

## Terms and Conditions Governing Your Personal Deposit Accounts

### I. INFORMATION ABOUT YOUR ACCOUNT

**1. Welcome.** This Personal Deposit Account Agreement together with the Fee Schedule and applicable Disclosures (as defined below) and Account Agreement form, each as may be amended from time to time, (individually and collectively, the "Agreement") provides the terms and conditions of your personal deposit accounts with us. Please read it carefully and retain it with your account records. If you have any questions regarding your accounts, please call us at 860.596.2444, Monday through Friday 8:00 a.m. to 5:00 p.m. or Saturday 9:00 a.m. to noon Eastern Time. You may also visit us online anytime at [salisburybank.com](http://salisburybank.com).

**2. Definitions.** When we use the words "you," "your," and "yours" in this Agreement they refer to the person(s) who maintains one or more personal deposit accounts with us, including, but not limited to, all owners and signers on the account. The words "we," "us," "our," and "Bank" refer to Salisbury Bank and Trust Company. Unless specified otherwise, the word "account(s)" refers to any deposit account that you have with us, or that we may offer now or in the future, used for personal, family, or household purposes. When we refer to a general group or category of accounts in this Agreement (such as "money market accounts" or "savings accounts,"), we mean any and all such accounts in that category that we may offer or that you may have. When we use the word "check" in this Agreement, we mean checks or other items, such as drafts or electronic images, presented to us for payment by another financial institution or that you deposit into your account. Our use of the term "Losses" in this Agreement means any and all kinds of claims, fines, penalties, fees, costs, expenses, and liabilities, including, without limitation, attorneys' fees and litigation costs.

**3. Scope of This Agreement.** This Agreement governs all personal accounts you have established with us. It replaces and supersedes any prior deposit agreement you may have had with us. If you sign our Account Agreement form or if you open, maintain, or use an account with us, you agree to the terms and conditions of this Agreement, including, but not limited to, (a) the fees and charges listed in the applicable Fee Schedule; and (b) any other account materials, documents and disclosures, including, but not limited to, our Electronic Funds Transfer Agreement, Funds Availability Policy, Privacy Policy and Truth in Savings Disclosure (all such materials, documents and disclosures are collectively referred to as "Disclosures") required by us in connection with your account. The Fee Schedule and Disclosures, each as may be amended from time to time, are incorporated herein as part of this Agreement.

This Agreement comprises your agreement with us and is our legally binding contract with you. This Agreement is also subject to federal law and, to the extent not preempted, the laws of the State of Connecticut (collectively "Applicable Law"). Unless other documents we provide to you state otherwise, you agree and acknowledge that we are not in any way acting as a fiduciary for you or for your benefit.

**4. Organization of This Agreement.** This Agreement sets forth the terms and conditions that are applicable to all of your accounts. More specific rules regarding the accounts that you open, including rate and balance requirements, are provided to you in our Truth in

Savings Disclosure. Special rules and disclosures governing electronic fund transfers are provided to you separately in our Electronic Funds Transfer Agreement. Your ability to withdraw funds from your accounts is provided to you in our Funds Availability Policy. Pricing for your account and transactions may be found in our Fee Schedule and Truth in Savings Disclosure. These Disclosures are part of this Agreement, each as may be amended from time to time.

**5. The Accounts We Offer.** We offer a variety of accounts designed to meet your needs. We may, from time to time, create new types of accounts to better serve you. Occasionally we may discontinue certain accounts or types of accounts, and we reserve the right to do so without notice at any time. Accounts that have been discontinued may not appear in our most current Agreement. If you have questions or need more information or details about the types of accounts that we offer, please call us at 860.596.2444, Monday through Friday 9:00 a.m. to 5:00 p.m. or Saturday 9:00 a.m. to noon Eastern Time. You may also visit our website [salisburybank.com](http://salisburybank.com) at your convenience.

**6. Chapter 167D Accounts.** If you (a) opened an account at one of our Massachusetts branch locations or (b) are a resident of the Commonwealth of Massachusetts and (c) you, and in the case of a joint account all of your other account owners (except your spouse), are 18 years of age or younger, or if you are age 65 or older you have the right to notify us of your eligibility under the Massachusetts "18/65 law." If you notify us of this fact, we will not assess fees or charges against one checking account and one savings account (other than a money market account) of your choosing. We may, however, assess these accounts a reasonable charge (as disclosed in your Fee Schedule, as amended from time to time) for any check or item presented when your account has insufficient available funds. We may also deduct certain charges from your account for services (for example, a charge for purchasing money orders). If you do not notify us of your eligibility under this law we will have no obligation to administer your account(s) in this manner.

### II. RULES FOR OPENING AND CLOSING AN ACCOUNT

**1. Your Eligibility, Generally.** Individuals and unincorporated non-business associations may open and maintain personal accounts with us. Corporations, unincorporated business associations, partnerships, nonprofit organizations, governmental entities and sole proprietorships may not open accounts with us under this Agreement.

Unless Applicable Law requires otherwise, you must be at least 18 years old to open a checking account for which you are the sole owner. If you are less than 18 years of age then we will require that a person 18 or older (such as your parent) be a joint owner on the account. If you are a joint owner on a checking account with an individual under the age of 18 then you agree to indemnify us from any and all kinds of losses directly or indirectly arising from the use or maintenance of the account by the individual under the age of 18.

If you are under the age of 18 you may open a savings account with us for which you are the sole owner.

**2. Verifying Your Identity.** When you open an account with us, you give us information about yourself and confirm that it is correct.

We enter the information into our records regarding your account. We may rely on that information until you notify us of a change and we have had a reasonable time to act on the new information.

To help the government fight the funding of terrorism and money laundering activities, the USA PATRIOT Act requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. This means that 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.

**3. Checking Accounts that Earn Interest.** Applicable Law imposes restrictions on eligibility for checking accounts that earn interest to individuals, certain nonprofit organizations, state and local governmental entities, and accounts held in a fiduciary capacity if all of the beneficiaries are otherwise individually eligible as described in this section. We reserve the right to close or convert an interest bearing checking account to a non-interest-bearing account if we believe that the account holder is not eligible to maintain an interest-bearing checking account as described in this section.

**4. Credit Inquiries.** You authorize us to make any inquiries that we consider appropriate to help us determine if we should open, maintain or close your account and/or pay any item affecting your account. This may include verification of employment and credit reports or other reports from account information services and credit reporting agencies (including, but not limited to agencies that compile information regarding your deposit account performance at other banks).

**5. Account Opening Documentation Requirements.** As part of our account opening process, we will require you to sign an Account Agreement form and provide us with any other documentation that we may require. If you desire to establish a joint account with us, each joint account owner must sign our Account Agreement form and provide us with any other documentation that we may require.

You must sign and return the Account Agreement form for your account within forty-five (45) days of completing the account application and funding process. If you fail to do so we reserve the right (in our sole discretion) to prevent further deposits to or withdrawals from your account until your signed Account Agreement form is returned. If the signed Account Agreement form is not returned for your account within ninety (90) days of completing the account application and funding process, your account will be closed. However, if your account is a joint account, and your Account Agreement form is signed by only one account owner, instead of closing the account, we may, in our sole discretion, convert the account to an individual account in such instances.

Any documentation that you provide to us in connection with establishing your account must be in a form that is satisfactory to us. We may change these documentation requirements, at our discretion, from time to time and without prior notice to you.

**6. Certifying Your Taxpayer Identification Number.** When you open an account with us, we will request that you provide us with a certification of your correct taxpayer identification number ("TIN"). Applicable Law requires that these certifications be given under penalty of perjury. If you do not provide us with such a certification, Applicable Law requires us to withhold a certain percentage of

taxable interest, dividend and certain other payments that we make to you. This is commonly referred to as "backup withholding." You must provide us with your TIN even if you do not have to file a tax return and you must also certify that you are not subject to backup withholding. We are not required to open (and may close) an account for you if you do not provide and certify your TIN, even if you are exempt from backup withholding and information reporting. We are required to report certain dividend, interest and other payments we make to you to the Internal Revenue Service ("IRS"). We include your TIN in those reports.

You may be subject to civil and criminal penalties if you fail to provide us with a correct TIN or falsify withholding information. For additional information on interest reporting and withholding, contact your tax advisor or the IRS.

**7. Account Opening.** For your convenience, we may allow you to apply for accounts in a variety of different ways. However, we will consider your account to be open only after (a) we have received and approved all account opening documentation we may require, (b) your account has been appropriately funded, and (c) you have satisfied any other requirements we may have.

**8. Closing Your Account.** Your account may be closed at any time by you or us without advance notice, except that we may require you to give us seven (7) days advance written notice when you intend close your checking with interest, money market or savings account. If we close your account, we will provide to you notice of such closure if required by Applicable Law and mail a check to you at the address we currently show for your statement in our records or otherwise remit any balance in your account to you. If your account reaches a zero balance, we may (but are not obligated to) consider your account closed. We may either return deposits, checks and other items that we receive after your account is closed or, in the case of deposits, reopen the account and accept the deposit, without our being liable to you. This Agreement continues to govern matters related to your account even after your account closes. Closure of your account by you or us will not release you from any fees or other obligations incurred before the closure, those you incur in the process of closing out your account, or for your liability for outstanding items.

### III. ACCOUNT OWNERSHIP CATEGORIES

**1. Account Agreement Designation.** The ownership category of your account is designated on the Account Agreement form you sign when you open the account. We may rely on those designations for all purposes relating to your account.

**2. Individual Accounts.** By opening an individual account, you are considered by us to be the sole owner of the account. This is regardless of whether any person is designated as a "payable on death" payee or "in trust for" payee.

**3. Authorized Signers/Convenience Signers.** You may designate a person(s) other than you to act as an authorized signer/convenience signer on any account. The authorized signer/convenience signer is not an owner on the account, but is authorized to perform any action on the account that you may perform except that the authorized signer/convenience signer may not (a) add new owners to the account, (b) add or remove another authorized signer/convenience signer to the account, or (c) close an account. You understand and agree that we have no duty to

monitor the acts of the authorized signer to determine if they are being done on your behalf, for your benefit, or permissible under Applicable Law. You agree to indemnify and hold us harmless from and against any Losses that directly or indirectly arise due to any action or inaction an authorized signer/convenience signer has taken or not taken on your account.

You may remove an authorized signer/convenience signer from your account by providing written notice to us at:

Salisbury Bank and Trust Company  
Attention: Customer Support  
P.O. Box 757  
Canaan, CT 06018-0757

However, you understand that we may continue to honor transactions initiated by an authorized signer/convenience signer and will not be liable for doing so until we have had a reasonable opportunity to act on your notice to us.

**4. Joint Accounts With Right of Survivorship (Not as Tenants in Common).** If your account is in two or more names, it is a joint account. Unless indicated otherwise, joint accounts are with the right of survivorship. This means that upon the death of any joint owner, the account balance is owned by the surviving owner(s), subject to our right to reimbursement from the account and our right of setoff and security interest in the account, and the estate of the deceased joint owner has no interest in the account. You understand and agree that we may honor checks drawn by and withdrawal requests from the surviving account owner(s).

You understand that as a joint owner of the account, all of you are considered jointly and severally liable to us for the entire amount of any obligation (such as any fees on your account) or liability to us regarding the account, or for any Losses regarding the account. Each joint owner appoints the other(s) as his/her agent to deposit, withdraw and transfer funds, instruct us to stop payment on any check or item drawn on the account and to release or cancel stop payment requests (even if not initiated by him/her), obtain any and all information from us about the account, and conduct any and all other business on the joint account including, but not limited to, pledging or encumbering the account (where we may allow you to do so), or closing the account. Unless a joint account owner notifies us otherwise, you understand and agree that we may honor checks drawn by or withdrawal requests from any joint account owner. Acting as an agent, any joint owner can endorse checks, drafts or other payment orders made out to any other joint owner for deposit into the joint account. However, if a joint account owner provides us with such written notice we reserve the right to require the written authorization of any or all joint account owners for any future transactions on the account. Any joint owner or owners may appoint an attorney-in-fact for the account. All such appointments of an attorney-in-fact must be done in compliance with the requirements of the section of this Agreement dealing with Power of Attorney Appointments.

One joint owner is not authorized to remove another joint owner from the title of the account without the written consent of the other joint owner(s) but may, however, withdraw all of the funds from the account or close the account at his/her discretion and without the permission, knowledge, or consent of any other joint owner. While you may request that the names on your account be connected with the word "and," you agree that we may treat the account like any other joint account, and that we may rely on the instructions

and/or signature of any joint account owner, and the rules in this Agreement will apply to your account so titled.

If one of the joint owners of the account owes us money that is due, we can, to the extent permitted by this Agreement and not prohibited by Applicable Law, use the funds in the joint account to pay the debt, regardless of who deposited the funds into the joint account. Similarly, from time to time we may be required by Applicable Law to remit funds held in the joint account to satisfy a judgment, execution, levy or court order entered against, or other valid debts incurred by, any owner of the joint account. We may do so regardless of who deposited the funds into the joint account.

If we receive conflicting instructions from the owners of the joint account, we have the right to refuse further payment except on a final court order or a release that is in a form acceptable to us and that is signed by all joint owners of the account.

**5. Totten Trust Accounts.** Subject to Applicable Law and the Bank's acceptance, you may, without a written trust document, designate on the Account Agreement form an account to be payable on your death to a designated beneficiary(ies). You must provide us with the name, date of birth, address, and other identifying information of the beneficiary(ies) that we may request. Such accounts may be generally known as "Totten Trusts," "transfer-on-death," or "in trust for" accounts. You are solely responsible for meeting the terms of Applicable Law in establishing such accounts including, without limitation, any titling requirements. We make no representations as to whether the establishment or use of such an account designation is appropriate for you. You may want to consult your attorney, tax professional or estate planning advisor before making such a designation. You have the right at all times to change or remove such beneficiary(ies) from the account, close the account, or withdraw some or all of the funds from the account.

If you open this type of account, the account and the funds in it belong to you during your lifetime and, until your death, the beneficiary(ies) has no interest in the account and may not access the account nor the funds in the account. Upon your death, or if there is a joint owner, upon the death of the surviving co-owner, all the funds in the account shall be owned by the person then living who is named as beneficiary(ies) on the account. The money in this type of account will not be inherited by your heirs or controlled by your will. We have no obligation to notify any beneficiary(ies) of the existence of any account or the vesting of any interest in any account.

**6. Written Trust Agreement Accounts.** From time to time, in our sole discretion, we may allow a trustee of a formal written trust to open a trust account. To open such an account we will require a certification of trust, the name and address of the beneficiary(ies) (all of whom must be natural persons), and any other information or documentation that we may request. You agree that, by opening such an account, you are holding us harmless from and against any actions either we or the trustee takes on the account that are done in reliance on the certification of trust or other documents that we requested when you opened the account. We are under no obligation and have no duty to monitor the acts of any trustee to determine whether such acts are being done for the benefit of the beneficiary, are permissible under the terms of the trust, or are in compliance with Applicable Law. You understand and agree that we will not be liable to you if the trustee(s) exceeds his/her powers or otherwise does not comply with Applicable Law.

**7. Transfers to Minors.** You may make a gift of money to a minor by opening an account in the name of the minor with you listed as custodian on our records for the account (“Custodian”), pursuant to the Uniform Transfers to Minors Act (“UTMA”). Only you, as Custodian, are authorized to act on the account. As Custodian, you will notify us in writing immediately upon the death of the minor or at the time the minor reaches the age of majority in the state where the account was opened. After notifying us of either of these events, your authority over these accounts continues only to the extent allowed by the applicable UTMA. Before we receive such notice and have a reasonable opportunity to act on it, we may honor any checks or drafts written on the account by the Custodian without incurring any liability to the minor or to any third party. You will be liable to us for any Losses we incur because of your failure to give us prompt written notice (as described above) or otherwise abide by the applicable UTMA. We have no duty to monitor the acts of the Custodian or otherwise ensure that his/her acts are for the benefit of the minor and/or are otherwise permissible under the applicable UTMA. We have no liability if the Custodian exceeds his/her authority under and/or fails to comply with the applicable UTMA.

**8. Power of Attorney Appointments.** If you would like to appoint someone as your attorney-in-fact to access your account and/or the funds in it, we will request a copy of the power of attorney documentation. We may reject a power of attorney for any reason not prohibited by Applicable Law. If a power of attorney is accepted by us, any action by us is in reliance on your attorney-in-fact and will be binding on you if we take action before we receive and have a reasonable opportunity to act upon: (a) revocation of the power of attorney, (b) a signed, written notice that a conservator has been appointed for your estate, (c) a certified copy of your death certificate, or (d) knowledge that you have become incapacitated (unless your power of attorney is durable). You authorize and direct us to receive, accept, pay and/or apply, without any duty of inquiry, without limit as to amount, and without regard to the application of the proceeds, any check, draft, or other instrument for the payment of money drawn by your attorney-in-fact on or payable from your account(s) including, but not limited to, those endorsed to the order of your attorney-in-fact or otherwise for the personal credit of your attorney-in-fact. We are not liable for the misapplication of funds from your account by the attorney-in-fact, or if the attorney-in-fact exceeds his/her authority or otherwise does not comply with Applicable Law.

**9. Other Agency and Fiduciary Accounts.** Any individual acting as a legal guardian, personal representative, trustee, custodian or in some other fiduciary capacity (collectively, “Fiduciary”) must be so designated to the Bank on the Account Agreement form. It will otherwise be assumed that you own the account in an individual capacity. The Bank is authorized to follow the directions of your Fiduciary regarding your account until it receives written notice that the Fiduciary appointment has been terminated and it has had a reasonable time to act upon the notice. The Bank is not liable for the misapplication of funds from your account by your Fiduciary. This Agreement, in conjunction with the terms of any Fiduciary Agreement, Trust Agreement or Affidavit of Trust, court order or other document pursuant to which the account is opened (collectively “Fiduciary Agreement”), when in a form acceptable to the Bank, will govern the account, and the Bank has the right to request documentation as is necessary to open the account. All Fiduciary account owners and beneficiaries agree that the Bank will not be liable if the Fiduciary commits a breach of trust

or breach of Fiduciary duty, or fails to comply with the terms of any written Fiduciary Agreement or comply with Applicable Law. The Bank is not responsible for enforcing the terms of any written Fiduciary Agreement or Applicable Law against the Fiduciary and can rely on the genuineness of any document delivered to it, and the truthfulness of any statement made to it by a Fiduciary.

#### IV. GENERAL TERMS AND CONDITIONS GOVERNING YOUR ACCOUNT

##### (A) Signatures on the Account

**1. Reliance on Your Account Agreement Form.** If for any reason you have not signed an Account Agreement form or we do not have your Account Agreement form, we will not be liable to you for honoring checks or any other signed instructions if we believe in good faith that the signature(s) appearing on such instructions are authorized. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, if any, specified on your account records, except as they determine to whom we pay account funds.

**2. Facsimile Signatures.** We may from time to time and in our sole discretion allow you to use a facsimile signature on a withdrawal slip or other account form. A “facsimile signature” is any method you use to imprint your signature on such documents other than your handwritten signature. For example, this could include the use of signature stamps or plates, computer-generated symbols and signatures produced by digital, or other electronic means. You are fully responsible for the use of such facsimile signatures, and you authorize us to accept and pay any check, draft, or other instrument for the payment of money appearing to bear or bearing your facsimile signature (regardless of to whom such item is made payable) and to rely on such facsimile signature on any check, draft, or other instrument for the payment of money, withdrawal slip, or other account document as though you had signed your own name to such check or document. We may rely on such facsimile signature even if it was placed on the check, draft, or other instrument for the payment of money, withdrawal slip, or account document by someone other than you and/or without your authority. Alternatively, we reserve the right to reject any check, draft, or other instrument for the payment of money, withdrawal slip, or other account document that bears or appears to bear a facsimile signature. You should maintain close control over your facsimile signature device and promptly review your account records for unauthorized use of the device.

##### (B) Deposits to the Account

**1. General Deposit Rules.** You can make deposits to your account in person at our branch, by mail, or by any other method we make available. We are not responsible for deposits made by mail until we actually receive them. We encourage you to use the deposit slips that we make available to you in order to help us credit deposits to your account as soon as possible and to minimize errors. If you do not use deposit slips that we provide to you, you agree that we will not be liable to you for any errors resulting from your use of a counter deposit slip, whether completed by you or one of our employees. We have the right, but are not obligated, to endorse any non-cash items submitted for deposit into your account and deposit them into your account. We also have the right to not accept items that contain multiple, missing, or improper

endorsements, and to limit, refuse, hold, or return any deposit. You agree to reimburse us for any Losses we incur because: (a) you fail to endorse an item exactly as drawn, (b) you deposit an item with a missing endorsement, or (c) resulting from or arising out of any return of any deposited item for any reason whatsoever. You agree that our count of the coins and currency in your deposit shall be conclusive as to the amount. Credit for all of your deposits is provisional, and we will make any necessary adjustments to your account for any discrepancies and notify you. We reserve the right to make adjustments to your account, in our sole discretion, for computation or other errors.

You may only withdraw funds from your account that are available for withdrawal under the terms and conditions of this Agreement and our Funds Availability Policy. You understand and agree that we may make adjustments to your account from time to time to reflect corrections or changes to your balance. For example, if deposits are posted for the wrong amount or to the wrong account. In the event that an error has caused the balance in your account to be overstated, you agree to reimburse the overstated amount.

**2. Check Endorsement Standards.** To ensure that checks you deposit into your account are processed without delay, you must endorse them correctly. The area reserved for your signature is on the back of the check, within 1-1/2 inches from the “trailing edge” of the check. The “trailing edge” is defined as the left side of the check when viewing it from the front. Turn the check over and sign your name. Do not make any additional marks or notations on the back of the check. The portion of the check not reserved for your endorsement must remain blank for processing purposes. We will not be responsible for any Losses you incur if your check is improperly endorsed. You will be liable for unpaid checks returned late because your endorsement, a prior endorsement, or information you have printed on the back of the check obscures other endorsements.

**3. Direct Deposits.** You agree that we may reverse any direct deposit that is made to your account without prior notice to you at any time if: (a) we credited your account in an incorrect amount, (b) the deposit represents a duplicate credit to your account, (c) you were not entitled to the deposit, or (d) you were not the intended recipient of the deposit. This right is in addition to any other rights that we may have under this Agreement or Applicable Law, including our right of setoff and any security interest that we may have in your account.

**4. Deposit of Foreign and Other Non-Routine Items.** Checks drawn on banks located outside the United States, bond coupons and other non-routine items will be accepted for collection only. These items are not governed by our Funds Availability Policy. These items will not be posted to your account, and you will not receive credit for such items until we receive final credit from the bank on which it is drawn. We will calculate the U.S. dollar equivalent of your deposit by using our applicable exchange rate that is in effect when we receive final credit, not the exchange rate that was in effect when you presented us with the item for deposit. You agree that when we receive final credit for an item that we have accepted for collection we may subtract any applicable fee as may be disclosed in the Fee Schedule, as may be amended from time to time, for processing such non-routine items from the amount finally credited to us, before we credit your account for the remaining amount. From time to time and in our sole discretion we may make exceptions to this policy. We are not, however, under

any obligation to do so, and we will not be liable to you if we do not do so.

**5. Collection of Items.** In receiving checks and other items for deposit or collection, we act as your collection agent and assume no responsibility beyond the exercise of ordinary care. Any special handling instructions are effective only if made in writing and given to us along with the check or item in question. We will not be liable for default or negligence of our correspondent banks or for loss in transit, and each correspondent bank will only be liable for its own negligence. You are responsible for reconstruction and proof of loss of any items, including checks and other negotiable instruments, included in deposits which are lost or stolen in transit before we have received and accepted the deposit. Further, you agree to fully cooperate and assist in the reconstruction and proof of loss of any items, including checks and other negotiable instruments, included in deposits that are lost or stolen in transit after we have received and accepted the deposit. Checks and other items and their proceeds may be handled in accordance with applicable regulations and operating circulars of the Federal Reserve, clearing house association or funds transfer system rules, and contractual arrangements with other financial institutions. All deposited checks and items (including those drawn on another account at the Bank) are credited subject to final payment and our receipt of proceeds. Until we receive final payment, any credit that we provide to you for the deposit is provisional only.

You authorize us to pursue collection of previously dishonored checks and items, and in so doing, we may permit the payor bank to hold an item beyond the midnight deadline. You also authorize us to convert, at our sole discretion, any checks that you deposit into your account and that are returned for uncollected or insufficient funds to an electronic transaction.

**6. Return of Deposited Items.** If a check or other item you deposit or we cash is returned to us for any reason, at any time, we may debit your account for the amount of the check or item without regard to whether the bank on which the check or item was drawn returned it before its midnight deadline. Furthermore, if after a check or other item deposited into your account is finally paid, it is returned to us by the bank on which it is drawn because someone has made a claim that the check or other item was altered, forged, unauthorized, or should not have been paid for some other reason, we may debit your account for its amount. All returns of checks or other items discussed in this section are hereinafter referred to as “Returned Deposited Items.” In each of the foregoing situations, we may also debit your account for any interest you may have provisionally earned on the amount of the Returned Deposited Item.

In some cases the financial institution on which the Returned Deposited Item is drawn may send us an electronic notice of return instead of returning it. We may act on, and you agree to be bound by, the electronic notice of return just as if the original check or item had been returned. We may debit your account for the amount of the Returned Deposited Item at any time on or after the day it is returned to us by electronic or other means, or the day we receive notice that it is being returned to us – whichever is earlier. If you have insufficient available funds to cover the amount of the Returned Deposited Item, we may overdraw your account in accordance with this Agreement. You agree to repay us the amount of such overdrafts immediately.

For each Returned Deposited Item that was drawn in a foreign currency, we will charge your account the U.S. dollar equivalent of the item. We may calculate the U.S. dollar equivalent by using our applicable exchange rate that is in effect when we process the Returned Deposited Item.

We may charge you a fee for each Returned Deposited Item. The amount of such fee(s) is disclosed in our Fee Schedule.

**(C) Withdrawals from the Account**

**1. Checks.** We offer a variety of check styles and other withdrawal forms for your use. We recommend that you use checks and other forms that we provide. Unless we have approved them in advance, we may refuse to accept checks or other forms that you create or someone else provides to you. If you use a check or other forms that do not meet our specifications at any time, you are responsible for, and agree to indemnify and hold us harmless from, the result (such as if our equipment is unable to read or process the non-standard checks and/or any Losses that may occur).

If you create or obtain checks or other forms from someone else and we cannot process some or all of them through our automated check processing systems, we reserve the right to charge you per-item fees on those checks or other items. If you create or obtain checks or other forms from someone else you also represent and warrant that any such checks and forms will in all ways comply with the requirements of Applicable Law.

You are responsible for verifying the accuracy of all information on your checks and other forms. Our liability, if any, for any printing errors on checks or other forms obtained through us is limited to the cost of replacing the forms. We are not liable for Losses you may incur when you use checks or other forms not obtained through us.

**2. Presentment of Debit Transactions.** All checks and items drawn on your account, and other items or instructions seeking to debit money from your account (such as in-person withdrawals at our branch, Automated Clearing House ("ACH") debits, Card transactions, online bill payment and/or transfer instructions, automatic transfers, and/or other forms of electronic fund transfers) are all individually and collectively considered "Debit Transactions" on your account. The decision to pay Debit Transactions, or to return them unpaid, is made on the day that the Debit Transaction is presented to us. Our decision to pay or return your Debit Transaction is based on funds available in your account and other factors (for example, whether there are any withdrawal limits applicable for the account). We may determine your account balance for the purpose of deciding to pay or return your Debit Transaction at any time between the receipt of such presentment and the return of the item. No more than one such determination need be made.

Your check may be presented to us as an electronic withdrawal. This may occur if (a) the holder of your check converts it into an electronic fund transfer or (b) if your check is returned by us, the holder may re-present it as an electronic fund transfer and charge a fee for the return. Your authorization of these electronic fund transfers may be in express form, or may be implied from posting a sign or delivery of a notice indicating the intent of the recipient of the check to present it electronically. It is the responsibility of the holder of the check, and is not our responsibility, to provide you with proper notice and to receive your authorization in these cases.

**3. Payment Order of Debit Transactions.** We may accept, pay or charge to your account your Debit Transactions in any order we choose even if (a) paying a particular Debit Transaction results in an insufficient balance in your account to pay one or more other Debit Transactions that otherwise could have been paid out of your account; or (b) using a particular order results in the payment of fewer Debit Transactions or the imposition of additional fees. The order in which we decide to process your Debit Transactions may not be the same order in which you initiated them. In general, we process your Debit Transactions in the order in which they are presented to us for payment. If, at the end of any given day two (2) or more checks are presented for payment against your account we will then pay those items in numerical check number order, starting with the lowest check number. If there are insufficient funds to cover all of your Debit Transactions processed on any given day, this method may result in additional Overdraft Item Fee. We may establish different processing priorities or categories for some Debit Transactions. We reserve the right to change or vary from our policy at any time without notice to you.

**4. Overdrafts.** If you initiate any ACH transaction or write any check (including checks that the payee may convert into an ACH or other form of electronic transaction) in an amount that exceeds the available balance in your account, it is within our sole discretion to pay the ACH or check, thereby creating an overdraft on your account, or return it unpaid. We have no obligation to permit overdrafts on your account, and our decision to permit you to create an overdraft on your account does not require us to do so in the future. We will not be liable to you or any other person for our decision to pay the ACH or check or return it unpaid. We may impose, and you agree to pay, an Overdraft Item Fee, as disclosed in our Fee Schedule, for each ACH transaction or check that we return or pay.

We make the decision whether to pay your ACH or check, or return it unpaid, based on the funds available in your account, the amount of your ACH or check, and other considerations.

You agree to immediately repay the amount of any overdraft created on your account, and the amount of any Overdraft Item Fee(s) that may be imposed on your account. For joint accounts, all account owners agree that this obligation of repayment is joint and several, regardless of who may have initiated the ACH transaction or written the check that caused the overdraft and resulting Overdraft Item Fee(s) and to reimburse us for Losses we incur in collecting the overdraft from you. You also agree that these amounts may be repaid out of any subsequent deposit to your account or setoff against such deposit to your account including, without limitation, deposits of Social Security, Supplemental Security Income or other government benefits.

**5. Stop Payments.** You may initiate a stop payment request on checks drawn on your account that we have not paid. You may initiate a stop payment request by notifying us in person, by mail, by telephone, through online banking or by such other methods that we may make available to you from time to time. The individual who initiates the stop payment request does not need to be the individual who drew the check to which the stop payment applies. You may instruct us to release or cancel a stop payment order, even if you are not the person who initiated the stop payment request. For us to be able to enter a stop payment, you must tell us the exact amount of the check (dollars and cents), the check number, date of check, payee and the full account number on

which it is drawn. If the information you give us is not correct or if you do not give us other reasonable information requested about the check, we will not be responsible if we are not able to affect the stop payment. We also cannot be responsible if we are not able to identify the proper check because you have issued more than one check with the same serial number. If you generate your own checks using a computer or in any other manner which does not produce a magnetically-encoded check number on the check, we will be unable to guarantee that your stop payment request will be honored. You therefore agree to indemnify and hold us harmless should we be unable to honor a stop payment order which you have timely and correctly placed on a check with no magnetically-encoded check number.

You must give us sufficient notice of your stop payment request so that we have a reasonable opportunity to act on your request. Your stop payment request will only be considered effective once we have had a reasonable opportunity to verify that the check has not been paid. You may not request a stop payment if we have accepted or certified the check, paid the check in cash, made final payment on the check, or otherwise become accountable for the check under check clearinghouse rules, this Agreement, or Applicable Law.

If we re-credit your account after paying a check over a valid and timely stop payment order, you agree to transfer to us all of your rights against the payee or other holder of the check and to assist us in any legal action taken against that person.

A stop payment order is valid for six (6) months. You may renew your stop payment order for an additional six (6) months by writing to us prior to the expiration of the existing stop payment. The fee for stopping payment is found in the Fee Schedule, as may be amended from time to time.

You are not permitted to place stop payment orders on cashier's checks or official checks. If you lose a cashier's check, or official check, or if such an item has been stolen or destroyed, we may require you to provide a declaration of loss and affidavit and to comply with other procedures that we may have before we re-issue the item. We may require that you wait ninety (90) calendar days before honoring your claim and we will not be liable to you if such an item is cashed prior to the expiration of the ninety (90) calendar day period.

**6. Stale-Dated and Post-Dated Checks.** If a check dated more than six months in the past (that is, a "stale-dated check") is presented for payment against your account, we may pay the check and charge it to your account. If a check dated in the future (that is, a "post-dated" check) is presented for payment, we may pay the check and charge it to your account even if it is presented for payment before its date. If you do not want us to pay a stale-dated or post-dated check you must place a stop payment order on it. You agree that we are not liable to you or any other party for any Losses that result from our paying either a stale-dated or post-dated check that you do not place a stop payment on.

**7. Check Legends and Restrictive Endorsements.** Legends or notations placed on checks such as "not valid after 60 days" or "not valid over \$1,000" are ineffective and will be processed by us without regard to such legends or notations. Similarly, any conditional or restrictive endorsements or other notations found on checks are ineffective and will be processed by us without regard to the endorsement or notation. We may pay checks with such

legends, endorsements, or notations even if the restriction or other conditions have not been met. We are not liable to you or any other party for any Losses that result from the placement of these restrictions or other notations on your checks, or from our disregarding them. You agree that we may disregard all information on the check other than the identity of the drawee bank, the amount of the check and any other information encoded onto the check in magnetic ink in accordance with banking practices.

**8. Automated Processing of Checks and Other Items.** To process your check and other transactions more efficiently, we have adopted automated collection and payment procedures that involve high-speed automated check processing machines. These machines read information encoded onto each item in magnetic ink. In recognition of this fact, you agree that in paying or taking an item for collection, we may disregard all information on the check or item other than any information encoded onto the item in magnetic ink according to general banking standards, whether or not that information is consistent with other information on the item. For example, we may rely on the amount of a check as encoded in magnetic ink, even if that encoded amount differs from the face amount of the item or exceeds the maximum amount for which the item is valid as stated in a legend on the check (even if we are aware of it). You agree to reimburse us for any Losses we incur because you issue or deposit a check containing extra information such as, but not limited to, maximum amount limitations, date limitations, two signature requirements, etc. You also agree that we have exercised ordinary care in paying a check even though our procedures do not provide for the sight examination of checks with a face amount below an amount we may specify from time to time.

Our use of this equipment also means that if you are using checks or other documents that you print or that you purchase from a vendor that has not been approved by us, you will be doing so at your own risk. We shall not be liable for processing errors or delays, Losses, or our failure to process any such check or other item due to printing inaccuracies or faulty magnetic ink encoding of critical data.

**9. Third Party Check Cashing.** From time to time, a person who is not our customer may visit our branch to cash a check that you have drawn on your account. This exposes us to certain risks that are not present if the check is deposited at another financial institution and presented to us by that financial institution through the ordinary check collection process. As a result, you agree that we may impose certain additional security procedures and documentation requirements (such as, but not limited to, submitting one or more forms of identification, providing thumbprints or other personal identifiers, and/or using special teller lines). You also agree that we may charge a non-customer a fee prior to cashing a check drawn on your account in these circumstances, unless doing so would be prohibited by Applicable Law. These measures may be done without notice to you. You agree that we will not be liable for wrongful dishonor for refusing to cash the check if the payee refuses or fails to pay the fee or comply with such reasonable security measures.

**10. Automatic Transfer Service.** You may establish an automatic transfer service with us to have funds transferred automatically from one of your accounts with us to one or more other accounts that you have with us, or to repay a loan that you have with us. Federal regulation places limits on the number of automated transfers you can make from your savings and money market accounts.

In most cases, we make transfers periodically on the days and for the amounts that you specify. If a scheduled transfer falls on a weekend or bank holiday, it may be made the next business day. You agree to maintain a sufficient available balance in the account(s) from which transfers will be made. If you do not maintain a sufficient available balance in such account(s), we may, in our sole discretion, complete the transfer of the amount requested, thereby creating an overdraft on the account from which the transfer is made. You agree to repay us the amounts of such overdrafts and the amount of any Overdraft Item Fee(s) immediately. Alternatively, if you do not have enough available funds in your account to complete the transfer, we may refuse to make the transfer at all or in the full amount requested and we reserve the right to immediately cancel this service. Otherwise, you may cancel this service by providing us with notice of your termination in writing. This will be effective no later than five (5) business days after our receipt of your termination request. In addition to our ability to terminate this service due to insufficient available funds, we may also terminate it for any or no reason by sending you written notice.

**11. Money Market and Savings Account Transaction**

**Limitations.** We are required by federal regulation to retain the right to ask for seven (7) days' written notice before you may withdraw money from interest-bearing checking, money market, and savings accounts. Certain additional limits apply to your savings and money market accounts with us. You may make an unlimited number of withdrawals or transfers from your savings account(s) and/or money market account(s) so long as they are done in person at one of our ATMs or branch locations. However, federal regulations limit your ability to make certain types of withdrawals and transfers from these accounts. Under these regulations any transfers or payments from a savings account or money market account to another of your accounts with us or to third parties by check, draft or Debit MasterCard® transaction (or similar payment orders), preauthorized or automatic means, personal computer (including online banking or bill payment services) or telephone (including facsimile or data transmission) are considered "Limited Transactions." You are limited to a total of six (6) Limited Transactions from your money market and savings account per statement cycle period. We count check transactions on your money market and savings account on the day the check is presented to us for payment, regardless of when you may have written it (including if it was written in a prior statement cycle). If you exceed your Limited Transaction limit, we may assess you an Excess Withdrawal Fee for each Limited Transaction over the limit. Additionally, if you exceed your Limited Transaction limit on a regular basis, we may close your account.

**12. Remotely Created Checks.** If you provide the Bank's routing and transit number and your account number to a third party over the phone (for example, to a telemarketer) or via the Internet, you authorize us to debit from your account the amount(s) of one or more "remotely created checks." A remotely created check is a check created by the third party that, although it does not bear your signature, purports to be drawn on your account with your authorization. Although we are authorized to honor such remotely created checks, we are not obligated to do so and we may refuse to honor any such remotely created checks in our sole discretion. We may return such remotely created checks even if we have honored similar remotely created checks in the past. You agree that we are not liable to you for any Losses that may result from either honoring

or dishonoring any such remotely created checks drawn on your account.

**13. Wire Transfer Services.** We offer certain services that allow you to request wire transfer of funds (each such transfer, a "Wire Transfer") to a third party (each a "Beneficiary"). Wire Transfers are not Electronic Fund Transfers and are not governed by our Electronic Fund Transfer Agreement. They are subject to and governed by Article 4A of the Uniform Commercial Code and Subpart B of Federal Reserve Regulation J. You agree that your Wire Transfer requests must be executed in accordance with (a) Article 4A of the Uniform Commercial Code ("Article 4A"), (b) Subpart B of Regulation J of the Board of Governors of the Federal Reserve System, and (c) the terms and conditions of any Wire Transfer agreement (a "Wire Transfer Agreement") that you may be required to execute at the time of the request. The terms and conditions contained in this section supplement the terms and conditions of our Wire Transfer Agreement to the extent the two are not inconsistent. You acknowledge that Article 4A authorizes us to rely upon the numbers supplied by you to identify banks, Beneficiaries and other parties to the Wire Transfer, even if those numbers disagree with the names of those parties. All Wire Transfers will be made according to our security procedure(s) as identified in our Wire Transfer Agreement. The security procedure(s) is/are intended to verify that an order is authorized. You understand that once your request for a Wire Transfer has been processed, the funds will have been permanently transferred to the named Beneficiary and that a stop payment order will be impossible. You understand that the Bank handles Wire Transfer requests expeditiously, but that there is no guarantee that a request will be completed in any specific time period.

**(D) Earning Interest and Paying Fees on Your Account**

**1. Interest.** Some accounts earn interest. You may obtain current rate information by calling us at 860.596.2444, Monday through Friday, 8:00 a.m. to 5:00 p.m., or Saturday 9:00 a.m. to noon Eastern Time. You may also obtain information regarding rates by visiting our website online anytime at [salisburybank.com](http://salisburybank.com), or by asking one of our branch representatives. Specific information regarding our rates may be found in the Truth in Savings Disclosure.

**2. Fees.** You agree to pay all fees that apply to your account or the services described in or incorporated into this Agreement. If your account is a joint account each account owner is jointly and severally liable for all fees on the account. All fees for your account are disclosed in the Fee Schedule, the terms of which are incorporated into and are part of this Agreement. Fees may be deducted from your account as incurred by you and without prior notice to you, and if there are not sufficient funds available in your account to cover the fees that you owe us, we may overdraw your account. You agree to repay us the amount of such overdrafts immediately. We will not be liable for dishonoring Debit Transactions because of insufficient available funds resulting from proper deduction of fees, and you agree to repay immediately all amounts that you owe us. We may, in our sole discretion, change the fees applicable to your account. As may be required by Applicable Law, we will provide you with notice of any changes in our fees. Such notice will be sent to you at the address shown in our records. If your account is closed (either by you or by us), you remain responsible for all fees incurred in connection with your account.



**(E) Safeguarding Your Account**

**1. Reviewing Your Account Statements.** You are in the best position to discover issues or problems with your account, such as forged, unauthorized or missing signatures or endorsements, a material alteration, a missing or diverted deposit or any other error or discrepancy relating to a check, draft, or other instrument for the payment of money, deposit, or other credit or debit to your account. Therefore, you must promptly and carefully examine your statements and images of cancelled checks that we make available to you. If you think that an unauthorized person has withdrawn funds from your account, that one or more deposits is not reflected on your statements, or that there is any other type of error or discrepancy in your statements, you should notify us immediately and in no event later than thirty (30) calendar days (unless a longer period of time is required by Applicable Law) after we send you or otherwise make your account statement available to you. If you do not provide us with notice within this time frame, you may have to share any Losses that may occur on the account due to unauthorized signatures or alterations on your account, or bear the Losses entirely (depending on whether or not we used ordinary care in processing the check or if our actions or inactions substantially contributed to the Losses). This could include subsequent Losses perpetrated by the same individual.

Additionally, if you fail to report unauthorized transactions reflected on your statement (except for electronic fund transfers) within sixty (60) calendar days following the closing date reflected on your statement, you will not be able to assert any claims for Losses against us for items on that statement, regardless of whether we exercised ordinary care. You understand that, as is discussed elsewhere in this Agreement, we use automated means to process your checks and other items and that we exercise ordinary care in paying your checks and other items in this manner. Your rights regarding electronic fund transfers that you believe are unauthorized are discussed in the Electronic Banking Services portion of this Agreement.

**2. Safeguarding Your Checks.** To help protect your account, you agree to use care in safeguarding unsigned checks on your account against theft or misuse. You agree to tell us immediately if any such checks are lost, missing, destroyed, or otherwise unaccounted for.

**3. Change of Address.** We will rely on your address as it appears on our records for any and all communications we send to you unless you notify us in writing of a change of address and we have had a reasonable opportunity to act on such notice. Change of address notifications should be addressed to:

Salisbury Bank and Trust Company  
Attention: Customer Support  
P.O. Box 757  
Canaan, CT 06018-0757

It is your responsibility to notify us of any changes in your address. You also agree that if the U.S. Postal Service or one of its agents notifies us of a change in address for you, we may change your address based on this information. We have no liability to you if we change your address based on such information, even if the information provided by the U.S. Postal Service or its agent is incorrect.

**4. Recording and Monitoring Telephone Calls.** We may record or monitor telephone calls between you and us for training, customer service, and other purposes. We need not remind you of our recording or monitoring before each call unless required to do so by Applicable Law.

**5. Requests for New Documentation.** From time to time we may request additional information from you to protect your account and our systems from fraud or other problems. This information may include new sample signatures and other information that we must obtain under Applicable Law. You agree to assist us by promptly complying with any such request. You also agree to hold us harmless for refusing to pay or release funds or to take any other action relating to your account where the refusal is based on your failure to provide the signatures or documentation requested by us from time to time.

**(F) Disputes Involving Your Account**

**1. Legal Process.** If legal action such as an attachment, garnishment, levy, or other state or federal legal process is brought against your account (individually and collectively, "Dispute(s)"), we may refuse to allow any Debit Transaction or transfer from your account until the Dispute is released or we are notified by the proper persons or authorities that it has been resolved. You agree that we will not be liable to you for making a payment to any third party involved in a Dispute even if such payment leaves insufficient available funds in your account to cover any outstanding Debit Transactions on your account. We will not contest a Dispute on your behalf. We may take action we determine to be appropriate under the circumstances to comply with a Dispute, even if the Dispute purports to affect the interests of less than all of the owners of a joint account. We will notify you whenever we are notified of a Dispute, and place such restrictions on your account, to the extent permitted by Applicable Law. Without prior notice to you, we may charge against or deduct from your account, or otherwise bill you directly, an amount representing our Losses incurred in responding to or processing a Dispute as permitted by Applicable Law. We may also assess and debit from your account any applicable Legal Papers Process Fee as set forth in the Fee Schedule that may be assessed as a result of the Dispute in accordance with Applicable Law.

**2. Conflicting Claims Involving Your Account.** If we receive notice of an actual or potential claim from a third party regarding your account, or if we believe that a conflict exists between account owners and/or authorized signers/convenience signers on the account, or if there appears to be a controversy over matters such as ownership of the account or who has the authority to withdraw funds, we may:

- (a) Continue to rely on the Account Agreement form(s) or other documents and to process your account in what we believe is good faith conformity with such Account Agreement forms and documents;
- (b) Honor the competing claim upon our receipt of evidence we deem satisfactory to justify the claim;
- (c) Freeze all or part of the funds in your account until the dispute is resolved to our reasonable satisfaction; or
- (d) Close the account and send a check for the balance remaining in the account, payable to you or to you and each claimant, or to pay the funds into a court of appropriate jurisdiction for resolution.

Without prior notice to you, we may charge against or deduct from your account, or otherwise bill you directly, an amount representing our Losses incurred in handling the conflicting claims on your account as permitted by Applicable Law. We may also assess and debit from your account any applicable fees set forth in the Fee Schedule that may be assessed as a result of the Dispute in accordance with Applicable Law.

**3. Documentation as Evidence.** If we go to court for any reason, whether the proceeding is instituted by you, us, or some other third party, we may introduce into evidence a copy, printout, microfilm, microfiche, or electronic version of any document evidencing a transaction under this Agreement and such copy, printout, microfilm, microfiche, or electronic version shall be deemed as valid as the original document.

**4. Limited Liability.** Unless we acted in bad faith, we are not liable to you for delays, errors, or Losses that occur on your account because of our performance (or failure to perform) services under this Agreement. In addition to that limitation, we are also not liable to you for mistakes or delays on your account that are caused by circumstances beyond our control, such as acts of civil, military or banking authorities, national emergencies, insurrection, war, riots, acts of terrorism, failure of transportation, communication or power supply, or malfunction of or unavoidable difficulties with our equipment. **IN NO EVENT WILL YOU OR ANY PERSON ACTING ON YOUR BEHALF BE ABLE TO RECOVER FROM US ANY CONSEQUENTIAL, EXEMPLARY, INDIRECT OR PUNITIVE DAMAGES OR LOST PROFITS, EVEN IF YOU ADVISE US OF THE POSSIBILITY OF SUCH DAMAGES OR LOSSES.**

**5. Indemnity.** You agree to indemnify and hold us, our shareholders, directors, officers, employees, and agents (and our affiliates and subsidiaries and the shareholders, directors, officers, employees and agents of our affiliates and subsidiaries) harmless from and against any and all Losses arising from or in connection with the services provided under this Agreement, except for Losses due to our own gross negligence or willful misconduct. Additionally, you further agree to hold us, and our shareholders, directors, officers, employees, and agents (and our affiliates and subsidiaries and the shareholders, directors, officers, employees and agents of our affiliates and subsidiaries) harmless from Losses arising out of actions taken or omitted in good faith by us in reliance upon instructions from you, an authorized signer/convenience signer or Fiduciary, or any person acting on your behalf. We are not responsible for any actions or omissions by any third party that is not under our direct control.

**6. Reimbursement for Losses.** If we undertake any action(s) to collect debt or other amounts that you owe us under this Agreement, or if we defend ourselves in a lawsuit that you bring against us and we prevail in that action, you agree to reimburse us for our Losses to the fullest extent permitted by Applicable Law. We may deduct the amount of these Losses from your account without notice to you.

**7. Your Instructions.** In our sole discretion, we may follow your instructions concerning your account, whether such instructions are provided by you in writing, electronically, orally (including our recording of your oral instructions) or by other means, and we may do so without any liability to you. We reserve the right to refuse to follow any instructions that you give us that we believe may expose us to potential liability. We will not have any liability to you if we do not follow your instructions in these situations. If, however, we

decide to follow your instructions in these situations we reserve the right to ask you for certain protections such as a surety bond or an indemnity agreement in a form that is satisfactory to us.

**8. Disputes Involving Reports of Account Performance.** If you maintain your account in an unsatisfactory manner, you understand that we may report information about you and any other joint account holders or authorized signers/convenience signers to a consumer reporting agency (including, but not limited to agencies that compile information regarding your deposit account performance with us and at other banks). If you think the information that we have furnished to consumer reporting agencies on your account is not accurate please write to us at:

Salisbury Bank and Trust Company  
Attention: Customer Support  
P.O. Box 757  
Canaan, CT 06018-0757

In order for us to investigate your dispute, you will need to provide us with the following information:

- Your name, address, and telephone number;
- The Account number(s) for the Account(s) you are disputing;
- A description of the specific information you are disputing and an explanation of the basis for your dispute; and
- Copies of documents that support your dispute. These could include (but are not limited to): a copy of your consumer report showing the information that you are disputing, your account statements, a court order, or (if applicable) a copy of a police report or fraud or identity theft affidavit.

If you fail to provide us with the information listed above we will be unable to investigate your dispute. We will notify you of the results of our investigation within thirty (30) days of receiving your dispute. We may take up to forty-five (45) days to investigate your dispute if, after providing us with your initial notice of dispute, you provide us with additional information that is relevant to our investigation. If our investigation finds that the information you are disputing was inaccurate, we will notify the consumer reporting agency of our determination and provide the consumer reporting agency with the information necessary to correct the inaccuracy.

We will have no duty to investigate disputes that are substantially similar to a prior dispute that we have responded to, or that relate to your identifying information (such as your name, date of birth, Social Security number, telephone number or address), inquiries appearing on your consumer report, information from public records (such as judgments, liens, or bankruptcies, unless these matters related to your account(s) with us), information related to fraud or active duty alerts on your report, or information provided to the consumer reporting agency from someone other than us. We will also have no duty to investigate your dispute if we reasonably believe it was submitted or prepared by (or if you submitted it on a form provided by) a credit repair organization. If we determine that we will not investigate your dispute for one of these (or some other) reasons we will notify you of that determination within five (5) Business Days.

## **(G) Miscellaneous Terms and Conditions**

**1. Setoff of Deposits in Your Account.** If you owe us money as a borrower, guarantor, judgment debtor, or otherwise (including any obligation to a financial institution acquired by us) and that money is due, you grant us a security interest in your account(s) with us and

you also grant us the right to set off the funds in any account(s) you have with us to pay money owed to us (which may include, without limitation, charges and fees found in the Fee Schedule which are owed to us). You agree that we may exercise these rights to the fullest extent permitted by Applicable Law and that these rights are different from, and in addition to all other rights we have under this Agreement or Applicable Law. You understand and agree that the security interest you have granted us by this Agreement is consensual and is in addition to any other right of setoff we may have under Applicable Law.

In the case of a joint account, each joint owner agrees that we may use the money in his/her joint account(s) to satisfy any of his/her individual obligations. This right exists regardless of who contributed the funds to the joint account. Each joint account owner also understands and agrees that we may also setoff funds in his/her individual accounts to satisfy obligations on which she/he may be jointly and severally liable to us.

We may exercise our rights under this section without recourse to other collateral, if any, and even if our action causes you to lose interest, have checks or other Debit Transactions drawn on your account returned unpaid, incur an early withdrawal penalty, or any other consequence. If we exercise our right to setoff, we will notify you to the extent required by Applicable Law. Except to the extent prohibited by Applicable Law, we may set off all of the funds in your joint account. Our right of setoff and our security interest may not apply to your account if: (a) your account is an IRA or other form of tax-deferred retirement account; (b) the debt is created under the terms of a credit card agreement; (c) your rights of withdrawal on the account arise only in a representative capacity, or (d) the right of setoff or the granting or exercise of a security interest in your account is prohibited by Applicable Law. To the extent that any of the funds to be setoff are entitled to an exemption from execution, levy, attachment, garnishment, seizure or other legal or equitable process (such as, but not limited to, Social Security, Supplemental Security Income, Veterans, or other federal or state benefits), then you agree, to the maximum extent allowed by Applicable Law, to hereby knowingly, affirmatively, and unequivocally waive such exemption.

**2. Assignment, Pledge, or Transfer of your Account.** As a general rule, your accounts are not negotiable or transferable. We may, in our sole discretion and with our written consent, allow you to assign or pledge your savings, money market and CD account(s). We may, as a condition of your assigning or pledging such accounts, require that you complete certain documentation in a form that is satisfactory to us. We may allow you, in our sole discretion, to pledge some of your accounts as collateral for loans made by us.

**3. Accounts Considered Dormant or Abandoned.** Your accounts and deposits may be presumed dormant or abandoned after a certain period of time as determined by Applicable Law. Dormant accounts may be subject to the Dormant Account Fee disclosed in the Fee Schedule. Standard account service and maintenance fees may also be imposed on accounts presumed to be dormant and/or abandoned. Accounts that are presumed to be abandoned will be escheated in accordance with Applicable Law.

**4. Changing this Agreement.** We have the right to change the terms of this Agreement, the fees and charges we impose on your account, and any other terms and conditions described in other documents provided to you (including, but not limited to, our Fee

Schedule and Disclosures) and any policy or procedure affecting your account at any time. We will provide you with notice of such changes when and as required by Applicable Law. All such changes will be effective upon the date shown on the notice. However, if the change is in your favor (such as the termination or reduction of a fee), we may provide you notice of the change after it is effective. All such notifications will be effective if mailed to the address of the account in our records. If any such notice is returned to us as undeliverable, the changes described in that notice are still binding on you. This Agreement may not be amended or modified orally.

**5. Disclosure of Information.** We respect your right of privacy. Information about your account or any transactions between you and the Bank will not be disclosed to third parties except in accordance with Applicable Law and the Bank's Privacy Policy.

**6. Statements.** Depending on the type of account and services you have, we may send or otherwise make available to you a periodic statement detailing activity on your account. We may change the frequency of such statements without notice, unless we are required to notify you of such a change by Applicable Law. We will send you periodic statements electronically with your consent, in accordance with Applicable Law. You also have the right under Applicable Law to at any time withdraw your consent to receive your statements electronically. The manner in which you may withdraw your consent (and the consequences for doing so) is provided to you when you consented to receiving your statement and the Disclosures electronically. If you have any questions regarding how you may do so, please call us at 860.596.2444, Monday through Friday, 8:00 a.m. to 5:00 p.m. or Saturday, 9:00 a.m. to noon Eastern Time.

If your periodic statement is returned to us as undeliverable because you provided us with inadequate delivery instructions or otherwise did not notify us of a change in your address, or if you asked us to hold statements for you and you did not return to claim them, we will not re-send your account statement. However, in these cases, you agree that for all purposes under this Agreement your statement shall be deemed available to you as of the statement date printed on your statement.

**7. Check Safekeeping.** We will provide you with images of your canceled checks rather than the actual canceled checks. We will retain a copy of your canceled checks, and the originals will not be returned with your account statements. You understand and agree that after we have copied your canceled checks that we may, in our sole discretion and in compliance with Applicable Law, destroy the originals. Our retention of your canceled checks will be done in accordance with Applicable Law. You agree that by maintaining the original (or substitute) check on your behalf that we have made it available to you in a reasonable manner. We will retain copies of your cancelled checks in accordance with Applicable Law. If, for any reason, we cannot return a copy of your cancelled check, you agree that we will not be liable to you for more than the lesser of (a) the face amount of the check we were unable to locate, (b) your Losses, or (c) the amount required by Applicable Law if your request concerns a substitute check. We will not be liable to you for any incidental, special, or consequential damages of any kind.

**8. Waiver of Notice.** By signing the Account Agreement form, you waive any notice of non-payment, dishonor or protests regarding any items credited to or charged against your account. For example, if a check that you deposited is dishonored and

returned to the Bank, the Bank is not required to notify you of the dishonor.

**9. Notices.** Any notice that you give to the Bank is effective only once it is actually received. If you have been instructed to use a specific address for a certain type of notice, it must be received by the Bank at that address to be effective. Any notice that the Bank gives to you is effective when it is deposited in the United States Mail, postage prepaid, and addressed to you at the mailing address we have on file for you. If you have agreed to receive notices electronically, they are considered effective either when it is sent to you electronically or when we send you an e-mail informing you that you may view the notice online. As described elsewhere in this Agreement all changes described in such notices are effective upon the date shown on the notice. Our notice to you will be effective even if it is returned as undeliverable because you did not update us regarding a change in your address in accordance with this Agreement. Notice to any one owner of an account is notice to all owners of that account.

**10. Death or Incompetence.** We may continue to accept, pay or collect items until we know of the fact of death or incompetence of an account owner. Even with such knowledge, we may, for ten (10) days after the date of death, pay Debit Transactions initiated or drawn on or before the date of death unless ordered to stop payment on such Debit Transactions in accordance with the terms of this Agreement.

**11. Copies.** We may provide you with copies of your statements, checks, drafts or other instruments for the payment of money, deposit slips, withdrawal slips and other account records. We may also, at your request, conduct research on your account. Unless stated otherwise by this Agreement, we may assess you a fee for producing such copies or conducting such research. The amounts of these fees are set forth in our Fee Schedule. We may deduct these fees from your account as incurred by you, without notice to you.

**12. Wireless Telephone Numbers.** If you provide us with a telephone number that is assigned to a cellular telephone, or if the landline telephone number that you provide to us is subsequently "ported" to a cellular telephone, you understand and agree that we or our agents may call you at that telephone number (including through the use of an automatic telephone dialing system, or using an automated or prerecorded voice) for the purpose of servicing your account or for collecting amounts due that you may owe to us, even if you will incur costs to receive such phone messages.

**13. Waiver.** We reserve the right to waive the enforcement of any of the terms of this Agreement with respect to any transaction or series of transactions. Any such waiver will not affect our right to enforce any of our rights with respect to other customers, or to enforce any of our rights with respect to later transactions with you. Whether we enforce or waive our rights does not obligate us to enforce or waive similar rights in the future, nor will such waiver modify this Agreement.

**14. Severability.** If any provision(s) of this Agreement shall for any reason, including under any Applicable Law, be held to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

**15. Choice of Law.** Your accounts with us are governed by federal law and, to the extent not preempted by federal law, the law of the State of Connecticut.

**16. Singular and Plural.** Unless it would be inconsistent to do so, words and phrases used in this Agreement should be construed so that the singular includes the plural and the plural includes the singular.

**17. Section Headings.** The headings used in this Agreement are for convenience only. They do not limit or define your or our rights or obligations under this Agreement.