

# DEPOSIT ACCOUNT AGREEMENT

Effective August 2011

As a customer of Kennebunk Savings Bank, you have both rights and responsibilities concerning your deposit account(s) at this bank. When you open your account and sign your signature card, you agree to the rules and regulations governing your account(s). These rules and regulations are set forth in this Deposit Account Agreement and Funds Availability Policy and in related account documents which we provide to you when you open your account(s). These rules and regulations cover important subjects such as deposits, withdrawals, joint accounts, interest payments, and statements. Important disclosures are included as well. Please read this information carefully and keep it with your account record(s).

## INFORMATION PERTAINING TO ALL ACCOUNTS

### Contract

This Deposit Account Agreement and Funds Availability Policy (the "Agreement") contains rules and regulations applicable to your deposit account(s) with Kennebunk Savings Bank. By signing our signature card(s), you acknowledge receiving a copy of this Agreement, as well as the Electronic Funds Transfer Disclosure, the Truth-in-Savings Disclosure, and the Service Pricing Schedule (the "account documents"), and you agree to be bound by (a) this Agreement and the account documents, (b) all changes or additions to this Agreement and the account documents which we may make in the future, and (c) all applicable present and future federal and state laws and regulations.

### Use of Words

The words "we", "our", "us", and "The Bank" refer to Kennebunk Savings Bank. The words "you" and "your" refer to each entity who has a deposit account with Kennebunk Savings Bank either individually or jointly with another person(s). The word "account" refers to each deposit account you maintain with Kennebunk Savings Bank.

### Service Charges and Fees

Your account is subject to, and you agree to pay, certain service charges and fees, including, but not limited to, maintenance and processing fees, and such other fees that are and may be established by us from time to time. All reference to fees and services in this Agreement are found in the Service Pricing Schedule (the "Schedule") and are subject to change at any time and for any reason. We may automatically deduct any charge or fee you owe us from your account regardless of whether your account is active or inactive (as defined below), and we are not liable for dishonoring items when the deduction of such charge or fee results in insufficient funds in your account to pay such items.

### Amendment

We reserve the right to amend this Agreement and any of the account documents at any time and for any reason. If we do, we will notify you either in writing or by posting a notice in our banking offices at least fifteen (15) days prior to the effective date of the change unless a longer period of notice is required.

### Notice

Any notice sent to your last address as shown in our records is considered effective and binding for all purposes. You must advise us in writing if you change your address. Any notice sent to us will be considered effective when we receive it.

Eligibility for Interest Bearing Checking Accounts

Individuals, sole proprietorships, funds held in a fiduciary capacity, security deposits, and other funds held under various agency agreements if the entire beneficial interest is held by individuals, are eligible for an Interest Bearing Checking Account. Non-profit organizations operated for religious, philanthropic, charitable, educational, political, or other similar purposes are also eligible. All organizations operated for profit are not eligible.

### Payable on Death Accounts

The original owners (trustees) who open this account have all the rights of individual or joint accounts as stated below. When all the original owners (trustees) die, the account becomes payable immediately to those persons named as beneficiaries who are alive at the time. They will take in joint shares. If all beneficiaries predecease original owners, the account remains payable to the original owners.

### Individual or Sole Proprietorship Accounts

Money in your account is payable to you, or by your written order, by use of the signature which opened your account, or electronic access device, until you change the account, or revoke any power of attorney in force, by written notice, or until we have notice of your death or incapacity.

### Joint Accounts

If your account has more than one name on it, we will treat it as a joint account. Each joint account holder who has a signature on file with us can withdraw or write checks or electronically access with an ATM card or Debit card or automatic transfer request or wire any or all of the funds on deposit. Each joint account holder is responsible for the full amount of any withdrawals regardless of which holder accessed the account or what method of withdrawal was used. Each joint account holder grants the other(s) the power of attorney with power to deposit into the joint account monies of the other and to endorse, for deposit only, any check, draft, or other instrument payable to the order of the other.

If execution, levy, or court order requires us to pay any money in your account over to a creditor of any of the joint account holders or to anyone else, we are not liable to any of you for doing so. If in using your account you owe us any money, each joint account holder shall be jointly and separately liable to us.

If either of the joint account holders dies, his or her share of the account will pass to the surviving joint account holder(s). Certain retirement benefits such as Social Security deposits do not pass to the surviving joint account holder(s); payments made after the recipient dies cannot be withdrawn by the remaining account holder(s).

### Fiduciary Accounts

You are responsible, as Fiduciary, for the money in the account which is payable by your written order or with an electronic access device. We are not responsible for the proper application of funds. A copy of your appointment and/or trust agreement must be filed with us.

### Profit and Non-Profit Corporation, Partnership, and Association Accounts

Money in your account is payable to your organization or by its order signed or electronically accessed by the person or persons designated on the account resolution until the resolution is modified or rescinded by a later resolution in writing, delivered to us.

### Real Estate Escrow Accounts

Certain penalties must be imposed on Real Estate Escrow Account withdrawals made within six (6) days of opening the account. This minimum penalty is required by law. The penalty is calculated as seven (7) days' simple interest on any amount withdrawn from the account during the six (6) day period after opening the account. A Real Estate Escrow Account has a maturity of six (6) months. However, the funds may be entirely withdrawn prior to the maturity date upon one (1) day's notice, in writing, to The Bank. The interest rate in effect on the account will be paid up until the day of withdrawal.

No partial withdrawals are allowed from this account.

### Deposits

We reserve the right to refuse a deposit to your account, to limit the amount that may be deposited, or to return or hold any part or all of a deposit, at any time and for any reason.

You can make deposits to your account in any amount by mail, in person at any of our banking offices, at an ATM located at one of our banking offices, or in any other manner approved by us in writing. When you make a deposit, you must use one of our deposit tickets and completely fill in your name and account number. We may not accept deposits that are mailed to us that contain foreign currency. If you make a deposit with us, you receive an acknowledgement in the form of a deposit receipt.

All deposits are subject to verification by us. All deposits are also subject to our Funds Availability Policy. We reserve the right to charge your account or otherwise obtain a refund for any item deposited or credited to your account that is not honored by another institution for any reason. Any foreign currency deposited to your account is converted into United States current dollars.

We require that all checks made payable to a business, organization, or other non-personal entity be deposited into an account bearing an equivalent title.

### Withdrawals

We reserve the right to require seven (7) days' written notice before you can withdraw or transfer funds from any interest-bearing account. We reserve the right to prohibit any withdrawal if:

1. there is not a sufficient collected balance\* in your account;
2. you fail to present adequate identification or documentation;
3. you fail to use or properly, complete a withdrawal ticket approved by us; or
4. we are otherwise prohibited by law or government regulations.

If you have a Savings Account or a Money Market Deposit Account, you can make an unlimited number of withdrawals and an unlimited number of transfers to another one of your accounts when made in person, via mail, or via an ATM. (NOTE: Account titles must reflect the same ownership.) In the case of Money Market Deposit Accounts, pre-authorized transfers are limited to six (6) per interest payment cycle and no more than three (3) such transfers may be made by check. Telephone transfers to third parties or to another one of your accounts with us are regarded as pre-authorized transfers. We are required to monitor the number of pre-authorized transfers made monthly. You will incur a fee for excessive pre-authorized transfers, which is stated in the Schedule and, if such violations persist, we may close your account or restrict your use of it.

### Interest

If your account earns interest (such as a Interest Bearing Checking Account, Savings Account, Money Market Deposit Account, and/or Certificate of Deposit), you earn interest as long as your account meets the applicable minimum balance requirements outlined in the Schedule. We compute interest according to the daily balance method:

**Current Balance x Rate x Number of Investment Days**

**365 Days**

**\* Collected Balance = Current Balance - Holds - Float**

Interest is accrued daily and paid monthly.

### Endorsements

If you cash or deposit an item that is not properly endorsed, we reserve the right to place an endorsement on the item. If you give us an item which you have endorsed "without recourse", we reserve the right to place our unqualified endorsement on the item. In either case, we can enforce any rights that an unqualified endorsement gives us.

Endorsements on all items must meet our endorsement standards. You are liable for any losses or delays resulting from nonconforming endorsements or from other material on the back of the deposited item that makes your endorsement illegible.

### Stop Payment Requests

You can ask us to stop payment on a check you have written. You can request this through Kenn-e-banking, in person, by telephone, or by mail. We require the exact payee, the check date, the check number, the check amount, and the account number on which it was drawn. We must be given a reasonable period of time to act on any stop payment request before it can be considered effective. Oral stop payment orders are effective for fourteen (14) calendar days. A written stop payment order is effective for six (6) months and may be renewed in writing. If this is a joint account, we will accept a stop payment request from any one of the joint account holders, regardless of who authorized the check. If we fail to honor a valid stop payment request, we are not liable for more than your actual loss, which may be less than the full amount of the check. The fee assessed for each stop payment request is listed in the Schedule. You may not stop payment on a Certified Check, and you may not be able to stop payment on a Treasurer's Check.

### Inactive Accounts

If you do not make any deposits to or withdrawals from your Checking, Savings and/or Money Market account for twenty-four (24) months, your account is considered inactive and we may assess an inactive account charge (as identified in the Schedule). Inactive accounts are subject to applicable state abandoned property statutes. As long as your account is inactive, we reserve the right to reduce the frequency with which we send you statements or to stop sending statements altogether, and to restrict your account.

To reactivate an inactive account, contact Customer care or one of our banking offices or write to us. We are not obligated to honor such a request, and if we choose not to, we will mail you a check for any remaining balance in your account.

### Overdrafts

If you overdraw your account, you agree to pay a service charge which is disclosed in the Schedule. If you write a check or make an automatic payment in an amount that exceeds the collected balance in your account, we have the option of either paying it or returning it. If we pay it, you agree to reimburse us. We provide notice, by mail, of any overdrafts. The aforementioned does not apply if you have

CheckMate protection which covers the overdraft and is within a previously established line of credit or an automatic transfer from savings to cover the overdraft.

We reserve the right to refuse to pay any item that is illegible or that we deem to have been altered, and you are liable for any resulting losses or delays.

If a check is more than six (6) months old, we reserve the right to pay it or not, while acting in good faith and without obligation to you.

We reserve the right to approve any and all forms of checks used by you to access your account. We may refuse to honor a check that does not agree with the name on the account or with the authorized signature. We may refuse to certify a check. You agree not to postdate checks drawn on your account. All checks presented for payment are payable on demand. We are not liable to you for paying a postdated check prior to its maturity date.

Notify us immediately in the event your checks or electronic access device are stolen or lost, or you suspect other unauthorized use.

### **Passbook or Statements**

We do not provide statements on passbook accounts. We post all entries for these accounts upon presentation of the passbook.

If you lose your passbook, you must notify us promptly and complete a notice form to protect your account. Every effort will be made to protect depositors against fraud, but any payment made to a person presenting the deposit book shall be good and valid and a complete discharge of The Bank for the amount so paid, unless the deposit book has been lost or stolen and notice in writing given to The Bank before such payment is made.

We do not provide statements on a Passbook Certificate of Deposit Account or a Club Account.

If we are unable to deliver two consecutive statements to you because of an incorrect address or any other reason, we will discontinue sending statements until you instruct us otherwise. Except as noted above, we mail or deliver statements to you. We consider the statement conclusively correct in all respects, unless you notify us of any alleged error in writing within the time period indicated on the statement.

### **Closing Your Account**

You can close your account at any time and for any reason by withdrawing the balance and notifying us that you are closing it either:

1. in person, upon presentation of identification satisfactory to us, or
2. in writing, provided a valid signature card is on file.

If you close your account within ninety (90) days of the date you opened it, we may charge you an account closing fee, which is outlined in our Schedule. If you redeem a Certificate of Deposit prior to its maturity date, you are subject to an interest penalty, which is disclosed on your Truth-in-Savings Disclosure.

We reserve the right to close your account at any time and for any reason. If we close your account, we may not notify you in advance, but we will mail you a check for any remaining balance in your account.

Regardless of who closes your account, we are not liable for any item drawn on your account and presented for payment after your account is closed. Any amount you owe us is payable at the same time and in the same amount as if your account had not been closed.

### **Reporting Information**

Information about your account is confidential, and we will not disclose such information to anyone but you unless it is:

1. to a consumer reporting agency or to anyone to whom you have given our name as a reference;
2. necessary to complete a transaction;
3. to someone to whom you authorize us in writing to provide information;
4. in response to a claim by or against us on any item deposited or drawn against your account;
5. required by law in response to a subpoena, warrant, summons, or any other government or legal request for the release of information about your account;
6. otherwise authorized under applicable law or government regulation.

### **Deposit Insurance Coverage**

Your account is insured by the Federal Deposit Insurance Corporation up to the maximum allowable limits.

### **Transferability**

All accounts are nontransferable.

### **Assignment of Account**

The assignment of a checking account is prohibited and is not recognized under any circumstances. The assignment of any account other than a checking account for collateral on a loan other than to us is prohibited and is not recognized.

### **If You Owe Us Money**

If you owe us money and it is due, we may have the right under the law and through this Agreement to use money in any of your accounts to pay the debt. If one or more of the joint account holders owes us money and it is due, we may have the right under the law to use the money in the joint account to pay the debt. We can withdraw the money from your account to pay the debt even if the withdrawal of the money results in a penalty to you as provided herein. If we exercise this right, we will subsequently advise you of the amount we have taken from your account. If we exercise this right and as a result there are insufficient funds in your account to honor an item, we are not liable for dishonoring that item.

You agree to pay all costs, including reasonable attorneys' fees, which we may incur if we start proceedings to collect any money you owe us arising out of this Agreement or any of the account documents.

### **Legal Proceedings**

If your account is involved in legal proceedings, your use of it may be restricted and you may be assessed a fee, which is described in the Schedule.

### **Evidence**

If we go to court for any reason, we can use a photocopy, microfilm or microfiche copy, facsimile, or digitized image copy of a check, certificate, monthly statement, or other documents to prove what you owe us or that a transaction has taken place. The copy has the same validity as the original.

### **Severability**

A determination that any provision of this Agreement or any of the account documents or any application thereof is invalid, unenforceable, or illegal in any respect or in any instance shall not

affect the validity, enforceability, or legality of any other provision of this Agreement and the account documents.

### **Waiver**

We may waive or delay enforcing any of our rights under this Agreement or any of the account documents without losing such rights. We may waive or delay enforcing any of our rights as to one joint account holder without affecting the obligations of any other joint account holder.

### **Liability and Disclaimer**

We shall not be liable to you other than as required by law or due to lack of good faith or due care. The standard shall be that of reasonableness for the transaction involved, and mere clerical error or oversight without malice shall not be deemed wrongful. We shall not be responsible for loss resulting through error by other banks in the collection process.

### **Applicable Laws**

This Agreement and the account documents are governed by and interpreted according to the laws of the State of Maine. Any litigation arising out of, or incidental to this Agreement shall be initiated only in a court of competent jurisdiction located within the State of Maine. If we are required to bring action to enforce our rights under this Agreement, you agree to make your assets subject to the Jurisdiction of such court.

### **UNLAWFUL INTERNET GAMBLING.**

You acknowledge and agree that "restricted transactions" as defined in the Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG are prohibited from being processed through your account or any relationship between you and the Bank. In the event we identify a suspected restricted transaction, we may block or otherwise prevent or prohibit such transaction and further we may close the account or end the relationship.

### **INFORMATION PERTAINING TO STATEMENT SAVINGS ACCOUNTS**

For regulatory accounting purposes only, we classify all statement savings accounts as two sub-accounts: a transaction-based sub-account which is subject to federal reserve requirements and a non-transaction based sub-account which is not subject to federal reserve requirements. We may choose to allocate funds between these sub-accounts to improve our operating efficiency.

Whenever your transaction sub-account balance exceeds a threshold amount (which we may set and change at our discretion), funds above that amount may be allocated to the non-transaction sub-account once each day. When these funds are internally allocated to pay items presented against the transaction sub-account, we will transfer funds from the non-transaction sub-account to the transaction sub-account, up to six times per statement period. In accordance with federal regulations, if a sixth transfer is needed, the entire balance in the non-transaction sub-account will be transferred into the transaction sub-account. This process may occur each month.

This does not affect your account balance, deposit and withdrawal transactions, account statement, funds availability, service charges, statements, account number, FDIC insurance coverage, the calculation and amount of any interest you might earn or any other aspect of your account. In fact, there will be no impact on your personal banking. You will have full access to all your funds at all times. Any other rules and regulations governing your account remain in full force and effect.

### **INFORMATION PERTAINING TO ALL CERTIFICATE OF DEPOSIT ACCOUNTS**

#### **Maturity Date**

When you open a Certificate of Deposit Account, you agree to leave the funds in your account for a specific length of time (e.g. term).

The maturity date on your Certificate of Deposit appears on the acknowledgement issued at the time of deposit. On the maturity date and during the ten (10) day grace period (the length of time between the maturity date and the date when the Certificate automatically renews) any or all of the principal funds may be withdrawn without loss of interest.

#### **Maturity Date on Non-Business Day**

If the maturity date of your Certificate of Deposit falls on any day that we are not open for business, funds are available to you on the first business day after the maturity date.

#### **Penalties for Withdrawal Prior to Maturity Date**

Withdrawal of any of the principal funds prior to the maturity date is allowed and results in a penalty as detailed in the Schedule and on the Truth-in-Savings Disclosure. Penalties are calculated against the full amount being withdrawn and at the simple interest rate. **THIS PENALTY MAY LOWER YOUR PRINCIPAL AMOUNT.** There is no penalty charged when funds are withdrawn during the grace period.

If you die or are declared legally incompetent by the court or other administrative body of competent jurisdiction, we do not charge a penalty upon withdrawal of principal prior to maturity by the duly appointed representative of the deceased or incompetent depositor.

Withdrawals of accumulated interest earned during the current term are allowed at any time without penalty after interest has been posted.

#### **Additional Deposits**

Additional deposits to a Certificate of Deposit Account are not accepted during the term, except as noted in the Schedule.

#### **Interest During the Grace Period**

- If the Certificate is renewed, it will earn the new contract rate during the grace period.
- If the Certificate is closed, no interest is paid during the grace period.

## FUNDS AVAILABILITY POLICY *Effective August 2011*

### YOUR ABILITY TO WITHDRAW FUNDS

Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing time on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 2 p.m., at our Automated Teller Machines or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

### Longer Delays May Apply

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

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment. We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the 7<sup>th</sup> (seventh) business day after the day of your deposit.

### Special Rules for New Accounts

If you are a new customer, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the effective date of the deposit. Funds from deposits of cash, wire transfers, and the first \$5000 of a day's total deposits of cashier's, certified, teller's, traveler's and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5000 will be available on the seventh business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the 7<sup>th</sup> (seventh) business day after the day of your deposit.

### Holds on Other Funds (Check Cashing)

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. For example, if we cash a \$100.00 check for you, \$100.00 of funds already in your account will not be available until the next business day after the day we cashed the check.

### Deposits at Automated Teller Machines

Funds from any deposits (cash or checks) made at Automated Teller Machines (ATMs) before 2 p.m. will be available on the next business day after deposit. We own and operate ATMs at all of our banking offices.

### Your Responsibility

Any check that you deposit into your account is credited, subject to the bank the check is drawn on making final payment to us. If the check is returned unpaid, we have the right to immediately withdraw the amount of the check from your account. The fact that a deposited check has been made "available" for withdrawal does not rule out the possibility of the item being returned. Under Maine law, you are responsible for any check that you endorse and for any check that is deposited into your account whether you endorse it or not.

### Payment of Interest

Deposits of checks into any interest-bearing account will begin to earn interest from day of deposit.

If you have a question or problem with Kennebunk Savings Bank regarding your account, please contact a banking office manager or call 1-800-339-6573 for customer service assistance and resolve the problem directly with us.