



**National
Exchange**
Bank & Trust™

Deposit Account Agreement

nebat.com

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Effective July 1, 2023



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AGREEMENT AND APPLICATION OF RULES

This document contains the rules and regulations governing your accounts at National Exchange Bank & Trust. "Accounts" are defined herein as any consumer and business deposit accounts opened at or through, or maintained at, National Exchange Bank & Trust. By signing a deposit account signature card, making an initial deposit, or by otherwise opening or maintaining an account, you accept and agree to be bound by the terms and conditions of this Deposit Account Agreement (Agreement).

As used in this Agreement, the words "we," "our," "us," "Bank" or "National Exchange" mean National Exchange Bank & Trust, and the words "you," "your," or "depositor" mean each person signing a signature card or otherwise opening or maintaining an account and anyone else with the authority to deposit, withdraw or exercise control over the funds in the account.

Transactions between you and us shall be governed by this Agreement, Wisconsin and federal law, in addition to the rules and by-laws of any clearinghouse association of which we are a member, and by all other laws, rules and regulations now or hereafter in force and applicable to the account. Your account and transactions on your account are also subject to other rules or agreements governing or referring to your account, including but not limited to, powers in a fiduciary capacity, ATM and CheckCard rules, the Online Banking Disclosures or electronic services agreements, Account Services Pricing fee schedule, any other fee/pricing schedules, and depository agreements. In cases of inconsistency or conflict, those other rules or agreements governing or referring to the account will control. In the event of a dispute, you agree to resolve the dispute by looking at the terms of this Agreement (as they may be amended from time to time) and not to representations made by our employees or agents.

DEPOSIT INSURANCE

National Exchange is a member of Federal Deposit Insurance Corporation (FDIC). Deposit accounts at National Exchange are covered by FDIC deposit insurance up to applicable FDIC limits. Contact your local banking office or visit the Federal Deposit Insurance Corporation (FDIC) internet site at www.fdic.gov for more information on FDIC deposit insurance coverage.

CUSTOMER IDENTIFICATION

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

What this means for you, is 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 will also ask for your driver's license or other identifying documents.

For each business or entity that opens an account, we may also ask for information about the owners and/or a controlling manager of the organization.

TAX IDENTIFICATION NUMBER

Federal law requires you to provide a Federal Tax Identification Number (TIN) at the time of account opening. This is either your Social Security Number (SSN), or, for non-personal accounts, an Employer Identification Number (EIN). Unless we receive your certified TIN or evidence that you are exempt from this requirement, we reserve the right to refuse to accept your initial deposit, pay interest on the balance, or permit withdrawals. Interest paid prior to receipt of your certified TIN will be subject to backup withholding under IRS regulations. You must certify that the taxpayer identification number you have provided is correct and that you are not subject to backup withholding. For non-U.S. resident(s) documentation, a current W-8 BEN form is required. If you have questions regarding your tax status, consult your tax advisor or legal counsel.

FORMS OF OWNERSHIP AND RELATED INFORMATION

We reserve the right to refuse some forms of ownership on accounts. Except to determine to whom we pay funds, we make no representation as to the appropriateness or effect of the ownership and beneficiary designation of an account. All joint accounts shall be presumed to be held as joint tenants with right of survivorship unless otherwise agreed to in writing by senior management.

Business Use of Personal Accounts

You agree not to use your personal accounts for business purposes. The Bank reserves the right to convert a personal account to a business account when the account is being used for business purposes. Examples include but are not limited to: printed checks for the account bearing a sole

proprietorship or legal trade name, deposits made to the account such as credit card drafts and/ or checks made payable to a business. You will receive notification regarding the conversion of a personal account to a business account. At the time of conversion all applicable maintenance fees, service fees, and restrictions of the business account will apply.

Personal

Individual Accounts

If you select an individual account, only you (or your authorized representative) have the right to withdraw funds from the account regardless of who owns the funds in the account. Upon your death, the account balance will be payable as determined under applicable state law.

Minor Custodian Accounts

If you select a Wisconsin Uniform Transfer to Minor Act (WUTMA) account, you, as the custodian, will hold the account and can make gifted deposits and withdrawals for the benefit of the minor under the provisions of the WUTMA. The custodian for the minor under the act must be an adult or a trust company. The minor's social security number must be used. The deposit is a gift and the funds in the account belong solely to the minor. The custodian has full responsibility for the funds in the account until it is closed. We have no duty or agreement to monitor or ensure that the acts of the custodian (or successor custodian) are for the child's benefit. If the minor dies before the WUTMA account is closed, all funds in the account must be included in the minor's estate.

Upon the minor reaching the age of 21, or any time thereafter, we may pay the funds on deposit in the account in accordance with the custodian's duty without waiting for instructions from the custodian.

You will not be able to pledge the account as collateral for a personal loan to you.

Joint Accounts

If two more natural persons open an account, all of you are presumed to own the account as joint tenants with right of survivorship, unless (1) applicable state law does not permit such a presumption or (2) we otherwise agree with you in writing that the account is owned in some other capacity. Each of you owns the sums on deposit without regard to your respective contribution. If you select a joint account, each depositor agrees to hold us harmless against any liability which we may incur for accepting deposits from, permitting withdrawals by, and following the directions of the other. We may follow the instructions of any joint owner, even if that person has not yet signed the signature card or other account opening documentation, and we shall have no liability to any owner for doing so. Each of you may make deposits and withdrawals, stop payment, close the account and give notices and instructions concerning the account with the full authority of the others. Sums on deposit are payable upon the request of any of you or any survivor.

Each of you agrees to be jointly and severally liable for fees and charges and any account deficit resulting from fees and charges or overdrafts to the account whether caused by you or another person authorized to withdraw from the account, together with the costs we may incur to collect the deficit including, to the extent not prohibited by law, our reasonable attorney's fees. Each person agrees that at any time after default, we may deduct from the account amounts enough to repay any indebtedness of any depositor to us as allowed by law.

If one joint owner dies, the account becomes the property of the surviving joint owner, subject to our security interest and right to set-off. The survivor is not required to survive the death by any specified period.

In consideration of the Bank allowing a minor to be a party to a joint account, the parties of legal age agree to indemnify and hold the Bank harmless from any loss or damages incurred through the minor's use of the account.

Marital Accounts

A Marital Account is an account established on or after January 1, 1986, in Wisconsin without the right of survivorship by two parties who claim to be married. If an account is designated a Marital Account on our account records, the account is payable to either of you during the lifetime of both of you and until we receive actual written notice of the death of any one of you from a survivor or representative or beneficiary of one of you. Each of you may make deposits and withdrawals, stop payment, close the account, and give notices and instructions concerning the account with the full authority of the other. We may permit each of you to endorse for cash, or deposit to the account, items payable to any or all of you. Each of you agrees to hold us harmless for any action of the others concerning the account. Each of you agrees to be jointly and severally liable for fees

and charges and any account deficit resulting from fees, charges, or other debits or overdrafts to the account whether caused by you or another person authorized to withdraw from the account, together with the costs we incur to collect the deficit, including, to the extent not prohibited by law, our reasonable attorneys' fees. When we receive written notice of death, 50% of the account balance will belong to the surviving party and 50% will belong to the estate of the deceased party. The survivor is not required to survive the death by any specified period. Either of you may designate a payable on death (P.O.D.) beneficiary to receive your interest in the account when you die.

Tenancy in Common Accounts

A Tenancy in Common account is another form of joint account without the survivorship feature. A Tenancy in Common account is also in the name of two or more individual owners. Each joint tenant has complete and separate access to the funds and withdrawal rights, and each authorizes the other(s) to endorse for deposit any item payable to the joint tenant. Until we receive notice of the death of any joint tenant, any tenant in common will have complete withdrawal rights to the entire account balance. If more than one tenant in common survives the death of another tenant in common, such survivors remain as tenants in common between them. Each tenant in common reserves the right to change the ownership of the account to the extent of that owner's withdrawal rights. Each tenant in common is presumed to "own" the funds in proportion to that person's net contribution to the account. However, because of the extreme difficulty in determining such proportions over time, you agree that upon the death of one tenant in common, the balance in the account at the time immediately before the death of the tenant in common will be deemed to be owned in equal shares between all tenants in common. After receipt of notice of death, the decedent's share will be set aside for the estate of the decedent, and the survivor's share in the account balance will be at the disposal of the surviving tenant in common. Any tenant in common can create an authorized signer or attorney-in-fact who can hold all the same withdrawal and deposit rights as the authorizing owner, except the authorized signer or attorney-in-fact will not be an owner (a tenant in common).

Power of Attorney

If you choose to designate an attorney-in-fact, you must do so in a form acceptable to us. Subject to the laws of Wisconsin, we reserve the right to refuse to honor any Power of Attorney presented to us and may refuse to recognize a successor attorney-in-fact, whether or not the successor attorney-in-fact is specifically identified in the Power of Attorney. Unless otherwise prohibited by law, we are authorized, but not required, to honor a Power of Attorney until we receive written notice from you that you revoked the Power of Attorney or until the Power of Attorney has been revoked as a matter of state law.

Agents

Subject to compliance with our procedures, all of you acting jointly may designate one or more agents with such authority to act with respect to your account as is authorized in the form designating the agent. Any designation of agent shall be executed in a form approved by us and shall be deemed an agency relationship. The instrument creating the agency relationship, whether it is a Power of Attorney or other document, should clearly set forth the authority granted to the agent. Since testamentary powers, such as designating beneficiaries, are not implied powers of an agent, we will not permit an agent to designate, remove, or change payable on death (P.O.D.) beneficiaries unless we determine that the document establishing the agency clearly authorizes the agent to do so. In addition, the agent will not be permitted to designate him or herself as a P.O.D. beneficiary unless we determine that the document establishing the agency clearly authorizes the agent to exercise agency powers for the agent's benefit. The Bank may refuse to follow the direction of the agent with respect to the account if the Bank determines, in its sole discretion, that the instrument creating the agency is invalid, ineffective, incomplete, or does not clearly or adequately authorize the agent to act as requested. By adding an agent to your account, you agree to hold the Bank harmless from any and all acts of the agent with respect to the account and from the Bank's good faith exercise of its discretion as to whether to accept or not accept directions from the agent.

Subject to the terms and conditions of your agency designation, we may, but need not, recognize the authority of an agent, until we know of the death or incompetence of all parties appointing the agent and have had a reasonable opportunity to act on it.

Payable on Death (P.O.D.) Accounts

You may designate your individual or joint account to be a P.O.D. account by naming one or

more P.O.D. beneficiaries and completing the proper documents. You may change or revoke a beneficiary while you are alive by completing the proper documents. The account belongs to you, not the beneficiaries, during your life. You, not the beneficiaries, have complete withdrawal rights of the funds in your account while you are alive. The beneficiaries who survive you (or if a joint account, the beneficiaries who are living after the death of the last owner of the account) shall be entitled to any sums remaining on deposit. If none of the beneficiaries survive, any sums remaining on deposit shall be paid to your estate. Subject to the laws in the state of Wisconsin, upon receipt of actual written notice and proof of your death, the balance in your account will be paid to the persons or entity you designate as P.O.D. beneficiary on a form provided or acceptable to us. A P.O.D. beneficiary would be bound by any security interest and right to set-off which a depositor may have then, or thereafter, granted in a deposit account. The beneficiary is not required to survive the death by any specified period.

Business Accounts

Sole Proprietorship Accounts

If you are doing business under an assumed or trade name, you represent and agree that you have properly filed all assumed name certificates and other documents required by law in the state of Wisconsin. You agree to notify us in advance of any change in your form of ownership. We may follow the instructions of any authorized signer, even if that person has not yet signed the signature card or other account opening documentation, and we shall have no liability for doing so. If you are a sole proprietor, you agree that upon your death, your estate shall release and indemnify us for any payment made at the direction of an authorized signer on your account, provided we have not received written notice of your death. You also agree we are not obligated to cash checks payable in the name of the sole proprietorship. You may designate your sole proprietor account to be a P.O.D. account by naming one or more P.O.D. beneficiaries and completing the proper documents. See "Payable on Death (P.O.D.) Accounts."

Partnership, Corporation, Unincorporated Association and Limited Liability Company (L.L.C.) Accounts

You agree that the account is payable only to or on the order of the partnership, corporation, unincorporated association or L.L.C., as applicable, and not, except as they may be a payee on a check or other item drawn on the account, to any individual, partner, director, shareholder or member thereof. You further represent that all certificates and resolutions delivered to us in connection with the account are true, accurate, complete, and will be kept current and may be relied upon. On any transaction involving the account, we may act upon the instructions of the persons authorized by the signature card or resolution to act on behalf of the partnership, corporation, unincorporated association, or L.L.C. We may follow the instructions of any authorized signer, even if that person has not yet signed the signature card or other account opening documentation, and we shall have no liability for doing so.

You agree to notify us in advance of any change in your form of ownership. You also agree that we are not obligated to cash checks payable to the partnership, corporation, unincorporated association or L.L.C. or to accept "cash back" deposits.

If you are a commercial customer (not a natural person), you acknowledge and agree that you are prohibited from conducting and will not conduct any transaction through any of your accounts or your relationships with us that involves a Restricted Transaction. A Restricted Transaction means any of the following transactions or transmittals involving any credit, funds, instrument, or proceeds that the Unlawful Internet Gambling Enforcement Act of 2006 prohibits any person engaged in the business of betting or wagering from knowingly accepting, in connection with the participation of another person in unlawful internet gambling; (1) credit or the proceeds of credit, extended to or on behalf of such other person (including credit extended through the use of a credit card); (b) an electronic funds transfer, or funds transmitted by or through a money transmitting business, or the proceeds of an electronic funds transfer or money transmitting service, from or on behalf of such other person; or (c) any check, draft, or similar instrument that is drawn by or on behalf of such other person and is drawn on or payable at or through a financial institution. We shall have the right to identify and block or otherwise prohibit any such Restricted Transactions in our sole discretion. You agree to notify us in writing if you or your organization become an internet gambling business.

Trade Names

If you have established your account under a trade name, you certify that you are doing business under that name and that no one else has any interest, title, or right to that trade name. You

agree to protect and indemnify us against any loss or liability, including court costs and attorney's fees, arising from the acceptance by us for payment or credit, for any checks drawn to the order of and endorsed in the trade name.

Money Service Business

If you are operating as a Money Service Business (MSB), you are required by Federal law to register with the Financial Crimes Enforcement Network (FinCEN) pursuant to the Bank Secrecy Act (BSA). The term MSB includes any person doing business, whether or not on a regular basis or as an organized business concern, in one or more of the following capacities: check casher, currency dealing or exchange, issuer, seller or redeemer of traveler's checks, money orders or stored value product, or a money transmitter. To meet the definition of an MSB, a person must conduct more than \$1,000 in business with one person in one or more transactions (in one category of activity listed above) on any one day. However, no minimum activity threshold applies to the definition of money transmitter.

Fiduciary and Similar Accounts

If the account is opened as an estate or trust account, guardianship or conservatorship account, or other similar type of account, we reserve the right to require necessary documents or authorizations to verify the person requesting the withdrawal of funds held in the account has the authority to withdraw such funds. Any fiduciary named as a signer on a fiduciary account shall be solely responsible for acting in accordance with the terms of the applicable laws, will, court order or trust instrument establishing and covering the fiduciary relationship, and we are not responsible for examining or insuring compliance with the provisions of any such law or instrument. We shall be held harmless for refusing to pay or release funds in the account where such refusal is based on the failure of the person requesting or directing the withdrawal to provide documents or authorizations requested by us. As a general practice, checks made payable to a Trust should be deposited into an account titled in the name of the trust.

Successors and Assigns

This Agreement shall be binding on your successors and assigns, including without limitation any personal representative, executor, or administrator.

Death or Incompetence

Each owner agrees to notify the Bank of the death of the other(s) and to reimburse the Bank for any tax that may be required to pay on the owner's account under applicable state and federal laws. At the time of your death or adjudication of incompetence, the Bank has the authority to accept, pay, or collect items until the Bank knows of the fact of death or an adjudication of incompetence (by court order) and has a reasonable opportunity to act on it. Even with knowledge, the Bank may, for ten (10) days after the date of death, pay checks drawn before death unless ordered to stop payment by a person claiming an interest in the account.

GENERAL PROVISIONS

An account established under these agreements is a general account unless otherwise indicated or unless you inform us in writing that this is a special purpose account.

Checks and Forms Specifications

All checks, withdrawal forms, deposit slips, and other documents used with your account must be on forms obtained through or approved by us. You agree to maintain adequate protection to ensure the authorized use of the forms you hold. We are not responsible for losses you may suffer because of improper printing on forms not obtained through or approved by us. We may refuse to accept for deposit or to process any check or other item that is presented to us in a form that cannot be processed using equipment that we regularly use during normal operations. You acknowledge and agree that you will use only black or blue ink when writing checks drawn on your account as other inks may result in errors in processing your check and charging your account. In addition, the Bank may prohibit the use of any check stock or photographs on photo check cards, which the Bank in its sole discretion, determines offensive or inappropriate. You agree not to use your account(s) in connection with any illegal activity. To improve customer service and for other purposes (e.g. security purposes), you agree that we may monitor and/or record telephone conversations between you and us.

For your convenience, most routine transactions on your bank account(s) can be conducted at any of our offices. To provide these services to you, your account information will be accessible at all our offices.

Adverse Claims

If a dispute arises over ownership of any funds in your account or any person's authority to give us instructions concerning your account, we may "freeze" the account until we receive evidence satisfactory to us that the dispute has been resolved. If we do so, we may stamp checks presented for payment "Refer to Maker" (or similar language) and return them, without liability for such return. We may, however, without liability to us, continue to honor checks and other instructions given to us by the individuals that appear as authorized signers according to our records. In addition, if we believe or receive notice that you have used or are using your account in a fraudulent or unlawful manner, we may freeze your account or reverse any deposits to or payments from your account, no matter when they were originally made, in order to avoid or reduce any loss which we would otherwise incur because of fraudulent or unlawful use. We may also freeze your account, pending an investigation, if we suspect any irregular, unauthorized, or unlawful activities may be involved with your account. To the extent allowed by law, you will pay us any attorneys' fees and costs that we incur in responding to any such dispute.

Account Changes

Any change made to an Account is not effective until the change(s) has been entered into the Bank's account information system, even though all necessary documentation to effect the change has been executed and provided to the Bank. You agree to verify that the change is effective prior to acting or failing to act in reliance on the change and agree to hold the Bank harmless for any such reliance in the absence of verification.

Automated Teller Machine (ATM) and Point of Sale Transactions

If the Bank has issued you a magnetically-encoded or chip enabled card that provides electronic access to your account(s), then all provisions of the Electronic Fund Transfer Disclosure and Business Access Card Agreement and the disclosures included in this document shall govern your account relationship. In cases of conflict or inconsistency, the Electronic Fund Transfer Disclosure and Business Access Card Agreement will control. ATM access may not be available in all market areas.

You agree to pay fees associated with the use of an ATM/CheckCard, as disclosed in the Account Services Pricing fee schedule or Cardholder Agreement. Fees for ATM or CheckCard use or annual charges will be deducted from your account.

Product Availability

Not all products or services may be available at your local branch. Check with your account representative for current offerings.

Amendments/Terminations

Amendments

We may amend this Agreement at any time, subject to applicable requirements of law regarding prior notice. Any changes will be effective upon the date indicated in the notice. Any use of the accounts after we send you a notice of change will constitute your agreement to such change. A change in our interest rates, fees or service charges is not an amendment to this Agreement. Your account may be subject to other terms printed on banking forms or agreements, posted in our premises, posted on our web site at www.nebat.com, delivered to you electronically if you have agreed, or enclosed with your account statements.

Termination

We may close your account at any time, with or without cause. You may close your account after giving us notice and a reasonable period of time to act on such notice. We may consider your account closed if you draw the balance to zero or less. You (or your representative in the event of your death) are responsible for any fees, charges or penalties (including Overdraft/NSF fees) and for the amount of any checks, ATM Card, point-of-sale, VISA CheckCard, Exchange OnLine transactions, ACH transactions which are in process or any other electronic transactions at the time your account is closed. Subject to applicable law, after your account is closed, we have no obligation to accept deposits or pay any outstanding items. You agree to hold us harmless for refusing to honor any withdrawal drawn on a closed account.

Transferability/Assignment/Set-off/Security Interest

Your account is not negotiable, transferable, or assignable without our prior written consent. Notice to us of a claim or interest including, without limitation, a security interest in an account has no effect upon our rights and duties with respect to the account, and in the absence of our express agreement to the contrary or our receipt of an order of a court or administrative agency

of appropriate jurisdiction, we shall not be required to abide by the terms of the notice or any instructions given to us in connection with such a claim or notice. You agree that, subject to applicable law, we have a lien and security interest and right to set-off in each account held in your name, either individually or jointly with another person. This means that, if you owe us money under a loan agreement or for any other reason, we may either refuse to allow withdrawals from your account or take the funds owed to us from any such account to the extent allowed by law. We may also hold or take funds from any such account to pay any attorney's fees and costs which we incur in enforcing our security interest and right to set-off. We have the sole right to choose the account from which we hold or take the funds owed us. We may hold or take these funds without giving you, any joint owner, or any other person prior notice of our withdrawal. This right may be exercised at any time, without prior notice, and it applies even if one or more of you with the right of withdrawal is not obligated to us on the debt.

Disclosure of Information/Other Legal Notifications

You agree that we may obtain information concerning your prior account relationships and obtain a credit report from a credit reporting agency if you establish any account with us that is subject to withdrawal by check, draft, card or similar items, or from which you make electronic transfers or preauthorize transfers. You also agree that we may obtain information or make inquiries about you in connection with opening, maintaining, or closing your account with us or offering other services to you. We may decline to open or may close any account(s) based on the information obtained.

We may disclose information about you, your account, or transactions on your account:

1. To third parties where it is necessary for completing or tracing transactions, or resolving errors or claims;
2. To verify or disclose the amount, condition or existence of your account or reasons for closing your account to third parties, such as credit bureaus, merchants or other financial institutions;
3. To comply with subpoenas, summonses, search warrants or requests from governmental agencies;
4. To comply with state or federal laws requiring us to provide information regarding depositors and their accounts to governmental agencies;
5. To other recipients of combined or e-statements;
6. Pursuant to court orders and other legal process;
7. To others with your consent;
8. Whenever required by law; and
9. Otherwise in accordance with our privacy policy.

You authorize us to comply with or respond to any court order, process, summons, garnishment, attachment, injunction, execution, reclamation, levy, lien or notice of any kind ("process") received by or served upon us, by which, in our opinion, another person or entity claims an interest in your account. We may, at our option and without liability, refuse to honor orders to pay or withdraw sums from your account and may hold the balance in the account until the process is disposed of to our satisfaction. We may pay any balance to the proper authorities. Notice of such process will be provided to you only when required by law. Any process is subject to our security interest and right to set-off.

Waivers and Precedents

Our Agreement with you gives us rights and duties. If we do not take advantage of all our rights all the time, that does not mean we lose them. For example: if we make funds available to you for withdrawal ahead of schedule, that does not mean we are required to do it again; if we pay a check that is more than your account balance, that does not mean we are required to do it again.

Arbitration

1. Claims and Disputes–Non-Judicial Resolution Process. Any claim, dispute or controversy arising from or relating to your account or application for your account or advertisements, promotions, or oral or written statements related to the account, this Agreement, the relationships which result from this Agreement or the validity, enforceability or scope of this Arbitration Provision or the entire Agreement (Claim), shall be resolved, upon the election of you or us, by binding arbitration pursuant to this Arbitration Provision and the applicable Arbitration Rules administered by the American Arbitration Association ("AAA"). AAA's "Commercial Arbitration Rules," and any amendment of them, shall apply in the

form in effect at the time the Claim is filed. If your account is a personal or non-business account, the AAA's "Supplementary Procedures for Consumer-Related Disputes" in effect at the time the Claim is filed also shall govern such arbitration. A party who has asserted a claim in a lawsuit in court may elect arbitration with respect to any claim(s) subsequently asserted in that lawsuit by any other party or parties. Any participatory arbitration hearing (other than telephonic hearings) will be held in a city where a federal district court in the state of your residence is located, unless both parties agree otherwise. If you would like to obtain a copy of the Arbitration Rules and filing forms, you may contact the AAA by calling 1-800-778-7879. The Arbitration Rules and filing forms also can be obtained from the AAA website at www.adr.org. All Claims shall be filed at an AAA office. If the applicable Arbitration Rules are modified, superseded, or replaced, an equivalent set of rules of the AAA will govern the arbitration. If for any reason AAA is unable or unwilling or ceases to serve as arbitration administrator, an equivalent national arbitration organization utilizing a similar code or procedure will be substituted by us.

2. No Class Action Arbitrations. There shall be no authority for any Claims to be arbitrated on a class action basis. Further, an arbitration can only decide our or your Claim and may not consolidate or join the claims of other persons who may have similar claims.
3. Fees. If your account is used solely as a personal or non-business account, at your request we will advance up to the first \$250.00 of the filing fees for any Claim which you file. The arbitrator will decide whether we or you will ultimately be responsible for paying any fees in connection with the arbitration, including amounts advanced by us. Unless inconsistent with applicable law, each party shall bear the expense of their respective attorneys', experts' and witness fees, regardless of which party prevails in the arbitration.
4. Waiver of Right to Jury Trial. Both parties fully understand and agree that they will not have a right to litigate any Claim in any court if either party chooses to have the Claim resolved by binding arbitration. Further, in agreeing to arbitrate all Claims you are waiving your right to a jury trial.
5. Right of Setoff Preserved. This Arbitration Provision and the exercise of any of the rights you and we have under this provision shall not prohibit you or us from exercising any lawful rights either of us has to use other remedies available to preserve, foreclose or obtain possession of real or personal property, exercise self-help remedies, including setoff rights as described in this Agreement.
6. Miscellaneous. This Arbitration Provision relates to a transaction involving interstate commerce, and shall be governed by the Federal Arbitration Act (FAA). The arbitrator shall apply applicable substantive law consistent with the FAA and applicable statutes of limitations and shall honor claims or privileges recognized at law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. This Arbitration Provision shall survive termination of your account. Any party to these Rules may bring an action to compel arbitration of any Claim and/or stay the litigation in any court having jurisdiction; such motion may be brought at any time in a lawsuit in court, until the entry of a final judgment. If any portion of this Arbitration Provision is deemed invalid or unenforceable, it should not invalidate the remaining portions of this Arbitration Provision.

Service Charges

You agree to pay service, maintenance, withdrawal, check printing, special handling, check cashing, and other charges, expenses, costs, and penalties negotiated or disclosed in the application, applicable fee schedules, agreements, or this Agreement as established by us from time to time. You acknowledge receipt of the Account Services Pricing fee schedule. A minimum balance as established by us must be maintained at all times. If the balance in the account falls below the minimum, you may be charged a fee and/or we may close the account and return the balance, plus any accrued interest, to you except where in conflict with any provision of this Agreement or any other rules governing or referring to the account.

You agree to reimburse us for expenses, costs, fees and charges incurred in searching for, reproducing and transporting records and other data, including photocopy and hourly fees, to comply with subpoenas or other legal orders or your requests. You authorize us to deduct these fees, charges, expenses, costs and penalties from your account or a related account without further notice, even if they create an overdraft. Accounts in a negative or zero balance state for more than 10 calendar days due to account maintenance charges may be closed by us.

Check Cashing

We provide check cashing services to customers. For your protection and ours, we offer this service using the following guidelines:

- It may be necessary to show identification when cashing a check.
- We may require you to be our current customer.
- All checks drawn outside the United States may be sent for collection.
- We may require your endorsement on bearer instruments, such as those made to "Cash" or endorsed by the payee in blank.

We reserve the right to impose a service fee for cashing checks drawn by a customer, if the person cashing the check is not a customer of the bank. You agree that we may refuse to cash the check if the payee or other holder refuses to pay the fee, provide satisfactory identification or we are unable to obtain your confirmation of the legitimacy of the check, and that such refusal will not be considered wrongful dishonor of the check by us. In addition, the cashing of checks for non-customers is at our sole discretion. As a general practice, checks payable to a business entity, organization, trust or other fiduciary will not be cashed. All check cashing decisions are subject to our Funds Availability Disclosure.

Statements

Unless your account is a savings passbook account or classified as a time deposit, we will mail or make available to you a statement of the account activity. Statements will be mailed to any one party to the account to the current address in our files, unless otherwise requested in writing or another method of delivery has been agreed to by us. We may mail one statement that combines account information for accounts which have the same mailing address in our files and either have owners with identical last names or are otherwise linked or related for purposes of obtaining some benefit. We may mail combined statements addressed to any one of you. If no transaction occurs other than the crediting of interest or if a statement is undeliverable, we reserve the right to discontinue mailing statements.

Except as otherwise required by law, all statements, notices, cancelled checks, and other materials shall be considered correct and all items listed on the statement shall be considered properly charged to an account unless you notify us of any error. You must examine all statements, notices, cancelled checks, check images and other items promptly upon receipt. You must notify us of an unauthorized or missing signature or alteration within a reasonable time after we mail or make available to you your statement or checks. If your account is a personal account, a reasonable time is not more than 30 days; if your account is a non-personal account, a reasonable time is not more than 14 days. You must also notify us of any other account problem, including an erroneous statement or savings transaction, unauthorized or missing endorsement or improper charges within 30 days of the date we mail or make available to you your statement and checks.

Your failure to notify us within the specified time limits or to commence action against us within 90 days after notice to us will preclude you from asserting claims against us based on such checks, signatures, alterations, endorsements, charges or other problems. You also lose any claim against us on any later item paid after the reasonable time period but before we receive your notice if the item was signed or altered by the same party. If a passbook evidences your account, we will allow transactions on the account by any account owner, without presentment of the passbook. The passbook is for record-keeping purposes only and does not constitute a complete record of the account.

With Check Safekeeping we retain your cancelled checks or the images of your cancelled checks and do not return them with your account statement. You agree that we may destroy your cancelled checks or the images of your cancelled checks or any other evidence of debit or credit entries to your account and use reasonable care to maintain legible images for seven years or any other period required by law. You may request a copy of a cancelled check or the image of your cancelled check and a service charge may be imposed for each copy provided. Our responsibility for furnishing copies of items is limited to those which are legible and available on microfilm, digital storage or any other media that is commercially acceptable.

Copies of Documents

We generally keep the original paper documents for a commercially reasonable period of time, or as otherwise required by law. This period of time may vary over time, as well as by the type of document. For most documents, images of the originals are created. These images are stored on any media that is or may become commercially acceptable. You agree that these images will be sufficient for all purposes. You agree to reimburse us for any losses or costs we incur as a result of

a poor check image caused by a deficiency in the checks you write or deposit.

Electronically Created Items

You will be liable for, hold harmless, and indemnify us and our directors, employees, and agents from and against all claims of any sort by third parties resulting from the fact that the image or information in connection with the Electronically Created Item was not derived from a paper check. Other indemnification and liability provisions can be found in the Electronic Services Agreement.

Substitute Checks

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

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

What Are My Rights Regarding Substitute Checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

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

How Do I make a Claim for a Refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at:

National Exchange Bank and Trust
130 South Main Street
P.O. Box 988
Fond du Lac, WI 54936-0988
(920) 921-7700

You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

1. a description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
2. an estimate of the amount of your loss;
3. an explanation of why the substitute check you received is insufficient to confirm that you suffered a loss;
4. a copy of the substitute check (and/or) the following information to help us identify the substitute check (identifying information, for example: the check number, the name of the person to whom you wrote the check, the amount of the check).

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

Lost Checks, Account Book or Access Device

You agree to notify us promptly, verbally and in writing of any suspected loss, theft, disappearance, or unauthorized use of any card, check, passbook, receipt, certificate, access code, PIN or other access device permitting access to or evidencing your account. Until receipt of such notice, we shall not be liable for payments made except as otherwise provided by law to any person presenting it. We may permit withdrawals by you or issue new evidence of any account on such conditions as we may require. We may require a waiting period or proof by affidavit of loss, theft, destruction, or unauthorized use. We may also require a bond of indemnity in an amount satisfactory to us against all claims and expenses that we may incur. If any of the above have been lost or stolen, we reserve the right to close the account and re-open it under a new account number. Upon issuance of any replacement account document, the original shall be void.

If you ask us to stop payment on a lost, destroyed or stolen cashier's check or other official bank check of which you are the remitter or the payee, or a lost certified check of which you are the drawer or payee, we will require a declaration of loss from you and you agree to pay any associated stop payment fee. We must be given a reasonable time to act on the declaration before the item is paid. Your claim is not enforceable until the time parameters identified by applicable law have been met. Our payment of a check to a person entitled to enforce it discharges us of all liability with respect to the check. Such person may have a claim against you after meeting the time parameters identified by applicable law and after we have paid you.

Unauthorized Endorsement

Notwithstanding anything in the "Statements" section of this Agreement to the contrary, in the event you are notified concerning an alleged unauthorized or forged endorsement on an item drawn on your account or the payee did not otherwise receive the funds represented by said item, you agree to notify us immediately. If you fail to notify us within 30 days of receiving such notice and such failure results in our inability to recover on the item, we will not be liable to you. You further agree to cooperate with our investigation and to provide us with any information we require as part of our investigation. Such information may include an affidavit from the payee regarding the allegations. We will not be obligated to reimburse anyone for the item or credit your account until our investigation is concluded and we have determined such reimbursement or credit is appropriate. If appropriate, we may require the payee to pursue recovery directly against the depository bank. If you reimburse the payee prior to our conclusion of the investigation and we determine that you were not legally obligated to do so, we will not be liable to you for the item.

Refusing Payment on Checks

You must fill in an amount correctly and clearly and sign your name on checks you write. You should fill in the date and name a payee on your checks. If you do not name a payee, anyone can cash the check. If you fail to follow these rules, we may refuse to honor your checks.

When a check you write is presented to us by another bank for payment, we will generally accept the endorsements on the check, because if an endorsement is missing or forged, we have rights against the other bank that protect us. When a check of yours comes to us other than through another bank, we may not cash it if we are not comfortable with the endorsements on it or the identity of the person who presents it. This is especially true with an endorsement in the name of a business entity.

We may require anyone who presents a check for payment in person (other than an account owner presenting a check on his or her own account) to provide identification and pay a fee to cash the check if applicable.

If the presenter of the check refuses to comply with these requirements or complies but later asserts that these requirements infringed on their legal rights, you understand and agree that imposing these requirements will not be considered a "wrongful dishonor" of your checks.

Business Days / Cut-Off Hours

Our business days are Monday through Friday. Legal holidays are not included. Deposits made to your account or items received by us after 5:00 p.m. on a business day, or at any time on a non-business day, may be held by us for safekeeping and treated as having been deposited or received on the next business day. Any knowledge, notice, stop payment order or legal process comes too late to modify our right or duty to pay a check or charge your account for the check if received by us after 9:30 a.m. on the business day after the business day on which we received the check or prior to that time if we do not have a reasonable time to act upon the knowledge, notice, stop payment order or legal process.

Deposits

Any items, other than cash, accepted for deposit (including items drawn "on us") will be given provisional (temporary) credit only until collection is final. Deposits of checks, drafts, money orders, etc. are received, receipted for and entered to your account and will be subject to our current Funds Availability Schedule. A receipt may be provided or made available upon request for all deposits to your account (except for some bank services such as mailed deposits, lock box, after hour depository service or remote deposit capture). However, the amount on your deposit receipt is based solely on your representation or the amount written on your deposit slip. Credits for deposits are subject to final verification and, after review, we may make adjustments to your account for any errors. We may rely on the account number on any deposit record received, even if the record identifies a party different from the entity identified by name in the record. We have no duty to detect any such inconsistency in identification.

Checks drawn on banks outside of the United States may be sent for collection. If the check is sent for collection, your account will not be credited, and the funds will not be available until payment is received from the paying bank. We charge a fee for collecting the check and bank(s) in the collection process may also charge a fee. The credit to your account will be for the net amount. In lieu of sending the check for collection, the Bank may process it as a deposit item and provide you with provisional credit for the check. Since there is no time limit within which the foreign paying bank has to return the check, it could be returned unpaid at any time. It is your decision as to whether to utilize this provisional credit and you shall remain liable to the Bank if the check is returned.

When we take items for collection, we act only as your collecting agent. We are not responsible for items lost while not in our possession. We are not responsible for any deposit made using our after-hour depository or sent to us by mail until we enter the deposit into our records.

We may accept for deposit any item payable to you, with or without an endorsement. We may supply a missing endorsement for any item we accept for deposit or collection and you will certify that the endorsement is genuine. We may give cash back from a deposit to any of the accountholders.

If you deposit a remotely created check as defined in 12 CFR 229.2 (fff), you warrant that the person on whose account the check is drawn authorized the issuance of the check in the amount stated and to the named payee.

You agree that we may re-present any item without notice to you and that we may charge fees for representing items in accordance with our Account Services Pricing fee schedule.

We may decline, at any time, to accept deposits or specific items for deposit from you or any person, or may limit the amount of deposits, and return to you any part of the whole of the account. Interest will cease to accrue on any part of the account which is returned. We have the right to not accept multiple check deposits to a savings or money market account.

Deposits done remotely are subject to their own agreements.

Funds Transfers

You authorize us to initiate automated credit entries to the account and to initiate, if necessary, debit entries and adjustments for any credit entries made in error to the account. You agree to be bound by the rules of the National Automated Clearinghouse Association (N.A.C.H.A. Rules) and the applicable regional or local Automated Clearinghouse (A.C.H.) rules in effect at the time of the transaction. Automated credit entries made to the account are provisional under the N.A.C.H.A. Rules until we have received final settlement or otherwise have received payment. If we do not receive such settlement or payment, we are entitled to a refund of the amount credited to any account and the party making payment to you shall not be deemed to have paid you in the amount of such credit entry. Under the N.A.C.H.A. Rules, we are not required to give next day notice to you of receipt of an ACH item and we will not do so. However, we will notify you of the receipt of payments in the periodic statements we provide to you. Payment of electronic deposits may be made to a person or account on the basis of the identifying numbers provided by the sender even if the number identifies a person(s) different than the person(s) named by the sender.

Wire Transfers

If any portion of any wire transfer from or to your account is carried through Fedwire, our mutual rights and obligations will be governed by federal banking regulations. This may include Regulation J and/or the Remittance Transfer rules of Regulation E for international transfers.

Returned Deposited/Cashed Items

If a check which you have deposited to the account is returned to us unpaid, we reserve the right to automatically send the check to the paying bank a second time. If we do so, we will not charge the account for the amount of the check, nor will we provide you with any notice of nonpayment. If the check is then returned a second time, we will charge your account for the amount of the check. If notice is required by applicable law, we will notify you at that time. You agree that any item you deposit or cash (including without limitation, a remotely created check) that is returned to us by the bank on which it was drawn unpaid may be charged against any account you have with us, regardless of whether the other bank returned the item before its midnight deadline even if such chargeback creates an overdraft. We may charge account for these items even if it may cause a negative balance and an Overdraft/NSF and/or transfer fee result. We may reverse interest paid on such items. You further agree that any item you deposit that is returned unpaid due to a missing endorsement may be reprocessed by us at our discretion and without notice to you if the form of endorsement required may be supplied by us. We may charge a fee for each deposited or cashed check re-presented and/or charged back to your account.

If a check or other item that we cash for you or that you deposit to your Account is returned to us as unpaid for any reason, or if the check is drawn on us and we refuse to pay it for any reason, we may charge your Account for the amount of the check or other item. This may include, among other circumstances, checks that are returned because the drawer of the check had insufficient funds in his or her Account and checks that were paid originally and later are returned to us accompanied by an affidavit that states that the endorsement is forged or unauthorized or that the item has been altered in any way. We may charge your Accounts for the amount in full reliance upon the truth of such an affidavit. We may also charge back any amount of accrued or paid interest related to the returned check.

If an item deposited to your account has been paid by the bank on which it is drawn and that bank later returns the item to us claiming that it was altered, forged, unauthorized, over-encoded or should not have been paid for any other reason, we may withhold the amount of the item from your account until that claim is resolved.

Dormant Accounts

Dormant accounts are subject to applicable state unclaimed property laws. If you have an account with an outstanding balance for several years and we have no records of deposits, withdrawals or communications from you about your account and no bank check is presented to us for payment, state law requires us to report it to the state. If your account becomes dormant, we will try to locate you at the address and telephone number shown in our records. If we are still not able to locate you, we will be required to deliver the check or account to the state as abandoned property. You will then need to apply to the state for the return of your funds.

Interest

Interest-bearing accounts will bear interest at annual rates that are calculated and compounded by such methods as we may establish from time to time. Rate may be dependent upon the balance in your account(s). Current rate information is available by phone, on our website www.nebat.com and at any of our locations. Except as required by law, we reserve the right to pay interest only on collected balances and only from the date of collection, and not to pay interest accrued but not credited at the time an account closes. We will not pay interest on accounts that do not meet eligibility requirements established by law. If your account is a tiered-rate or stepped-rate account, the Bank may pay the same interest rate on more than one tier.

We reserve the right to reverse accrued interest or interest credits with respect to any item that is deposited, and subsequently reversed or charged back.

Certificate of Deposit

The face of the certificate or disclosure statement indicates if your account is set up as an automatically-renewable account or a single-maturity account. If your deposit is automatically renewable, the account will renew for successive like periods unless surrendered and properly endorsed within seven calendar days after the maturity date. The interest rate will be adjusted at each maturity to the then current rate being paid on this type of investment. If we do not offer a similar investment term, we may renew the deposit at a rate we feel is reasonable. We can choose not to renew your account upon providing you written notice at least ten (10) days prior to any maturity date, or as required by applicable law.

If your deposit is a single-maturity account, it will not automatically renew at maturity and no further interest will be paid.

IRS Reporting for Consumer Accounts

When accounts earn \$10 or more of interest in a year, or if backup withholding is imposed, we will report the interest paid and the amount withheld to the IRS. You will receive a copy of the information reported to the IRS.

Interest is reported for the primary account holder for each account. If you are not a citizen or resident of the United States, you must provide a certification of your status on a form we will provide to you. IRS regulations require us to report the value of certain gifts you may receive in conjunction with your account. You are responsible for any tax liability for these items.

For additional information on interest reporting and withholding, contact your tax advisor or the IRS.

Tax Implications for Retirement Plan Investments

Please consult a professional tax specialist for IRS rules governing Individual Retirement Accounts, including differences between Traditional IRA and Roth IRA tax treatments and IRS penalties on funds withdrawn from IRAs.

Sub Accounts

For accounting purposes, your demand deposit account or personal interest-bearing checking accounts may consist of two sub-accounts; a transaction sub-account to which financial transactions are posted and a holding sub-account into which available funds above a preset level are transferred daily. Funds will be transferred back to your transaction sub-account to meet your transactional needs; however, all funds in the holding sub-account will be transferred to the transaction sub-account with the sixth transfer in any calendar month or monthly statement period. Both sub-accounts are treated as one account for the purpose of access and information, tax reporting and recording deposits and withdrawals. The sub-account will not affect bank statements, balance, interest, FDIC insurance, or any other features of your deposit(s). The sub-accounts are subject to the same terms as the deposit accounts described herein.

Delivery of Statements, Notices, and/or Disclosures using Written or Electronic Communication

Written notice sent to the Bank is not effective until received. Electronic mail sent to Bank or Bank personnel shall not be considered notice to the Bank; however, the Bank, in its sole discretion, may rely on any information you provide via electronic mail.

Notices and messages sent to you will be effective when mailed or, if applicable posted on the National Exchange Bank website (www.nebat.com) or sent by e-mail. We are entitled to rely on the postal address or e-mail address that you have provided us and assume that notices and messages sent to that address are received by you, until you give us notice that the address is no longer valid. Notice from us to any one of you is notice to all of you. Any one of you may give us instructions to change the address in our records, which we may require in writing. If the post office provides a different address for you, you agree that we may use that address.

If you use Exchange OnLine (our electronic banking service) and have agreed to the eStatement and eNotice Agreement & Disclosure, we may send you or make available to you any statements, notices, disclosures, tax documents, and other information electronically rather than in paper form. This includes, but is not limited to, notices, disclosures, statements and other information required under this Agreement or under the Electronic Funds Transfer Act or any other regulation. We may send this information to you by posting it on the National Exchange Bank & Trust web site (www.nebat.com) or by regular e-mail.

You may from time to time provide the Bank with an electronic address to which electronic communications and disclosures may be sent to you by the Bank. If you do, you agree that the Bank may send to you by electronic communication any information that is required by state or federal law or regulation to be sent to you in writing, provided such electronic communication or disclosure does not violate the applicable laws and regulations. The term "electronic communication" means a message transmitted electronically in a format that allows visual text to be displayed on equipment such as a personal computer monitor. You may obtain a paper copy of electronic communications or disclosures by contacting your local Bank office.

Special Instructions from You to Us

Should your instructions or orders concerning your account expose us to legal liability, we may require that you provide a satisfactory indemnity prior to us following your instructions.

Relationship or Linked Accounts

We offer certain checking accounts that may be "linked" to other accounts you have with us.

As disclosed in the Account Services Pricing fee schedule, the monthly service charge on your checking account may be waived based upon the relationship you maintain with us. You may only link accounts on which your name appears as an owner or obligor. At our discretion, we may impose restrictions on linking specific accounts you may have and limit the types and number of accounts that may be linked. You agree that any other owner or obligor on any of the accounts that are linked may receive information regarding your linked accounts.

Postdated Checks

You agree not to postdate any check you write. If you do postdate a check, you authorize us to pay the check as a cash item, upon receipt, the same as if it possessed the date it is presented for payment, even if you have previously given us notice that the item is postdated. To dishonor a postdated check, you must request a stop payment order and supply us with your name, account number, check number, amount and payee. We may return and not pay the item regardless of when we receive it. Your liability of an item shall not be released by our certification of the item. It is your obligation to remove a stop payment order for a post-dated item once the item is no longer post-dated.

Stale-Dated Check

A "stale-dated" check is one that is brought to us for payment more than six months after its date. We may pay, or refuse to pay, a check presented more than six months after its date; provided, however, that our decision to pay one or a number of stale-dated check does not obligate us to pay future stale-dated checks. If you do not want us to pay a stale-dated check, you must place a stop payment order on the check.

Stop Payment Orders

You may stop payment on a check drawn on your account if we have not accepted, certified, made final payment on or otherwise become accountable for the item. Any joint owner or authorized signer may order us to stop payment on any check drawn on the account. When placing a stop payment order, you agree to indemnify us and hold us harmless from all expenses, costs and attorney fees incurred by us due to our refusal to pay the item. Under the law there are some situations where a check can be charged against your account even though you ordered us to stop payment.

We will not have a duty to stop payment until you have given us the number and exact amount of the check or draft, as well as the date it was written and the name of the payee, and we have had a reasonable opportunity to act prior to the earlier of our payment of it or 9:30 a.m. on the business day after the business day we receive the item. Stop payment orders received outside of regular business hours will be deemed received one hour after opening the next business day after the business day we receive it. The number and amount must be exactly correct to enable our system to match the item to your stop order.

A verbal order is effective for 14 days unless confirmed in writing. A written order is effective for 6 months, unless you renew the order in writing for another period. At our option we may continue stop payment orders beyond these time periods unless cancelled by you. It is your obligation to remove a stop payment order for a post-dated item once the item is no longer post-dated.

If you have authorized us in advance to make regular payments out of an account, we must receive stop payment orders at least three business days before the next scheduled payment. See our "Electronic Fund Transfer Disclosure" for additional information regarding placing a stop payment on a preauthorized withdrawal.

If we pay the check, despite your timely stop payment order, the following rules will apply: (a) you will have to prove to us that you have suffered a loss and, if so, the amount of the loss; (b) we will be able to enforce any rights that the original payee or any other person who held the check had against you; (c) we will not credit your account until you prove your loss and we are satisfied that we are required by law to do so; and (d) if we credit your account, you agree to sign a statement describing the dispute with the payee or other holder of the check, to transfer to us all of your rights against the payee or other holder of the check, and to assist us in legal action taken against that person.

We are not required to accept stop payment orders from you on cashier's checks, official checks, teller's checks, or money orders (other than money orders for which you are identified as the drawer). We are permitted to issue stop payment orders on these checks only if they are lost, stolen or destroyed.

Waivers

The Bank reserves the right to waive the enforcement of any of the terms of the deposit account

documentation with respect to any transaction or series of transactions. Any such waiver does not affect the right of the Bank to enforce its rights with respect to other customers or to enforce any right with respect to later transactions with you.

Withdrawals

Anyone who signed the signature card or electronically agreed to open an account, if applicable, may withdraw or transfer all or a portion of the account balance at any time by using forms approved by us or by any other method we authorize unless there are account specific withdrawal limitations. In addition, our general practice is to only allow transfers of funds via telephone (in person calls or Exchange Line) or Exchange OnLine between like-named accounts. We reserve the right to restrict withdrawals until we have received a properly signed authorization on a form approved by us. We may honor any item drawn on the account which contains your signature, whether or not the form of the signature is the same as that shown on the account documentation given to us. We may pay items authorized by you to be issued without your signature. If we have reason to believe that a dispute or uncertainty exists as to the rights, powers, duties or authority of any of you or any other signers on the account or their successors, we may, but shall not be required to, refuse to permit withdrawals, pay items or recognize the authority of an agent. You agree to maintain adequate safeguards to ensure the authorized use of the forms and signature stamps you retain.

We may refuse to cash any item written (including, but not limited to, a substitute check) by you when presented by a person who is not one of our customers. You agree that we will not be responsible if we pay any fraudulent item which has been forged, altered or counterfeited (regardless of by whom or what means including electronic or photo static copying) in a way that a reasonable person could not detect or, if your account is a non-personal account, you do not subscribe to our Positive Pay Treasury Management Service or other fraud prevention services or procedures.

If you voluntarily and specifically disclose your account number to another person orally, in writing, or by some other means, we may treat such disclosure as your authorization to that person to issue items drawn against your account, unless you can demonstrate to our satisfaction that the account number was disclosed for a different purpose.

At our option, we may honor or dishonor checks presented against uncollected funds (see our Funds Availability Schedule) or insufficient funds. At our discretion, we reserve the right to return checks and other preauthorized transactions charged to your account to cover the amount of any Overdraft /NSF and the related fees. Having honored such checks in the past does not obligate us to do so in the future. If your account is linked to an overdraft line of credit (Personal/Business Line of Credit) or other overdraft protection plan, the terms printed on your credit or other agreement will apply to any overdraft occurring in your account for any reason. If we decide to return checks which you have written against uncollected or insufficient funds, you will be charged the current established fee.

Overdrafts/Non-Sufficient Funds (NSF)

An overdraft may occur if the Bank is presented with a request to pay a check or other item, an in-person withdrawal, an ATM withdrawal, a point-of-sale ATM or CheckCard transaction, or another type of electronic debit transaction or payment instruction order, transfer or withdrawal of funds from your account (each of these may be referred to as a "Withdrawal Request" or collectively as "Withdrawal Requests"), that exceeds the funds available for withdrawal from your account, unless you have funds available in an optional Overdraft Protection solution that transfers funds from an alternate source that you have previously established with the bank.

Funds available for withdrawal at any given time are indicated as your "Available Balance". The Available Balance is the Account Balance minus any pending holds for deposited or cashed checks, memo posts (e.g., CheckCard authorization for a purchase, checks presented for payment) and/or any hold for legal process or other freezes on your account authorized by this Agreement (individual and collectively, "Pending Activity"). It is important to note that your Available Balance may be impacted by the Bank's processing and posting order.

We may assess a fee for any item or Withdrawal Request drawn against non-sufficient funds in your account and/or charge interest for any overdraft on your account. We may assess a fee for each resubmission or re-presentation of a debit item, which means you may incur multiple fees if a check or debit item is returned more than one time. We will not be liable for failure to pay any transaction unless it is drawn against available funds credited to the account at the opening of business on the day the item is presented for payment. If we pay an item that overdraws your

account, you agree to pay the amount of the overdraft together with any fee and accrued interest immediately upon demand at our office, whether you signed or requested the withdrawal or participated in the transaction creating the overdraft or received any benefit from the withdrawal creating the overdraft. We reserve the right to close your account due to excessive overdrafts. You agree to pay all costs and expenses, including attorney's fees, incurred by us in the collection of any overdraft. The Bank offers several overdraft solutions including transfer from another deposit account, a line of credit for qualified applicants and Occasional Overdraft Privilege Service (ODP). If your account qualifies for ODP, we will consider, without obligation on our part, paying items for which your account has insufficient or unavailable funds, instead of automatically returning those items unpaid.

The ODP Service applies to a variety of transactions, including checks and other transactions made using your checking account number, automated payments, ATM transactions and everyday CheckCard transactions; however, we will not include ATM and everyday CheckCard transactions within our consumer ODP Service without first receiving your affirmative consent to do so. Absent your affirmative consent, ATM and everyday CheckCard transactions generally will not be authorized under ODP for consumer accounts.

Participation in ODP is not mandatory. You may opt-out of the service any time by notifying one of our Customer Service Representatives. Furthermore, consumer account holders may revoke affirmative consent to have ATM and everyday CheckCard transactions considered for payment under ODP without removing other items from the service. Simply inform us of your preference. We retain full discretion to decline to pay any item under the ODP Program. This means we can refuse to pay any overdraft for any reason. Even if we decide to pay an overdraft item, absent an agreement to the contrary, such payment does not create any duty to pay future overdrafts. If we do not authorize and pay an overdraft, your transaction will be declined, and we may assess NSF fees on your account in accordance with your account agreement and the Account Services Pricing fee schedule in effect at the time of the overdraft.

Processing and Posting Order

You agree that our use of automated check sorting equipment and automatic payment of checks without manual verification of signature, or other examination, is a procedure that does not vary unreasonably from general banking usage and constitutes ordinary care by us in paying checks. You also agree that we may process and post checks and other items in any order we choose. The order in which you make Withdrawal Requests from your account on any given day may not be the same as the order in which we process and post these transactions to your account, and this posting order may affect whether you incur overdraft fees. You have no right to direct us regarding the order of payment of checks or any other items drawn on your account.

The Bank may choose to categorize Withdrawal Requests into different categories, and the Bank may choose to process and post requests in certain categories before those in other categories. For example, ATM withdrawals and nonrecurring point-of-sale CheckCard transactions may be in a different category than checks. The Bank may choose a different processing and posting order for Withdrawal Requests within each category. The Bank may change the payment processing and posting order at any time without notice to you.

Generally, deposits and other credits are processed and posted prior to Withdrawal Requests. The following are Withdrawal Request categories in order of processing and posting and a description of general processing and posting orders within each category:

1. Wire transfers, in-branch savings and checking withdrawals, Online Banking Service transfers and transfers between your Accounts at the Bank, and checks presented for cash at a National Exchange Bank office. For this category, the Bank processes and posts requests in a low-to-high by dollar amount order. For checks presented for cash, the Bank processes and posts by serial number. If there is no serial number, those items are posted in a low-to-high by dollar amount order after the checks with a known serial number.
2. ATM withdrawals, point-of-sale Debit/ATM card transactions and ATM transfers out of your Account. For this category, the Bank processes and posts requests chronologically by the date and time of the transaction. If there is insufficient information to process and post a request in this category chronologically, then such requests with insufficient information are posted after other requests in this category. A low-to-high by dollar amount processing order is used for requests with insufficient information.
3. Exchange Online eBanking Bill Pay Service transactions. For this category, the Bank processes and posts requests chronologically by the date and time the transaction

is presented. If there is insufficient information to process and post a request in this category chronologically, then such requests with insufficient information are posted after other requests in this category. A low-to-high by dollar amount processing order is used for the requests with insufficient information.

4. Automated Clearing House (ACH) transactions. For this category, the Bank processes and posts requests chronologically by the date and time of the transaction. If there is insufficient information to process and post a request in this category chronologically, then such requests with insufficient information are posted after other requests in this category. A low-to-high by dollar amount processing order is used for the requests with insufficient information.
5. Checks taken across the teller window for payment or deposit at National Exchange Bank Offices. For this category, the Bank processes and posts requests by serial number. If there is no serial number, those items are posted in a low-to-high by dollar amount order after the checks with a known serial number.
6. Checks presented to National Exchange Bank for payment from other financial institutions. For this category, the Bank processes and posts requests by serial number. If there is no serial number, those items are posted in a low-to-high by dollar amount order after the checks with a known serial number.

Please note that the above describes common Withdrawal Requests and categories. There may be additional miscellaneous and generally infrequent types of withdrawals that can be processed and posted at any stage (after deposits are posted) in the processing and payment order. Account maintenance fees and miscellaneous fees may be processed and posted to your account at any time after deposits are processed and posted, which could be before any or all of the Withdrawal Request categories listed above. Such fees will reduce your Available Balance and could result in insufficient funds to meet your Withdrawal Requests on such business day.

Helpful Example for Consumers

Assume that at the beginning of a business day (Monday through Friday, during business hours and excluding federal holidays) your account contains a \$100 available balance. During the business day, you deposit \$50, you spend \$25 at the grocery store using your CheckCard, a \$25 recurring CheckCard transaction for a monthly subscription post to your account and you write a check for \$100 (check #1501) and \$50 (check #1502), both of which we receive that same business day. At the end of the business day, we generally would process and post the transaction as follows:

- Cash deposit of \$50 resulting in a \$150 available balance.
- Point-of-sale CheckCard transaction of \$25 resulting in a \$125 available balance.
- Recurring CheckCard transaction for \$25 resulting in a \$100 available balance.
- Check #1501 for \$100 resulting in a \$0 available balance.
- Check #1502 for \$50 resulting in a negative \$50 available balance is paid at our discretion, resulting in an overdraft.
- Overdraft fee of \$35, resulting in a negative \$85 available balance. Please note that the amount of overdraft fees may vary; please refer to the Account Services Pricing fee schedule for the current amount.

We are not required to honor any special instruction or “restrictive legend” placed on checks you write. We are not responsible for any losses, claims, damages, or expenses that result from your placement of these or other special instructions on your checks.

Unless we expressly agree in writing with you, you may not deposit with us a document that you created or printed from an image or other electronic record of an original paper check (a “substitute check document”). Our acceptance for deposit of a substitute check document from you will not be deemed as a waiver of the prohibition on the deposit of substitute check documents. You also will not identify us as a “reconverting bank” or “truncating bank” on a substitute check document you deposit at any other financial institution or transfer to any other person. You also agree to indemnify us for any loss that we incur directly or indirectly from your deposit or transfer of a substitute check document in violation of the limitations in this paragraph. We will charge your account for a check on the day the check is presented to us for payment by any legal means (including electronically) or earlier if we receive notice that a check drawn on your account will be presented for payment. This will affect your available balance, determined as of the time we receive the check or notice, and our determination of whether you have sufficient funds in your account to pay the check.

If you are a business with a zero-balance account, we may, but need not, cash checks without verifying the balance in the master account.

Large Cash Withdrawals and Deposits

If you want to cash a check (or make a cash withdrawal) for a large sum, the Bank may require seven Business Days advance notice. The Bank may require that you provide adequate security, but the Bank has no obligation to do so. The Bank may also require that you arrange to pick up the cash at an alternate bank location. If you want to deposit or withdraw cash for a large amount, the Bank may, but is not obligated to, require you to provide adequate security or exercise other options to mitigate possible risks.

Withdrawal Limitations

All Accounts

You may make an unlimited number of in-person withdrawals (if funds are available) from your account at any time except as hereinafter provided. Withdrawals may be made from IRA or other Retirement Plans at any time by using non-negotiable withdrawal forms designated for use with IRA/Retirement Plan accounts. Such withdrawals may result in adverse tax consequences under IRS regulations and certificate of deposit penalties. We are required to report certain withdrawals from IRA or other Retirement Plans to the IRS.

The Bank's Right to Require Notice

If your Account is a savings account or money market account, then in accordance with Regulation D, the Bank reserves the right to require seven days written notice before you withdraw money from your Account. If notice is at any time required, we have the right to return unpaid any item drawn on your interest-bearing transaction account and shall not incur liability of any kind, whether for wrongful dishonor or otherwise, by reason of the returned items. Although we usually pay withdrawals or checks on such Accounts without requiring advance notice, by honoring such Withdrawal Requests we are not waiving our right to require advance notice in the future.

Certificates of Deposit

You contract with the bank to keep funds on deposit for the time period stated on your certificate receipt. You may not withdraw any part of the funds prior to the stated maturity without consent of the Bank, except on request after the death of a depositor, or where a depositor has been judicially declared incompetent. If the Bank permits early withdrawal of funds from a certificate before maturity (except as stated within the terms of the certificate), the penalty for withdrawal will be imposed as shown in the Certificate of Deposit and Individual Retirement Account disclosure presented at the time the account was established or renewed. This penalty may reduce the principal on deposit. The interest rate used to calculate the penalty shall be the interest rate paid on the certificate at the time of the withdrawal.

Facsimile Signatures

You may request that we pay items drawn on the account which bear or appear to be a facsimile of your signature. You agree that you shall have the responsibility for maintaining security of any such facsimile signature or device by which it is affixed and that you shall bear the entire risk of unauthorized use, whether or not you are negligent. You also agree that no facsimile signature that we have been authorized to honor, or a facsimile signature that you have used, may be considered a forgery or an unauthorized signature. You hold us harmless from any loss, cost, damage, liability and expense (including attorney's fees) we may incur as a result of unlawful use, unauthorized use or misuse by any person of any such facsimile signature.

Required Signatures

We collect your signature or electronic acknowledgement, if applicable, to obtain your agreement to the rules we establish for your account, but this does not create any responsibility on our part to verify signatures on items and other charges to your account.

You agree that if you:

1. have an account in which more than one signature is required to complete a transaction;
2. authorize someone to transact some but not all transactions on your account;
3. authorize someone to transact business on your account for limited purposes and no others; or
4. use checks that require two or more signatures;

Then, such arrangements are strictly between you and the other person(s) you authorize, whether

or not we have notice of your arrangement (including in a form we provide you).

You cannot assert a claim against us for permitting a transaction so long as any one of the owners or authorized persons sign or initiate the transaction, even if a person exercises more authority than you have given.

Endorsement Requirements

To help ensure that your check or draft is processed without delay, your entire endorsement (whether a signature or stamp) must be on the same end as the "pay to the order of" and within 1 1/2" of the edge of the check or draft. This includes additional endorsements and identification information.

It is important that you confine the endorsement information to this area as not to interfere with the clarity of interbank endorsements. Any liability that we incur as a result of your endorsement, a prior endorsement or information you have printed on the back of the check will be passed on to you. You agree that you will reimburse us for any expense we incur due to your failure to endorse an item exactly as drawn.

Closing Your Account

Either of us may decide to close your account at any time, subject to the terms of the account. Should that happen, a final statement would be made for your deposit account at the time your next regular statement is due. All checks/debits presented to us after the account closed will be returned unpaid. Accounts with a zero balance or less may be closed automatically. Your savings account may be closed if the account balance falls below the minimum required balance.

The Bank reserves the right, in its sole discretion, to refuse to open an account or to accept additional deposits for any existing account. The Bank also reserves the right, in its sole discretion, to discontinue or limit the practice of allowing withdrawals by check. The Bank may also require you to withdraw the entire amount on deposit in any account. The Bank may close an account by mailing a notice to you at the address shown on the Bank's records, together with a check for the balance in the account, after deducting the applicable charges through the date of closing. Prior notice of the account closing will be provided if required by law.

If we close your account because of misuse, we may report this action to our account verification service. The information will include your identification as well as the date and reason we closed your account. An account closing does not release you of liability for outstanding checks and accrued fees, or consequential damages for the account being closed.

ELECTRONIC COMMUNICATIONS AND AGREEMENTS

You agree that we may make agreements with you by electronic means. Your authorization and consent to such an agreement, or your delivery of instructions, may be made by use of certain numbers, codes, marks, signs, PINs, public or private keys or other means acceptable to you and to us to establish your identity and acceptance of the electronic communications. All electronic communications that meet these requirements will be deemed to be valid and authentic and you intend and agree that those electronic communications will be given the same legal effect as written paper communications signed by you. You agree that electronic copies of communications are valid and you will not contest the validity of the originals or copies, absent proof of altered data or tampering.

You are not required to accept electronic communications. We want you to be aware that this is an option for you to accept. We will never ask you for sensitive account information, such as passwords, PINs, Social Security Numbers or account numbers via e-mail. If you receive an e-mail that appears to be from National Exchange asking for this type of information, immediately forward the e-mail in its entirety (not as an attachment) to email@nebat.com.

LIABILITY LIMITATION

Except as otherwise expressly provided in this agreement or otherwise expressly provided by applicable law, rule or regulation, you agree that neither we nor any entity or person who provides services or products to us ("Service Providers") will be liable for any loss, injury or damage, including, but not limited to, indirect, incidental, special, consequential or punitive damages, whether under contract, tort or any other theory of liability, arising out of or relating to any failure of performance, error, omission, interruption, defect, delay in operation or transmission, computer virus, line failure or unauthorized interception or access to your communications with us, even if we or the Service Providers are aware of the possibility of such events. To the extent any law, rule or regulation provides for us to be liable for any such loss, injury or damage, but permits our liability to be limited or eliminated by agreement, this paragraph limits or eliminates our liability to the fullest extent permitted.