the account owner and custodian. The additional provisions may include, for example, definitions, restrictions on rollover contributions from HSAs or Archer MSAs (requiring a rollover not later than 60 days after receipt of a distribution and limited to one rollover during a one-year period), investment powers, voting rights, exculpatory provisions, amendment and termination, removal of custodian, custodian's fees, state law requirements, treatment of excess contributions, distribution procedures (including frequency or minimum dollar amount), use of debit, credit, or stored-value cards, return of mistaken distributions, and descriptions of prohibited transactions. Attach additional pages if necessary.

HEALTH SAVINGS ACCOUNT DISCLOSURE STATEMENT

This Disclosure Statement. This Disclosure Statement provides you, and your beneficiaries after your death, with a summary of the rules and regulations governing this HSA.

Definitions. The IRS Forms 5305 series agreement for HSAs contains a definitions section. The definitions found in such section apply to this agreement. The IRS refers to you as the account owner, and us as the custodian. References to "you," "your," and "HSA owner" will mean the account owner, and "we," "us," and "our" will mean the custodian. Upon your death, your spouse beneficiary, if applicable, becomes "you" for purposes of this Disclosure Statement. In the event you appoint a third party, or have a third party appointed on your behalf to handle certain transactions affecting your HSA, such third party will be considered your agent and, therefore, "you" for purposes of this Disclosure Statement. Additionally, references to "HSA" will mean the custodial account.

For Additional Guidance. It is in your best interest to seek the guidance of a tax or legal professional before completing any HSA establishment documents. Your first reference for questions concerning your HSA should be Internal Revenue Code (IRC) Section 223, other relevant IRC sections, and all additional Internal Revenue Service (IRS) guidance; IRS publications that include information about HSAs; any additional provisions or amendments to such documents; and this Disclosure Statement. For more information, you can also refer to the instructions to your federal income tax return, your local IRS office, or the IRS's web site at www.irs.gov.

HSA Restrictions and Approval.

- 1. IRS Form 5305-B or 5305-C Agreement.** This Disclosure Statement and the IRS Forms 5305 series agreement, amendments, application, and additional provisions set forth the terms and conditions governing your HSA. Such documents are the agreement.
- 2. Individual/Family Benefit.** This HSA must be for the exclusive benefit of you, your spouse, and your dependents and, upon your death, your beneficiaries. The HSA must be established in your name and not in the name of your beneficiary, living trust, or another party or entity.
- 3. Beneficiary Designation.** By completing the appropriate section on the corresponding Health Savings Account Application you may designate any person(s) as your beneficiary to receive your HSA assets upon your death. You may also change or revoke an existing designation in such manner and in accordance with such rules as we prescribe for this purpose. If there is no beneficiary designation on file at the time of your death, or if none of the beneficiaries on file are alive at the time of your death, your HSA assets will be paid to your estate. We may rely on the latest beneficiary designation on file at the time of your death, will be fully protected in doing so, and will have no liability whatsoever to any person making a claim to the HSA assets under a subsequently filed designation or for any other reason.
- 4. Cash Contributions.** Regular or annual HSA contributions must be in cash, which may include a check, money order, or wire transfer. It is within our discretion to accept in-kind contributions for rollovers, transfers, or similar transactions.
- 5. HSA Custodian.** An HSA custodian must be a bank, an insurance company, a person previously approved by the IRS to be a custodian of an individual retirement account (IRA), or

Archer Medical Savings Account (MSA) or any other person approved by the IRS.

- 6. Prohibition Against Life Insurance and Commingling.** None of your HSA assets may be invested in life insurance contracts, or commingled with other property, except in a common trust fund or common investment fund.
- 7. Nonforfeitable.** The assets in your HSA are not forfeitable.
- 8. Collectibles.** Generally, none of your HSA assets may be invested in collectibles, including any work of art, rug, or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property. If we allow, you may invest your HSA assets in the following coins and bullion: certain gold, silver, and platinum coins minted by the United States; a coin issued under the laws of any state; and any gold, silver, platinum, and palladium bullion of a certain fineness, and only if such coins and bullion are held by us. For additional guidance on collectibles, see Section 408(m) of the Internal Revenue Code (IRC).
- 9. Cash or In-Kind Rollovers.** You may be eligible to make a rollover contribution of your HSA or Archer MSA distribution, in cash or in kind, to an HSA. These and other potential rollovers to and from HSAs are described in greater detail elsewhere in this Disclosure Statement.
- 10. No Prohibited Transactions.** If you engage in a prohibited transaction, the HSA loses its tax exempt status as of the first day of the year. You must include the fair market value of your HSA as of that first day in your gross income for the year during which the prohibited transaction occurred, and pay all applicable taxes and penalties.
- 11. No Pledging.** If you pledge all or a portion of your HSA as security for a loan, the portion pledged will be treated as a distribution to you, and the taxable amount will be included in gross income, and may be subject to the 20 percent early-distribution penalty tax.
- 12. IRS Approval of Form.** This agreement includes an IRS Forms 5305 series agreement. Articles I through X of this IRS agreement have been reviewed and approved by the IRS. This approval is not a determination of its merits, and not an endorsement of the investments provided by us or the operation of the HSA. Article XI of this IRS agreement contains additional contract provisions that have not been reviewed or approved by the IRS.
- 13. State Laws.** State laws may affect your HSA in certain situations, including deductions, beneficiary designations, agency relationships, consent, taxes, tax withholding, and reporting.

HSA Eligibility.

- 1. Eligibility for an HSA.** You are an eligible individual and may make or receive an HSA regular contribution if, with respect to any month, you:
 - a. are covered under a high-deductible health plan (HDHP);
 - b. are not covered by any other type of health plan that is not an HDHP (with certain exceptions for plans providing preventive care and limited types of permitted insurance and permitted coverage);
 - c. are not enrolled in Medicare; and
 - d. may not be claimed as a dependent on another person's tax return.

2. High-Deductible Health Plan. Generally, an HDHP is a health plan that provides significant benefits and satisfies certain requirements with respect to deductibles and out-of-pocket expenses. For purposes of this HSA, a high-deductible health plan is a plan with a minimum annual deductible and an out-of-pocket expense limit as follows:

Tax Year	HDHP Coverage	Minimum Deductible	Out-of-Pocket Expense Limit
2017	Self-Only	\$1,300	\$ 6,550
	Family	\$2,600	\$13,100
2018	Self-Only	\$1,350	\$ 6,650
	Family	\$2,700	\$13,300
2019 and later	Self-Only	\$1,350*	\$ 6,650*
	Family	\$2,700*	\$13,300*

*Subject to annual cost-of-living adjustments, if any.

A plan shall not fail to be treated as an HDHP by reason of failing to have a deductible for preventive care. An HDHP may therefore provide preventive care benefits without a deductible or with a deductible below the minimum annual deductible.

3. Permitted Insurance. You are eligible for an HSA if you have coverage for any benefit provided by permitted insurance. An example of permitted insurance is insurance for a specific disease or illness, such as cancer insurance.

In addition, you are eligible for an HSA if you have coverage (whether provided through insurance or otherwise) for accidents, disability, dental care, vision care, or long-term care.

HSA Contributions.

- 1. Who Can Make Regular or Annual Contributions.** If you meet the eligibility requirements for an HSA, you, your employer, your family members, or any other person (including nonindividuals) may contribute to your HSA. This is true whether you are self-employed or unemployed.
- 2. Regular or Annual Contributions.** Contributions to your HSA by any means (e.g., point of sales credits) are considered regular contributions for the current year, unless you provide us with instruction otherwise.

a. Maximum Annual Contributions. In general, the maximum annual contribution is the contribution limit based on HDHP coverage as shown in the following chart:

Tax Year	HDHP Coverage	Contribution Limit	Catch-Up Contribution Limit	Total Contribution Limit
2017	Self-Only	\$3,400	\$1,000	\$4,400
	Family	\$6,750	\$1,000	\$7,750
2018	Self-Only	\$3,450	\$1,000	\$4,450
	Family	\$6,900	\$1,000	\$7,900
2019 and later	Self-Only	\$3,450*	\$1,000	\$4,450*
	Family	\$6,900*	\$1,000	\$7,900*

*Subject to annual cost-of-living adjustments, if any.

Your maximum annual contribution is generally determined by adding together your monthly contribution limits for the year. Your monthly contribution limit is determined on the first day of each month that you are an eligible individual. A monthly contribution limit is 1/12 of the annual contribution limit based on your health plan coverage (self-only or family) for such month.

However, your maximum annual contribution may be a greater amount if you are an eligible individual on the first day of the last month (December 1 for calendar-year taxpayers). If so, you are treated as an eligible individual for all months of the tax year and you may contribute up to such tax year's annual contribution limit based on your HDHP coverage (self-only or family) on December 1 (for calendar-year taxpayers).

If your maximum contribution amount determined under this method is greater than your monthly-determined maximum, and you contribute the greater amount, a testing period applies. The testing period for this provision begins with the last month of the contribution year and ends on the last day of the 12th month following such month (December 31 for calendar-year taxpayers). If you do not continue to be an eligible individual for the entire testing period, unless you die or become disabled, the difference between your monthly-determined maximum and the amount you contributed is includable in your gross income for the year of failure and is subject to a 10 percent penalty tax. For example, if you are an eligible individual and enroll in self-only HDHP coverage on January 1 but change to family HDHP coverage on November 1 and retain family HDHP coverage through December 31 of the same year, you may be able to contribute up to the full annual contribution limit for family coverage (plus catch-up if you are eligible) because it is greater than the sum of the monthly contribution limits (10/12 of the self-only annual limit plus 2/12 of the family limit).

- b. Qualified HSA Funding Distribution.** If you are an eligible HSA individual, you may elect to take a qualified HSA funding distribution from your IRA (not including ongoing SEP and SIMPLE IRAs) to the extent such distribution is contributed to your HSA in a trustee-to-trustee transfer. This amount is aggregated with all other annual HSA contributions and is subject to your annual HSA contribution limit. The contribution is made for the tax year of the distribution. A qualified HSA funding distribution election is irrevocable and is generally available once in your lifetime. A testing period applies. The testing period for this provision begins with the month of the contribution to your HSA and ends on the last day of the 12th month following such month. If you are not an eligible individual for the entire testing period, unless you die or become disabled, the amount of the contribution made under this provision will be includable in gross income for the tax year of the month you are not an eligible individual, and is subject to a 10 percent penalty tax.
- c. Annual Contributions Aggregated.** If you have more than one HSA, the aggregate annual contributions to all the HSAs are subject to the contribution limit. This limit is decreased by the aggregate contributions to an Archer MSA. The same annual contribution limit applies whether the contributions are made by you, your employer, your family members, or any other person (including nonindividuals). Contributions may be made on your behalf even if you have no compensation or if the contributions exceed your compensation.
- d. Catch-Up Contributions.** Catch-up contributions are regular HSA contributions made in addition to any other regular HSA contributions. You are eligible to make catch-up contributions if you meet the eligibility



requirements for regular contributions and are age 55 or older by the end of your taxable year and not enrolled in Medicare. As with the annual contribution limit, the catch-up contribution is generally computed on a monthly basis. However, you may be eligible to contribute the entire catch-up contribution amount even if you are not an eligible individual for the entire tax year using the same first day of the last month eligibility rules and testing period applicable to the annual contribution limit.

3. One or Both Spouses Have Family Coverage. You and your spouse are treated as having family coverage if one or both of you has family coverage. The contribution limit is divided equally between you and your spouse, unless each of you agree on a different division. The family coverage limit is reduced further by any contribution to an Archer MSA. However, each of you may make the catch-up contributions to your own separate HSA without exceeding the family coverage limit.

4. Contribution Deductibility.

a. Your Contributions. Contributions made by you to an HSA, which do not exceed the maximum annual contribution amount, are deductible by you when determining your adjusted gross income. You are not required to itemize deductions in order to take this deduction. However, you cannot also deduct the contributions as medical expenses under Internal Revenue Code (IRC) Section 213. Contributions by family members or any other person (including nonindividuals) on your behalf are also deductible by you. A contribution of a qualified HSA funding distribution from an IRA is not deductible.

b. Employer Contributions. Employer contributions are treated as employer-provided coverage for medical expenses under an accident or health plan and are excludable from your gross income. The employer contributions are not subject to withholding from wages for income tax or subject to the Federal Insurance Contributions Act (FICA), the Federal Unemployment Tax Act (FUTA), or the Railroad Retirement Tax Act. Contributions to your HSA through a cafeteria plan are treated as employer contributions. You cannot deduct employer contributions on your federal income tax return as HSA contributions or as medical expense deductions under IRC Section 213.

5. Contribution Deadline. You or your employer may make regular (including catch-up) HSA contributions any time for a taxable year up to and including your federal income tax return due date, excluding extensions, for that taxable year. The due date for most taxpayers is April 15. The deadline may be extended in some situations. Examples include a federally declared disaster, a terroristic or military action, or service in a combat zone.

6. Return of Mistaken Distribution. If you mistakenly distribute assets from the HSA, our policies may allow you to return the assets to the HSA. If you are able to return a mistaken distribution, you must notify us of the return and be prepared to provide the IRS with clear and convincing evidence that the HSA distribution was the result of a mistake of fact due to reasonable cause. A mistaken distribution can be

returned no later than April 15 following the first year you knew or should have known the distribution was a mistake.

Moving Assets To and From HSAs. There are a variety of transactions that allow you to move assets to and from your HSA in cash or in kind based on our policies. We have sole discretion on whether we will accept, and how we will process, movements of assets to and from HSAs. We or the other financial organization involved in the transaction may require documentation for such activities.

1. HSA-to-HSA Transfers. You may transfer all or a portion of your HSA assets from one HSA to another HSA. An HSA transfer means that the HSA assets move from one HSA to another HSA in a manner that prevents you from cashing or liquidating the HSA assets, or even depositing the assets anywhere except in the receiving HSA. Transfers are not taxable or reportable, and the IRS does not impose timing or frequency restrictions on transfers. You may be required to complete a transfer authorization form prior to transferring your HSA assets.

2. Archer MSA-to-HSA Transfers. A transfer of Archer MSA assets to an HSA is permitted. However, HSA assets cannot be transferred to an Archer MSA.

3. HSA-to-HSA Rollovers. An HSA rollover is another way to move assets tax-free between HSAs. You may roll over all or a portion of your HSA assets by taking a distribution from an HSA and recontributing it as a rollover contribution into the same or another HSA. Rollovers to HSAs are not allowed from traditional or Roth IRAs, health flexible spending arrangements (FSAs), and employer-sponsored retirement plans. You must report your HSA rollover to the IRS on your federal income tax return. Your contribution may only be designated as a rollover if the HSA distribution is deposited within 60 calendar days following the date you receive the distributed assets. You are limited to one rollover per 1-year (12-month) period. You may only roll over one HSA distribution per 1-year period aggregated between all of your HSAs. For example, if you have HSA 1, HSA 2, and HSA 3, and take a distribution from HSA 1 and roll it over into a new HSA 4, you will have to wait 1 year from the date of that distribution to take another distribution from any of your HSAs and subsequently roll it over into an HSA.

4. Archer MSA-to-HSA Rollovers. Rollovers from an Archer MSA to an HSA are permitted according to the same rules as HSA-to-HSA distributions and rollovers. However, HSA assets cannot be rolled over to an Archer MSA.

HSA Distributions. You or, after your death, your beneficiary may take an HSA distribution, in cash or in kind based on our policies, at any time. However, depending on the timing and amount of your distribution you may be subject to income taxes and/or penalty taxes. HSA custodians/trustees are not responsible for determining whether HSA distributions are used for qualified medical expenses.

1. Removal of Excess Contributions. You may withdraw all or a portion of your excess contribution and attributable earnings by your federal income tax return due date, including extensions, for the taxable year for which you made the contribution. The excess contribution amount distributed will generally not be taxable, but the attributable earnings on the contribution will be taxable in the year in which the distribution is received. If you timely file your federal income

tax return, you may still remove your excess contribution, plus attributable earnings, as late as October 15 for calendar year filers.

2. Qualified Medical Expenses. Qualified medical expenses are expenses paid by you, your spouse, or your dependents for medical care as defined in IRC Section 213(d) or as otherwise permitted by law, but only to the extent the expenses are not covered by insurance or otherwise. The qualified medical expenses must be incurred only after the HSA has been established.

3. Death. Upon your death, any balance remaining in your HSA becomes the property of the beneficiaries named in the HSA agreement.

a. **Spouse.** If your spouse is the beneficiary of your HSA, the HSA becomes his/her HSA as of the date of your death. We may require your spouse to transfer the assets to an HSA of his/her own. Your spouse is subject to income tax only to the extent distributions from the HSA are not used for qualified medical expenses.

b. **Nonspouse.** If your beneficiary is not your spouse, the HSA ceases to be an HSA as of the date of your death. If your beneficiary is your estate, the fair market value of your HSA as of the date of your death is taxable on your final return. For other beneficiaries, the fair market value of your HSA is taxable to them in the tax year that includes such date. For such a person (except your estate), this amount is reduced by any payments from the HSA made for your qualified medical expenses, if paid within one year after your death.

4. Removal of Employer Contributions. If your employer contributes an amount in excess of the maximum annual contribution amount, or if your employer makes a contribution to your HSA but you were never an eligible individual, your employer may request a distribution from your HSA to correct the error.

Federal Income Tax Status of Distributions.

1. Taxation. Distributions from your HSA used exclusively to pay for or reimburse qualified medical expenses of you, your spouse, or your dependents are excludable from gross income. In general, amounts in an HSA can be used for qualified medical expenses and will be excludable from gross income even if you are not currently eligible for contributions to the HSA. However, any amount of the distribution not used exclusively to pay for or reimburse qualified medical expenses

of you, your spouse, or your dependents is includable in your gross income and is subject to an additional 20 percent tax penalty on the amount includable, except in the case of distributions made after your death, your disability, or your attainment of age 65. HSA distributions which are not rolled over will be taxed as income in the year distributed, unless they are used for qualified medical expenses. You may also be subject to state or local taxes and state withholding on your HSA distributions.

2. Earnings. Earnings, including gains and losses, on your HSA will not be subject to federal income taxes until they are considered distributed.

3. Ordinary Income Taxation. Your taxable HSA distribution is usually included in gross income in the distribution year.

Estate and Gift Tax. The designation of a beneficiary to receive HSA distributions upon your death will not be considered a transfer of property for federal gift tax purposes. Upon your death, the value of all assets remaining in your HSA will usually be included in your gross estate for estate tax purposes, regardless of the named beneficiary or manner of distribution. There is no specific estate tax exclusion for assets held within an HSA.

Annual Statements. Each year we will furnish you and the IRS with IRS-required statements reflecting the activity in your HSA.
Federal Tax Penalties and IRS Forms 5329 or 8889. Several tax penalties may apply to your various HSA transactions, and are in addition to any federal, state, or local taxes. Federal penalties and excise taxes are reported and remitted to the IRS by completing either IRS Form 5329 or Form 8889 and attaching the applicable form(s) to your federal income tax return. The penalties may include any of the following taxes:

1. Additional Tax. Any amount of a distribution not used exclusively to pay for or reimburse qualified medical expenses of you, your spouse, or your dependents is subject to an additional 20 percent tax on the amount includable in your gross income, except in the case of distributions made after your death, your disability, or your attainment of age 65. Separately, any failure to meet a required testing period resulting in amounts includable in gross income will make such amounts subject to an additional 10 percent tax.

2. Excess Contribution Penalty Tax. If a contribution to your HSA exceeds the amount you are eligible for, you have an excess contribution, which is subject to a 6 percent excise tax. The excise tax applies each year that the excess contribution remains in your HSA.



Genesee Regional Bank

Your New GRB Debit Card

Thank you for banking with Genesee Regional Bank! You should receive your new debit card in 5-7 business days. You should receive your Personal Identification Number (PIN) two days after you receive your card. If you do not receive your PIN, please call us at 1-585-218-4280 between 9:00am and 5:00pm, Monday-Friday.

Your Debit MasterCard can be used at any merchant location that accepts MasterCard to purchase goods and/or services (up to \$1,000* per day).

ATM withdrawals: Withdrawals can be made at any ATM displaying the NYCE or CIRRUS logo (\$500* withdrawal limit per day). There's no service fee for withdrawals done at any GRB ATM.

ATM Locations:

GRB Offices

- 1850 South Winton Road
- 3380 Monroe Avenue
- 2300 West Ridge Road

Frontier Field

- Concourse, first base side
- Concourse, third base side

BJ's Wholesale Club

- Greece - 300 Bellwood Dr., 14606
- Henrietta - 400 Jay Scutti Blvd., 14623
- Webster - 950 Ridge Rd., 14580
- Victor - 50 Eastview Mall Dr., 14564

Midtown Athletic Club

- 200 E. Highland Dr., 14610
(front lobby)

Please note that even though GRB does not charge ATM fees when you use our ATMs, other financial institutions may charge you a surcharge for using their ATMs. However, GRB will reimburse you **\$10 per month for non-GRB ATM fees***.

Activating your new card: You can activate your GRB debit card

- At any GRB office, during business hours;
- Via your online banking account at <http://www.netteller.com/geneseeregionalbank/login.cfm>;
- By using your card/PIN at any ATM or merchant

Changing your PIN: You may change your PIN at any of the GRB locations noted above, or by calling 1-844-518-0456.

To report a lost or stolen card or suspected misuse of your account, please call 585-218-4280, or log into your online banking account at the URL noted above.

Mobile Banking App: You can also report a card lost/stolen, or activate a new card via our mobile banking app for Apple/Android (search GRBmobile in the app store). The mobile app also allows you to **suspend** a misplaced card – simply reactivate the card (via the app) once it's found.

Our Fraud notification service: You may be contacted by our fraud service if unusual activity is detected on your card – they will attempt to contact you:

By email (operations @grbbank.com);
By text (from **32874**); and
By phone (**800-417-4592**)

If you are contacted, please respond accordingly to avoid service interruptions (in the event the activity is valid), or minimize fraud loss (in the event the activity is fraudulent).

We are delighted to bring you this new service and look forward to assisting you with all your banking needs.

*Elite Banking card limits: \$2,500 merchant locations (Point of Sale), \$1,000 ATM withdrawal ATM fee reimbursement for Elite cards is unlimited



FACTS

WHAT DOES GENESEE REGIONAL BANK DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ■ Social Security number and income ■ Account balances and payment history ■ credit history and credit scores <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Genesee Regional Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Genesee Regional Bank share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?

Call (585) 249-1540 or go to www.GRBbank.com

Genesee Regional Bank
1850 South Winton Road
Rochester, NY 14618

What we do	
How does Genesee Regional Bank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Genesee Regional Bank collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ open an account or deposit money ■ pay your bills or apply for a loan ■ use your credit or debit card <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Genesee Regional Bank has no affiliates</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Genesee Regional Bank does not share with nonaffiliates so they can market to you</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Genesee Regional Bank doesn't jointly market</i>

Genesee Regional Bank
 1850 South Winton Road
 Rochester, NY 14618

Notice Regarding Payment Order of Items

The law permits us to pay items drawn on your account in any order (for purposes of this section "items" means checks, orders and electronic transactions). To assist you in handling your account with us, we are providing you with the following information regarding how we process those items.

When processing checks or orders drawn on your account, our policy is to pay them according to the dollar amount. We pay the smallest checks and orders first. For electronic transactions, our policy is to pay them in the order that they are received.

The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. There is no policy that is favorable in every instance. If the smallest items are paid first, you may have fewer *NSF* or overdraft fees, but the largest, and perhaps more important items (*such as rent or mortgage payments*) might not be paid. However, if the largest items are paid first, your most important items might be paid but it may increase the overdraft or *NSF* fees if funds are not available to pay all of the items.

If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (*creating an overdraft*) or return the item (*NSF*). The amounts of the overdraft and *NSF* fees are disclosed elsewhere. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and incurring the resulting fees.

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Form ITEMPROC SMLZ 5/4/2006

NOTICE OF ATM/NIGHT DEPOSIT FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an ATM or night deposit facility. For your own safety, be careful. The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don't leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements you receive.
4. Don't lend your ATM card to anyone.
5. Remember, do not leave your card at the ATM. Do not leave any documents at a night deposit facility.
6. Protect the secrecy of your Personal Identification Number (PIN). Protect your ATM card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your ATM card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. If you lose your ATM card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.
9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
10. Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
12. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
13. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.



Genesee Regional Bank
2300 West Ridge Road
Rochester, NY 14626

Financial Institution Name

**DISCLOSURES ABOUT THE CONVENIENCE
ACCOUNT OWNERSHIP DESIGNATION AS
ALLOWED BY NEW YORK STATE LAW**

You are receiving this disclosure because you are already involved with, or are considering opening, an account with this institution that has a "convenience account" ownership designation on it as allowed for by New York Banking Law Section 678.

This type of account will have an "owner" and one or more "convenience signers" (who are not owners) who will be designated by the owner.

The terms of such an account are:

(1) Any deposits, additions, or accruals to the account are the property of the owner individually and, as such, only the owner may close the account during the lifetime of the owner.

(2) This financial institution may honor checks or other orders to pay drawn by, or withdrawal requests from, the owner or the convenience signer(s) during the lifetime of the owner, even if said checks or orders or withdrawal requests reduce the account balance to zero.

(3) This financial institution may be required by service of legal process to turn over funds held in the convenience account to satisfy a judgment against, or other valid debt incurred by, the owner of the convenience account but may not be required to do so for debts or judgments against the convenience signer(s).

(4) Prior to receipt by this institution of written notice of the owner's death, and for such reasonable time thereafter as shall enable us to act, we may honor checks or orders drawn by, or withdrawal requests from, the convenience signer after the death of the owner.

(5) Upon the death of the owner, and prior to service upon this institution of a restraining order, injunction, or other appropriate process from a court of competent jurisdiction prohibiting payment and for such reasonable period thereafter as shall enable us to comply, we may make payment to the executor, administrator, or voluntary administrator as defined in Article 13 of the Surrogate's Court Procedure Act of the deceased owner's estate or to any person designated in section 1310 of the Surrogate's Court Procedure Act.

(6) This institution will not treat the account as the property of the convenience signer(s) during the lifetime of the owner nor after the death of the owner.

(7) Unless this institution receives written notice signed by the owner not to pay or deliver any convenience deposit, or addition or accrual thereon, this institution shall not be liable to the owner for continuing to honor checks or other orders drawn by, or withdrawal requests from, the other named "convenience signers." Once a written notice has been received from the owner asking us not to honor any checks or other payment orders from the convenience signer(s), we may require written authorization of the owner before allowing for any further payments or deliveries.

Please contact this institution if you have any other questions about convenience accounts.

CONVENIENCE SIGNERS ONLY (NOT OWNER):

Please read the paragraph below and if you both understand, and agree to, the terms in that paragraph, please sign on one of the signature lines below. If possible, please sign in front of an employee of this institution. After signing this form, you may keep it.

I (we), by signing below, agree that in the event I (we) learn of the death of the owner of this account, that I (we) will give written notice to this institution of the fact of that death as soon as possible. I (we) also agree not to use (write checks on, or make withdrawals from) this account once I (we) become aware of the owner's death.

Signatures of the Convenience Signers (not the owner):

1. _____ 2. _____



YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to all deposit accounts.

This Disclosure describes your ability to withdraw funds at Genesee Regional Bank. It is the Bank's policy to comply with the regulatory requirements of Regulation CC. The primary purpose of Regulation CC is to provide consumers an expeditious availability to funds deposited by check or other negotiable instrument. Depending on the type of deposit made we may delay the availability of your funds. During the delay, you may not withdraw the funds in cash and we will not use the funds to pay checks that you have written. Please remember that even after we have made funds available to you and you've withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

DETERMINING THE AVAILABILITY OF A DEPOSIT

The length of the delay is counted in business days from the day of your deposit. Every day is a business day except Saturdays, Sundays, and federal holidays.

If you make a deposit before 5:00 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 5:00 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.

The length of the delay varies depending on the type of deposit and is explained below.

SAME-DAY AVAILABILITY

Funds from the following deposits are available on the day we receive them:

Cash	Wire Transfers
Electronic Deposits (ACH)	Checks drawn on Genesee Regional Bank

NEXT-DAY AVAILABILITY

Funds from all other check deposits are available on the first business day after the day of your deposit.

LONGER DELAYS MAY APPLY

SAFEGUARD EXCEPTION DELAYS - Funds you deposit by check may be delayed for a longer period under the following circumstances:

We believe a check you deposit will not be paid.

You deposit checks totaling more than \$5,000 on any one day.

You redeposit a check that has been returned unpaid.

You have overdrawn your account repeatedly in the last six months.

There is an emergency, such as failure of computer or communications equipment.

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

FOREIGN CHECKS

Note: The only foreign checks accepted by GRB are Canadian.

Checks drawn on financial institutions located outside the United States (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds for deposits of foreign checks will be delayed for the time it takes Genesee Regional Bank to collect the funds from the financial institution upon which they are drawn.

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 into 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 the 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 (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the 20th business day after the day of your deposit.

Genesee Regional Bank
Pittsford Branch
3380 Monroe Avenue
Rochester, NY 14618
(585) 218-4280

TRUTH IN SAVINGS DISCLOSURE

Terms following a apply only if checked.

Acct: HSA CHECKING

Acct #: _____

Date: _____

The interest rate and annual percentage yield stated below are accurate as of the date printed above. If you would like more current rate and yield information please call us at (585) 218-4280.

This disclosure contains the rules which govern your deposit account. Unless it would be inconsistent to do so, words and phrases used in this disclosure should be construed so that the singular includes the plural and the plural includes the singular.

We reserve the right to at any time require not less than 7 days notice in writing before any withdrawal from an interest bearing account.

FIXED RATE

The interest rate for your account is _____ % with an annual percentage yield of _____ %. We will pay this rate _____ . We will not decrease this rate unless we first give you at least 30 days notice in writing.

The interest rate and annual percentage yield for your account depend upon the applicable rate tier. We will pay these rates _____ .

We will not decrease these rates unless we first give you at least 30 days notice in writing.

VARIABLE RATE

The interest rate for your account is _____ % with an annual percentage yield of _____ %. Your interest rate and annual percentage yield may change.

The interest rate and annual percentage yield for your account depend upon the applicable rate tier. The interest rate and annual percentage yield for these tiers may change.

Determination of rate

At our discretion, we may change the interest rate on your account.

The interest rate for your account _____ .

The fixed initial rate is not determined by this rule.

The initial interest rate on your account _____ .

Subsequent rates _____ .

Frequency of rate change

We may change the interest rate on your account daily .

Your initial interest rate will not change _____ .

We may change the interest rate on your account at that time and _____ thereafter.

Limitations on rate changes

The interest rate for your account will not _____ by more than _____ each _____ .

The interest rate will not be less than _____ % or more than _____ %.

The interest rate will not _____

the interest rate initially disclosed to you.

Minimum Balance Requirements

To open the account. You must deposit at least \$.00 to open this account.

To avoid imposition of fees. See Additional Terms on Back

To avoid the imposition of the _____ you must meet _____ following requirements:

A _____ of \$ _____ will be imposed every _____

if the balance in the account falls below \$ _____ any day of the _____ .

A service charge of \$ 5.00 will be imposed every statement cycle

if the average daily balance for the month _____ falls below \$ 1,500.00 .

The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

The period we use is one month .

To avoid the imposition of the _____ you must meet _____ following requirements:

A _____ of \$ _____ will be imposed for _____

transaction (withdrawal, check paid, automatic transfer or payment out of your account) if the balance in the account

falls below \$ _____ any day of the _____ .

A _____ of \$ _____ will be imposed for _____

transaction (withdrawal, check paid, automatic transfer or payment out of your account) if the average daily balance for the

the _____ falls below _____

\$ _____. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

The period we use is _____.

To obtain the annual percentage yield disclosed.

You must maintain a minimum balance of

\$ _____ in the account each day to obtain the disclosed annual percentage yield.

You must maintain a minimum average daily balance of

\$ _____ to obtain the disclosed annual percentage yield. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

The period we use is _____.

Compounding and Crediting

Frequency - Interest will _____ be compounded monthly.

Interest will be credited monthly.

Effect of closing an account - If you close your account before interest is credited, you will receive the accrued interest.

Balance Computation Method

Daily Balance 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.

Average Daily Balance Method. We use the average daily balance method to calculate interest on your account. This method applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

The period we use is _____.

Accrual of interest on noncash deposits

Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks).

Interest begins to accrue _____

you deposit noncash items (for example, checks).

Bonuses

You will _____

as a bonus _____.

You must maintain a minimum _____ of \$ _____

to obtain the bonus.

To earn the bonus, _____

Transaction Limitations

The minimum amount you may deposit is

\$ _____.

The minimum amount you may withdraw is

\$ _____.

During any _____,

you may not make more than _____ withdrawals or transfers to another account of yours or to a third party by means of a preauthorized or automatic transfer or telephone order or instruction, computer transfer, or by check, draft, debit card or similar order to a third party.

You may only make _____ deposits into your account each statement cycle.

You may only make _____ ATM _____ your account each statement cycle.

You may only make _____ preauthorized transfers _____ your account each statement cycle.

Additional Terms

TIERED RATES THAT APPLY TO THIS ACCOUNT:

DAILY BALANCE	RATE	APY
\$ 0.00 - \$ 2,499.99	.10 %	.10 %
\$ 2,500.00 - \$ 4,999.99	.10 %	.10 %
\$ 5,000.00 - \$ 9,999.99	.15 %	.15 %
\$ 10,000.00 - \$ 24,999.99	.20 %	.20 %
\$ 25,000.00 & ABOVE	.25 %	.25 %

The monthly fee of \$5.00 will be waived if either you or your employer has a relationship* with GRB

*Relationship is defined as you having another Genesee Regional Bank account or your employer having a Genesee Regional Bank business relationship



Schedule of Fees

Genesee Regional Bank
Effective Jan. 2, 2019

The following fees may apply to your account:

Additional Statement Copy	\$3.00/statement
Audit Confirmation	\$30.00
Business Bill Pay Items*	\$0.55/item over 10
Business Bill Pay Payroll*	\$2.00/payroll batch
Canadian Checks Deposited	\$15.00
Certified Check	\$5.00
Check Images via CD	\$30.00/month
Copy/Fax Service	\$2.00/page
Deposited Item Returned	\$5.00
Deposited Item Returned (re-deposit).....	\$5.00
Dormant Account Fee**	\$5.00/statement
Duplicate Statement	\$15.00/month
Electronic Data Interchange (EDI Reporting)*	\$20.00/account
Escheat Account.....	\$10.00/account
HSA Transfer from GRB to External Account.....	\$25.00/account
IRA Transfer from GRB to External Account	\$25.00/account
Legal Process (Levy, Subpoena)	\$75.00
Negative Balance Fee*†	16.00% APR
Notary Fee (Non-Customer)	\$2.00
Non-sufficient Funds (NSF)	\$35.00
Overdraft Paid Item	\$35.00
Official Check	\$5.00
Research Fee	\$20.00/hour
Stop Payment.....	\$30.00
Wire Transfer Online – Domestic Outgoing*	\$20.00
Wire Transfer Manual – Domestic Outgoing	\$25.00
Wire Transfer Online – International Outgoing*	\$35.00
Wire Transfer Manual – International Outgoing.....	\$50.00
Wire Transfer – Incoming.....	\$15.00

The fees listed on the Genesee Regional Bank Schedule of Fees are in addition to any other fees listed in any Genesee Regional Bank agreements, disclosures, or documents provided by Genesee Regional Bank.

* Applies to Business Accounts only.

** Excludes Savings Accounts, Money Market Accounts and Elite Checking. An account is considered dormant when there has been no account activity for 24 months.

† 16.00% Annual Percentage Rate (periodic daily rate 0.04384%) See account disclosures for additional information regarding this fee.





Terms and Conditions of Your Account

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- (37) Waiver of Notices
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(1) Important Information about Procedures for Opening a New Account. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask 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.

(2) Agreement. This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you sign the signature card or open or continue

to use the account, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please call us.

This agreement is subject to applicable federal laws, the laws of the state of New York and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

1. summarize some laws that apply to common transactions;
2. establish rules to cover transactions or events which the law does not regulate;

3. establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
4. give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this document is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

(3) Liability. You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs

and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

(4) Deposits. We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing indorsement, claim of alteration, encoding error or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

(5) Withdrawals.

Generally. Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

Postdated Checks. A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

Checks and Withdrawal Rules. If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse

any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify it as a transaction account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the time we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

A Temporary Debit Authorization Hold Affects Your Account Balance. On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money, which may be more than the actual amount of your purchase. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it may be up to three days before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If another transaction is presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, that transaction will be a nonsufficient funds (NSF) transaction if we do

not pay it or an overdraft transaction if we do pay it. You will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

Here is an example of how this can occur - assume for this example the following: (1) you have opted-in to our overdraft services for the payment of overdrafts on ATM and everyday debit card transactions, (2) we pay the overdraft, and (3) our overdraft fee is \$35 per overdraft, but we do not charge the overdraft fee if the transaction overdraws the account by less than \$10.

You have \$120 in your account. You swipe your card at the card reader on a gasoline pump. Since it is unclear what the final bill will be, the gas station's processing system immediately requests a hold on your account in a specified amount, for example, \$80. Our processing system authorizes a temporary hold on your account in the amount of \$80, and the gas station's processing system authorizes you to begin pumping gas. You fill your tank and the amount of gasoline you purchased is only \$50. Our processing system shows that you have \$40 in your account available for other transactions ($\$120 - \$80 = \$40$) even though you would have \$70 in your account available for other transactions if the amount of the temporary hold was equal to the amount of your purchase ($\$120 - \$50 = \$70$). Later, another transaction you have authorized is presented for payment from your account in the amount of \$60 (this could be a check you have written, another debit card transaction, an ACH debit or any other kind of payment request). This other transaction is presented before the amount of the temporary hold is adjusted to the amount of your purchase (remember, it may take up to three days for the adjustment to be made). Because the amount of this other transaction is greater than the amount our processing system shows is available in your account, our payment of this transaction will result in an overdraft transaction. Because the transaction overdraws your account by \$20, your account will be assessed the overdraft fee of \$35 according to our overdraft fee policy. You will be charged this \$35 fee according to our policy even though you would have had enough money in your account to cover the \$60 transaction if your account had only been debited the amount of your purchase rather than the amount of the temporary hold or if the temporary hold had already been adjusted to the actual amount of your purchase.

Overdrafts. You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid

overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

Multiple Signatures, Electronic Check Conversion, and Similar Transactions. An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on the item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

Notice of Withdrawal. We reserve the right to require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit or demand deposit, or from any other savings account as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

(6) Ownership of Account and Beneficiary Designation. These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Individual Account. This is an account in the name of one person.

Joint Account - With Survivorship (And Not As Tenants In Common). This is owned by two or more persons. Deposits and any additions to the account are the property of the owners as joint tenants with right of survivorship. This means that we may release the entire account to any owner during the lifetime of all owners. We may honor withdrawal requests (including checks) from any owner during the lifetime of all owners. We may be required to release money in the account to satisfy a judgment against or other valid debt incurred by any owner. We may honor withdrawal requests

(including checks) from any surviving owner after the death of any owner, and may treat the account as the sole property of the surviving owner(s). Unless an owner directs us by written notice not to honor the withdrawal request (including checks) of an owner we will not be liable for doing so. After we receive such a notice, we may require written authorization of any or all joint owners for any further payments or deliveries.

Joint Account - No Survivorship. (As Tenants In Common). This is owned by two or more persons, but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the "number of signatures" necessary for withdrawal.

Convenience Account. Governed by New York Banking Law § 678. See separate disclosure.

Revocable Trust Account. If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating this account type reserve the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time.

(7) Business, Organization, and Association Accounts. Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

(8) Stop Payments. Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

A stop-payment order must be given in the manner required by law and must be received in time to give us a reasonable opportunity to act on it. Because stop-payment orders are handled by computers, to be effective the order must precisely identify the number, date and amount of the item, and the payee. We will honor a stop-payment request by the person who signed the particular item, and, by any other person, even though such other person did not sign the item.

Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

(9) Telephone Transfers. A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account transfer restrictions may be described elsewhere.

(10) Amendments and Termination. We may change any term of this agreement. Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Items presented for payment after the account is closed may be dishonored. When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items to be paid from the account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

(11) Notices. Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive it in time to have a reasonable opportunity to act on it. If the notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item,

including the precise check or item number, amount, date and payee. Written notice we give you is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we have on file. Notice to any of you is notice to all of you.

(12) Statements.

Your Duty to Report Unauthorized Signatures, Alterations, and Forgeries. You must examine your statement of account with "reasonable care and promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to bear the entire loss. Your loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer. We lose these protections if you establish that we failed to exercise ordinary care in paying an item with an unauthorized signature or alteration.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 14 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

Your Duty to Report Other Errors. In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error - such as an encoding error. In addition, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing indorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

Errors Relating to Electronic Fund Transfers or Substitute Checks (*For consumer accounts only*). For information on errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For

information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

(13) Direct Deposits. If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

(14) Temporary Account Agreement. If the account documentation indicates that this is a temporary account agreement, each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

(15) Setoff. You each agree that we may (when permitted by law) set off the funds in this account against any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity, or (d) social security or supplemental security income payments are deposited directly into this account pursuant to an agreement with us which permits such direct deposit without presentation to you at the time of deposit, or (e) setoff is prohibited by the Military Lending Act or its implementing regulations. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

(16) Check Processing. We process items mechanically by relying solely on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or

to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of indorsements unless you notify us in writing that the check requires multiple indorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

(17) Check Cashing. We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash such a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

(18) Truncation, Substitute Checks, and Other Check Images. If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our internal policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

(19) Remotely Created Checks. Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection:

(1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

(20) Unlawful Internet Gambling Notice. Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

(21) ACH and Wire Transfers. This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

(22) Facsimile Signatures. Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

(23) Restrictive Legends or Indorsements. The automated processing of the large volume of checks we

receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive indorsement. For this reason, we are not required to honor any restrictive legend or indorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks.

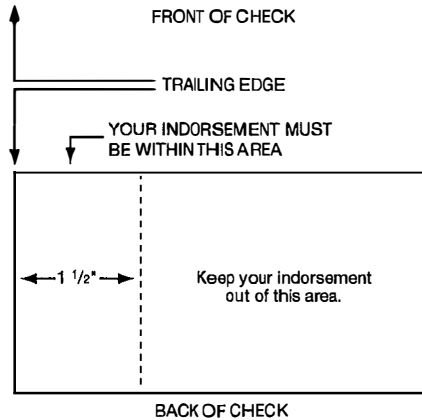
(24) Account Transfer. This account may not be transferred or assigned without our prior written consent.

(25) Indorsements. We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g., additional indorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 1/2" of that edge.

Name	7654
Address, City, State	_____ 20 _____
Pay to the order of	_____ \$ _____
	_____ dollars
Bank Name and Location	_____
Memo	_____
Ⓜ Ⓜ 23456789 Ⓜ 7654	



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement, or information you have printed on the back of the check obscures our indorsement. These indorsement guidelines apply to both personal and business checks.

(26) Death or Incompetence. You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

(27) Fiduciary Accounts. Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

(28) Credit Verification. You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

(29) Legal Actions Affecting Your Account. If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action. Or, in our discretion, we may freeze the assets in the account and not allow any payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

(30) Security. It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your account(s). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. If you are negligent in safeguarding your checks we will not be responsible for any losses you incur due to an alteration or forgery if we have paid the check in good faith and in accordance with reasonable commercial standards.

Except for consumer electronic funds transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, such as positive pay or commercially reasonable security procedures, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered, unless we acted in bad faith or to the extent our negligence contributed to the loss. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected.

(31) Telephonic Instructions. Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission or leave by voice mail or on a telephone answering machine.

(32) Monitoring and Recording Telephone Calls and Consent to Receive Communications. We may monitor or record phone calls for security reasons, to maintain a record and to ensure that you receive courteous and efficient service. You consent in advance to any such recording. We need not remind you of our recording before each phone conversation.

To provide you with the best possible service in our ongoing business relationship for your account we may need to contact you about your account from time to time by telephone, text messaging or email. However, we must first obtain your consent to contact you about your account because we must comply with the consumer protection

provisions in the federal Telephone Consumer Protection Act of 1991 (TCPA), CAN-SPAM Act and their related federal regulations and orders issued by the Federal Communications Commission (FCC).

- ◆ Your consent is limited to this account, and as authorized by applicable law and regulations.
- ◆ Your consent does not authorize us to contact you for telemarketing purposes (unless you otherwise agreed elsewhere).

With the above understandings, you authorize us to contact you regarding this account throughout its existence using any telephone numbers or email addresses that you have previously provided to us or that you may subsequently provide to us.

This consent is regardless of whether the number we use to contact you is assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service or any other service for which you may be charged for the call. You further authorize us to contact you through the use of voice, voice mail and text messaging, including the use of pre-recorded or artificial voice messages and an automated dialing device.

If necessary, you may change or remove any of the telephone numbers or email addresses at any time using any reasonable means to notify us.

(33) Claim of Loss. If you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you. You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

(34) Early Withdrawal Penalties (*and involuntary withdrawals*). We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your notice of penalty for early withdrawals for additional information.

(35) Address or Name Changes. You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

(36) Resolving Account Disputes. We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

(37) Waiver of Notices. To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit a check and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

(38) Additional Terms.