



Effective: 07/13/2018

## DEPOSIT ACCOUNTS RULES AND REGULATIONS

### TERMS AND CONDITIONS OF YOUR DEPOSIT ACCOUNT

Dear Depositor,

This brochure contains the rules which govern, where appropriate, your deposit account(s) with us. Please read this brochure carefully; continued use of your account with us after receipt of this brochure shall be taken to mean that you (a) consent to these rules, (b) consent to pay the fees listed in our service brochures (c) consent to Albank's right to collect the fees, as earned, directly from the account balance. If you have any questions, please call us.

All deposits are subject to the rules and regulations of the Federal Reserve System and all other applicable laws and regulations. To the extent that federal laws are not applicable, Illinois law shall govern your deposits.

The purpose of this brochure is to:

1. summarize the rules applicable to the more common transactions;
2. establish rules to govern transactions or circumstances which the law does not regulate; and
3. establish rules for certain events or transactions which the law already regulates but permits variation by agreement.

We may permit some variations from this standard agreement, but any such variations must be agreed to in writing either on our signature card for the account or in some other written form.

As used in this brochure, the word "we" means Albank and the word "you" means the account holder.

Your account is now open and ready for use. The signature card you signed shows ownership of the account. When you signed it, you promised to be bound by this agreement and the rules and regulations in it. If there's a conflict between this agreement and something said by one of our employees, we'll follow the agreement. You agree to this method of settling any differences.

### SECTION HEADINGS

Section headings in this agreement are for convenience of reference only and shall not govern the interpretation of any of the provisions of this agreement.

**RESOLUTION:** We require a separate authorization form designating the person(s) permitted and conditions required for withdrawal from any account in the name of a legal entity such as a partnership, corporation or other organization. We will honor such authorization according to its terms until it is amended or terminated in writing by the governing body of such organization. This resolution, along with the signature card, will provide us with a record of the person(s) who will be entitled to perform transactions on this account.

**SIGNATURE CARD:** A signature card for each account must be completed. All information requested on the signature card is required. To the extent consistent with commercially reasonable banking practices and with respect to those bank transactions where signature(s) are presented to the Bank, the authorized signature(s) that appear(s) on the signature card for an account will be honored by the Bank in connection with deposits, withdrawals or the transaction of any other business relating to that account. To change signing authority, the Bank must receive specific written notice of the change of signing authority and be given a reasonable amount of time to conform to that change. The Bank may, at its discretion, require the account to be closed and a new account opened.

**NUMBER OF AUTHORIZED SIGNATURES:** The Bank will not accept or honor instructions requiring more than one authorized signature on a check or draft.



Albany Bank & Trust Company, NA  
EQUAL OPPORTUNITY EMPLOYER



**TAXPAYER IDENTIFICATION NUMBER:** You promise to give us the proper taxpayer identification number (social security number for individual or joint accounts) for all persons and entities listed on the signature card when an account is opened.

**INTEREST EARNED NOTICE:** We will mail you a notice (to the address that you have given to us) showing the total interest paid (ten dollars or more) during the year so you can include the interest payment amounts on your income tax returns.

**ACCOUNT NUMBERS:** An account number is assigned to each account. This account number must be inscribed on all deposit tickets, checks and withdrawals used in connection with the account. You understand that the Bank shall have no responsibility or liability to you when the account number is incorrect or missing.

**CHECKING ACCOUNT:** A checking account is a non-interest bearing depository account from which available funds on deposit can be withdrawn on demand by presenting a properly drawn negotiable instrument called a "check."

**N.O.W. ACCOUNT:** A N.O.W. account is a variable rate interest bearing depository account from which available funds on deposit can be withdrawn by presenting a properly drawn negotiable instrument called a "negotiable order of withdrawal" (abbreviated N.O.W.). It is the negotiable order of withdrawal which gives this account its name.

**MONEY MARKET ACCOUNT:** A Money Market Account is a variable rate interest bearing depository account with limited check writing privileges. You are permitted only six transfers per cycle; transfers include checks, pre-authorized withdrawals, or withdrawals made by phone request from which available funds on deposit can be withdrawn. The minimum withdrawal amount is \$500.00. If you exceed the limit of 6 transfers, we may close your Money Market Account, return your checks unpaid, and charge you a special per item fee.

**N.O.W.AND MONEY MARKET ACCOUNT WITHDRAWAL NOTICE:** Federal regulations provide that we must retain the right to require at least seven (7) calendar days' notice prior to any withdrawal from a N.O.W. account or a Money Market account. If we tell you that we require 7 days' notice, we will not release your funds until expiration of the notice period. Although we usually pay these withdrawals without notice, our doing so does not mean that we give up this right.

**SAVINGS ACCOUNT:** A savings account is a variable rate interest bearing depository account from which available funds on deposit can be withdrawn by presenting a properly completed withdrawal form to one of our tellers by an owner of the account. If you have a passbook savings account, we require your passbook to be presented in order to make a deposit or withdrawal. The Bank reserves the right to require a written notice thirty (30) calendar days prior to any withdrawal from your savings account. Although we usually pay these withdrawals without notice, our doing so does not mean that we give up this right.

**CERTIFICATES OF DEPOSIT:** A Certificate of Deposit is a variable rate interest-bearing instrument with a fixed interest rate for a certain term and maturity date. There is a substantial penalty for early withdrawals. Additional deposits are not allowed. All certificates are established as automatically renewable unless requested otherwise. Closure or changes to terms of renewable certificates must be made within ten (10) calendar days after the maturity date. All automatically renewable certificates will renew at the interest rate that is in effect on their maturity date. Renewable certificates that are closed during the grace period after their maturity date will not earn interest from its maturity date.

**INDIVIDUAL RETIREMENT ACCOUNT:** An Individual Retirement Account is a variable rate Tax Deferred Retirement Plan with fixed and floating interest rates. Interest is credited to the certificate monthly. IRAs will automatically renew at the current interest rate if it is not rolled over into another instrument.

**ACCOUNTS NONTRANSFERABLE:** Savings, Money Market and N.O.W. accounts are nontransferable accounts for the purpose of determining reserve requirements under Federal Reserve rules. IRA, Money Market, N.O.W. and Checking accounts may not be used as collateral security for loans. However, this does not limit our "Right to Offset" as described further in this brochure.

**JOINT ACCOUNT:** Unless otherwise provided, you have established a joint account with right of survivorship. Any or all of the joint owners are entitled to make deposits or withdrawals. A joint owner must have his/her signature on file with us. Any proposed joint tenant who has not signed the signature card will not have any interest in the account.

We shall act on written instructions of any one or more of the joint owners. We shall continue to follow these instructions until we receive written notice to change them. Transactions that occur before we receive written notice of change of instructions will be binding on all joint owners.

We reserve the right to endorse any checks, drafts or other orders for the payment of money made payable to any of the joint owners. Once endorsed, these funds will be deposited to the joint account, or you may endorse these items by using a stamp to show a general endorsement for the account.

Each joint owner appoints the other as his or her agent to endorse, deposit, withdraw and conduct business for the account. Any money in a joint account can be paid to any one or more of the joint owners. This payment can be made on the orders or instructions of any of the joint owners. If we make a payment following these rules, you release us from liability.

You agree that it is your intention to create a joint tenancy with the right of survivorship (a form of ownership) in this account, and that if one or more of the joint owners dies, his or her interest in the account passes to the remaining owner(s).

These funds may not be released, however, until all required legal documents have been delivered to us. If one or more of the joint owners should incur a debt to the Bank, any funds in the joint account may be used to pay the debt.

No one owner may remove another owner from his or her interest in the account.

**TOTTEN TRUST ACCOUNT:** If you open an account as trustee for a beneficiary, and you have completed and signed the proper signature card, the account and all deposits made to the account will be treated as a Totten Trust Account. You agree that the account is held for the benefit of the beneficiary shown on the signature card. We require that the beneficiary's date of birth, social security number and mother's maiden name be listed on the signature card. Upon your death and presentation of the proper documents, the beneficiary shown on the Bank's records, or the beneficiary's legal representative, will become the owner of the deposit. During your lifetime, you may deal with this account as your own. You may change the designated beneficiary. But, if you wish to do so, you must complete and sign a new signature card, which names the new beneficiary. Beneficiaries cannot be designated on Checking or N.O.W. accounts.

**CUSTODIAN ACCOUNT:** You may make a gift of money to a minor child under the age of 21 and still name yourself or another adult custodian to handle the funds until the child becomes 21. This is a Custodian Account. A Custodian Account is governed by the Illinois Uniform Transfer to Minors Act. You must include the minor's social security number on the signature card. You will not be allowed to pledge that account as collateral for a personal loan to you.

**TRUST AND PAY-ON-DEATH ACCOUNT:** Except as such an account may be varied by a separate agreement: (1) the person opening a Trust or Pay-on-Death Account (called the "settlor") may withdraw all or any portion of the

account balance during his lifetime; (2) any named beneficiary who does not sign the signature card acquires the right to withdraw from the account only if and when he survives the settlor; and (3) if more than one beneficiary is named and survives, the interest of such surviving beneficiaries shall be in equal shares and without survivorship between them.

**DEATH OF OWNER:** Upon your death, we will not release the funds on deposit until all legal documents we require are delivered to us.

**DEPOSITS:** Once an account is open, you can make new deposits into that account by completing the deposit tickets which we provide (including your correct account number) and making the deposit. We have the right to refuse to take or receive any deposit and we specifically reserve the right to refuse to take or receive checks for deposit which have more than one endorsement. All payees of government issued checks must be listed as signers on the account's signature card. Checks made payable to a business must be deposited into the business account. The amount entered on our receipt or in the passbook is taken from the depositor's deposit ticket without verification. We reserve the right after verification to correct any mistakes and adjust any entries, which are in error. You will be given provisional credit for items deposited pending final collection.

**MAIL DEPOSITS:** The Bank will not be deemed to have received items sent by mail until the Bank has received actual delivery of the same from the U.S. Post Office.

**NIGHT DEPOSITORY:** All financial institutions are required to notify their depositors (pursuant to Illinois Senate Bill 137 as amended by Illinois Senate Bill 1526) of the adoption of a policy that the financial institution is not liable for deposits made in an outside or lobby depository until the deposit is actually recorded on the books of the Bank.

**MINIMUM DEPOSIT AMOUNT:** We may establish a minimum amount for a deposit to any account at any time.

**MINIMUM BALANCE AMOUNT:** We have established a minimum balance amount for the different types of accounts, see the individual account disclosures for those amounts. These amounts may be changed at any time.

**CHECK CLEARING:** In receiving and handling items for deposit or collection, the Bank acts only as your collecting agent. All credits for items are provisional and are subject to final payment in cash or solvent credits. The Bank or its correspondents may, as your agent, take or receive the draft or credit of any bank of any drawer, acceptor or payer in lieu of cash. The Bank will not be liable for indirect, special, consequential or punitive damages, attorneys' fees or lost profits, even if The Bank has been advised that they may be incurred. The obligation to exercise ordinary care in the handling of items of deposit and of withdrawal shall be measured by the standard of the reasonableness of the banking procedures established for the transaction involved and mere clerical error, inadvertence, or oversight without malice, or an honest mistake of judgment, shall not be, or constitute as to any transaction, a failure to perform such obligations, or a failure to exercise ordinary care, and in no case shall be deemed wrongful. Except as above stated, items will be received, handled and paid subject to the provisions of the Uniform Commercial Code in effect from time to time in Illinois, including those with reference to time of receipt of items, and subject to the rules, regulations and orders of Federal Reserve Banks, the Board of Governors of the Federal Reserve System, and the Chicago Clearing House Association in effect from time to time.

**CASHING CHECKS FOR NON-CUSTOMERS:** If a check drawn against your account is presented over-the-counter for payment by a person who is not a deposit customer of the Bank, the Bank will not cash the check.

**CHARGEBACKS:** If we cash a check for you or take or receive it for deposit to your account and it is returned to us unpaid, we will redeposit it and/or charge your account for the unpaid check. Unpaid checks that are not re-deposited will be mailed to you at the address shown on our records. If there are insufficient funds in the account to cover the unpaid check, we will notify you of the return and hold the check at the bank until there are sufficient available funds to cover it. If you have other accounts with available funds to cover the insufficient funds caused by

the chargeback, we reserve the right to transfer funds to cover the insufficient funds.

**TELEPHONE REQUESTS:** You agree (for joint accounts - all joint tenants agree jointly and singularly) that funds in any of your account(s) with us can be transferred, upon the telephone request of any known signer to us on the account, to another account with us or to any other financial institution. We shall not be responsible for any loss incurred as a result of our acting upon or executing any request, order or instruction we believe to be genuine. Furthermore, we may refuse to execute any telephone request or order.

**RECORDING CONVERSATIONS:** You understand and agree that, for our mutual protection, we may tape record any of our telephone conversations.

**WITHDRAWALS:** You may withdraw funds at any time. All withdrawals shall be made on the special forms supplied for deposit accounts by us and shall bear your account number. We may, in our discretion, refuse payment of terms on other forms or with an incorrect account number. Deposits will be available for withdrawal in accordance with our funds availability policy for accounts in effect at the time of deposit. All deposits are subject to proof and verification before they become available for withdrawal. Contact our Personal Banking Department (773-267-7300) for a copy of our funds availability policy.

**OVERDRAFTS:** If you write a check for more money than you have in your account, you will be overdrawn and we will return the check unpaid. We will assess a charge for each check(s) that causes the overdraft (refer to our Customer Accommodation Service Fee Schedule). If you frequently overdraw your account, we reserve the right to close it. When we do, we will mail a notice and a check for the balance of money in the account to the address shown on our records. We will not allow you to reopen this account or to open another new check withdrawal account.

**POST-DATED CHECKS:** You agree not to date a check later than the day you write it. If you do and a check is presented to us for payment before its date, we may return it unpaid, but we will not be responsible if we pay or certify it.

**STOP PAYMENTS:** (Does not apply to savings accounts) You may stop payment on a check or an ACH debit drawn on a Money Market, N.O.W. or Checking account with us by notifying us by phone, by mail or in person.

If you notify us by phone, you must confirm it in writing within 14 days on a form provided by us. You must include all required information on the stop order form for it to be effective. To be effective, a stop payment order must be received in time to give us a reasonable opportunity to act on it, and must precisely identify the account number, check number, date written, amount of the item, payee and reason.

We cannot be responsible for stop payment orders with incorrect information. We will charge your account for a stop payment order (refer to our Customer Accommodation Services brochure). If this is a joint account, we will accept a stop payment order from any owner regardless of who signed the check. Only the person who initiated the stop payment order may make a release of the stop payment request.

**AUTOMATIC TELLER MACHINE CARD:** Gives you access to your checking account and/or your statement savings account 24 hours a day, 7 days a week, throughout the United States and worldwide. Our A.T.M. terminals are affiliated with the Accel<sup>®</sup>, STAR<sup>®</sup> and Cirrus<sup>®</sup> networks.

**STATEMENT:** You will receive a periodic statement (monthly) for your Statement Savings, Money Market, N.O.W. and/or Checking account. You will receive a periodic statement (quarterly) if you have a statement savings account, and there was no deposit or withdrawal activity. You will receive a periodic statement (monthly) in conjunction with any passbook savings account if an electronic funds transfer transaction was posted during a calendar month period. You will receive a semi-annual transaction statement and an annual 5498 statements if

you have an IRA account. Each such statement shall show the transactions on your account(s) and any fees. We reserve the right not to send statements for accounts we consider inactive. You will receive images of the front of your cancelled checks with the Money Market, N.O.W., and Checking statements. The Bank will send the statement as well as any other communication to your current address as it appears on the records of the Bank (if joint account, to the address you select). Should a statement remain unclaimed or undeliverable for whatever cause, the Bank may discontinue sending statements until it is instructed otherwise by you. If you request the Bank in writing to hold your statement for pickup instead of mailing it out, the Bank will do so.

**Substitute Checks:** (1) (a) are paper reproductions of your **Original Check** created from a digital image of the original check, which was captured by the institution that “truncated” or removed the original check from circulation. (b) bear the legend “This is a legal copy of your check. You can use it the same way you would use the original check.” (c) show both the front and back of your check with a MICR line (governed by ANS X9.100-140 standards) that includes all the original information from your original check (d) can be processed by financial institutions in the same manner as the original checks. (2) You agree not to deposit unwarranted substitute checks (substitute checks created by an entity other than a warranting financial institution). You agree that the checks you deposit to your deposit account and write against your deposit account will allow for a clear image if converted to a substitute check. You agree that the bank is not obligated to return substitute checks with your statement. You agree that the bank may pay an item that is not a substitute check or is not a legal equivalent of a check.

**DUTY TO INSPECT STATEMENTS:** If your account is a Checking, Interest Checking, Money Market, or Statement Savings account, we will provide you with a periodic statement showing the account activity. You must examine your statement with ‘reasonable promptness.’ If you discover (or reasonably should have discovered) any unauthorized signatures, alterations, or other discrepancies you must notify us of the relevant facts within 30 days after we mailed or otherwise made the statement available to you. If you fail to notify us, you will have no claim against us. If you do not receive a statement from us because you have failed to claim it or have supplied us with an incorrect address, we may stop sending your statements until you specifically make a written request that we resume sending your statements and you supply us with a proper address. The aforementioned does not include Unauthorized Transfers. See your Electronic Fund Transfers Disclosure for your rights and responsibilities concerning Unauthorized Transfers.

**DORMANT/INACTIVE ACCOUNTS:** Illinois law requires us to escheat (turn over) accounts which have been inactive for three (3) years to the State of Illinois as abandoned property.

Accounts will be classified as DORMANT when no activity occurs within the time frames as listed below.

<u>Account Classification</u>	<u>No Activity For</u>
Checking Account	6 months
N.O.W. Account	6 months
Money Market Account	24 months
Savings Account	24 months
Certificate of Deposit and Individual Retirement Account	One term of no activity

#### **What Constitutes Activity**

1. Deposit made by customer.
2. Check or withdrawals, written by customer and presented for payment.
3. Written instructions from customer.
4. A signed Positive Bank Audit Confirmation.
5. For Certificates of Deposits or Individual Retirement Accounts that are automatically renewed after the first renewal:
  - A. When interest checks are cashed.
  - B. When interest is credited to a Checking, N.O.W., Money Market or Savings account and when any of items 1 through 4(as listed above) have occurred.



- C. When interest is added to the principal (capitalized) of the Certificate of Deposit or Individual Retirement Account and when any of items 1 through 4 (as listed above) have occurred.

**FEES:** You agree to pay us fees in connection with your accounts in accordance with our Customer Accommodation Service Fee Schedule and Consumer Deposit Account Disclosure of Interest, Fees, and Terms disclosures. We will provide at least 30 days advance notice of any changes to the fees which apply to your accounts from those reflected when the account was opened and given to you with this Agreement (See Notices.) We may deduct any fees from your account. We reserve the right to waive any fees at our sole discretion.

**INTEREST:** The current interest rate applicable to the account, the method of calculation, the method of compounding, the frequency of interest posting, and any applicable forfeiture penalty are available upon request. The rate of interest we pay on your account will change when and as the rate we announce changes. Rate information will be available each business day at our main office. No interest will be paid on any demand deposit checking account with us. No interest shall accrue or be payable on any account, if the balance goes below the minimum set forth in the account disclosure. No interest shall accrue or be payable on any account during any interest payment period in which the account is closed. We reserve the right not to pay interest on any deposit which is returned to us unpaid by the financial institution on which it is drawn. We reserve the right not to pay interest on amounts subject to garnishment, levy, or other legal process.

**ELECTRONIC FUNDS TRANSFER DISCLOSURE STATEMENT:** Federal law requires disclosure of your rights and responsibilities regarding electronic funds transfer. The Bank will provide you with a copy of its current disclosure statement governing such transactions when you open an account.

**DIRECT DEPOSIT:** If, in connection with a direct deposit plan, we deposit any amount in this account which should have been returned to the Federal, State or Local Government for any reason, you authorize us to deduct the amount of our liability to the same said government from this 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.

**CLOSING THE ACCOUNT:** You can close your account whenever you desire. If a savings account has been open for less than six (6) months, or a checking account has been open for less than three (3) months, we may assess an administrative fee for opening and closing the account. The Bank, in its sole discretion, reserves the right, without prior notice to you, to close and refuse to continue your account. Such closing shall be effected by mailing a notice (regular mail) to you at the address in the Bank's records, accompanied by the Bank's check for the balance in the account, after deducting fees through the date of the closing. If this is a Certificate of Deposit or an Individual Retirement Account, withdrawals will be subject to the applicable early withdrawal penalties.

**FINANCIAL INSTITUTION'S LIABILITY FOR FAILURE TO MAKE TRANSFERS:** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we may be liable for certain losses (but shall not be liable for indirect, special, consequential or punitive damages, attorneys' fees or lost profits, even if the Bank has been advised that they may be incurred). However, there are some exceptions. We will not be liable, for instance: 1. If, through no fault of ours, you do not have enough money in your account to make the transfer, or 2. If circumstances, beyond our control (such as fire or flood), prevent the transfer, despite reasonable precautions that we have taken. There may be other exceptions stated in our agreement with you.

**INFORMATION ABOUT YOUR ACCOUNTS AND ABOUT YOU:** Generally, we will not disclose information to third parties about your accounts or about you without your permission. However, we may disclose information: (a) when it is necessary to complete transfers or transactions, or to send notice or dishonor or nonpayment; (b) to our accountants; (c) to bank regulators; (d) to exchange, in the regular course of business, credit information with other banks, financial institutions, or commercial enterprises, directly or through credit reporting agencies; (e) to advise third parties of accounts closed for misuse; (f) to furnish information to the appropriate law enforcement

authorities when we reasonably believe we have been the victim of a crime; (g) to comply with a government agency or court orders, or to furnish any information required by statute; (h) to furnish information about the existence of an account to a judgment creditor of yours who had made a written request for such information; (i) when we are attempting to collect an obligation owed to us; or (j) unless otherwise prohibited by law. In addition, you understand and agree that we may, from time to time, request and review credit reports and other information about you prepared by credit reporting agencies or others.

**OUR RIGHT OF OFFSET:** We may charge against any of your accounts or any account on which you have the authority to withdraw funds any debt you owe us, now or in the future, without going through any legal process or court proceeding. If your account is a joint account, we may also charge the debts owed to us by any or all joint account holders against this joint account. We will notify you if we exercise our right of offset. This right of offset does not apply to this account if (1) it is an I.R.A. account or (2) the debt is created by a consumer credit transaction under a credit plan or (3) the debtor's right of withdrawal only arises in a representative capacity.

**TRIAL:** We hope no dispute ever occurs between you and us that cannot be resolved. If one does, and the dispute reaches a trial, you agree to have the decision made by a judge and not by a jury.

**LEGAL PROCEEDINGS:** If your deposit becomes involved in legal proceedings, your use of it may be restricted. In the event we become a party to any legal proceedings, you agree to compensate and reimburse us for all costs, charges, and expenses including reasonable attorney's fees, incurred by us as a result of such proceedings.

**INDEMNITY:** If you ask us to follow instructions that we believe might expose us to claims, suits, losses, expenses, liabilities or damages, whether directly or indirectly, we may refuse to follow your instructions or may require a bond or other protections. An example of the kind of protection asked for would be your promise to protect the Bank against any claims (an indemnity).

**HIPAA POLICY:** Albany Bank & Trust Company, N.A. supports the goals of the Health Insurance Portability and Accountability Act of 1996 through implementation of this policy. This policy is designed to protect the privacy and security of protected health information ("PHI") obtained by the bank from its customers primarily engaged in the various branches of the health care industry, such as nursing homes, doctor and dental offices, clinics and hospitals. Albank will enter into "business associate contracts" with its vendors and service providers who use, disclose, or store PHI. Albank's policy is to protect the confidentiality of PHI it receives from its customers by not disclosing this information to third parties and, further, by not disclosing it to Albank employees unless they need the PHI to perform their jobs. Albank will respond to its customer's request, if and when made, for disclosure of PHI to the appropriate person or entity. Albank's record retention policy has been reviewed to determine compliance with this policy.