

Bounce Protection Customer Overdraft Policy

There are several ways your account can become overdrawn, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you; (3) the return of unpaid items deposited by you; (4) bank service charges; or (5) the deposit of items which, according to the First State Bank's Funds Availability Policy, are treated as not yet available or finally paid.

We are not obligated to pay any item presented for payment if your account does not contain enough money. As long as you maintain your account in "good standing," we may approve your overdraft items within your current available Bounce Protection limit as a non-contractual courtesy. For overdraft privilege consideration, your account is in "good standing" if you (1) deposit enough money to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all bank fees and charges); (2) avoid excessive overdrafts suggesting the use of Bounce Protection as a continuing line of credit (excessive overdrafts is considered to be 6 NSF Service Charges (for paid items) within a rolling 12 month period. If an account is considered to have excessive overdrafts 3 times and the account becomes overdrawn for 45 consecutive days it suggest use of Bounce Protection as a continuing line of credit); (3) have no legal orders, levies or liens against your account; (4) First State Bank is not taking collection action due to poor performance of a lending relationship.

In the normal course of business, we generally pay electronic transactions first and then checks beginning with the lowest dollar amount, per the First State Bank's policy. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, please be aware that the order of item payment may create multiple overdraft items during a single banking day for which you will be charged our NSF Service Charge of \$33.00 for each overdraft item paid; The maximum dollar amount of NSF Service Charges that can be accessed in a single banking day is \$165.00.

You may opt out of the privilege at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft **plus** the bank's NSF Service Charge of \$33.00 per item will be deducted from the overdraft limit.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in good standing as defined above. If based upon our review of your account management, we determine that you are using Bounce Protection excessively or seem to be using Bounce Protection as a continuing line of credit, we will discontinue your Bounce Protection privilege, and we typically do not pay overdraft items without Bounce Protection. You will be charged a NSF Service Charge of \$33.00 for each item returned. If the bank discontinues your Bounce Protection privileged, you can contact the bank after six months to see if you are again eligible for Bounce Protection.

You will be promptly notified of any non-sufficient funds items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdraft including our NSF Service Charge of \$33.00 for any paid or returned items that you owe us shall be due and payable upon demand, but if no demand is made, no later than 30 calendar days after the creation of the overdraft. If there is an overdraft on an account with more than one owner on the signature card, each owner and agent, if applicable, shall be jointly and severally liable for all overdrafts inclusive of fees.

Bounce Protection should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconcile your check book regularly, and manage your finances responsibly. If you would like to have this service removed from your account, please call (937) 695-0331.

Please note that your Bounce Protection limit may be available for each item paid under the limit created by checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic payment (ACH) transaction, or automatic bill payment and recurring debit card payment. Also, at your request, we may authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your limit. Your available balance may be affected by authorizations which could create additional overdrafts and associated fees. When you ask for your account balance, please remember the amount we show you does not include your overdraft limit.

LIMITATIONS: Bounce Protection is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or household use. First State Bank reserves the right to limit participation to one account per household and to suspend, revoke, or discontinue this service without prior notice. **Unless we advise you differently or you request this service be removed from your account, your limit will be made available to cover overdrafts if you maintain your account in good standing.**