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Processing of Account Transactions

When multiple items are presented against your account on the same day, it is our intent to process transactions in the following order for all transaction types: 1) Credits are processed before debits; 2) Electronic transfers, including ATM/POS transactions, before paper items (except Automatic Clearing House (ACH) debits which are processed last). ATM/POS transactions are posted in transaction type order: Recurring debit card payments, followed by ATM withdrawals, followed by POS (PIN based), followed by VISA (signature based) transactions. If there are multiple transactions with the same transaction type posted on the same day, they are posted in dollar amount order (low to high) within transaction type. Transactions performed on weekends (typically after 4 pm on Friday) will be aggregated and posted on the business day when their settling transactions are received. Paper items (checks) are processed in ascending check number order based on how they are presented to the Bank. Specifically, checks "cashed" (i.e., received cash) at any F&M branch post first, checks "negotiated" (i.e., deposited to an account) at any F&M branch post second, and checks "cashed or negotiated" at any other bank post third. In addition to electronic transactions that may affect your available balance during the day, the Bank may place a hold on available funds for checks received from a clearing house. The hold will not affect the settlement processing of transactions as described in this section.

Important Information

Savings-Link accounts are intended to protect you from the occasional non-sufficient funds items due to an inadvertent record-keeping error. When used regularly, it can be extremely costly. To discuss other available options, or to check your account balance, please visit your local branch or call us at 800-888-1498.

Alternative Products & Services May Help You Avoid Non-Sufficient Funds Fees

- **Visa Credit Card** - Credit Card services provided through UMB and available upon approval of complete application.
- **Lines of Credit** - Lines of Credit available to qualified borrowers upon approval of complete application.
- **Home Equity Line of Credit** - Home Equity Lines of Credit available to qualified homeowners upon approval of complete application.
- **Online Banking, Alerts, Easy Mobile Banking¹** - See disclosure information on back panel.

ONLINE & MOBILE BANKING SERVICES¹

Online Banking

View real-time account activity and transaction history. Conduct transfers between linked accounts and obtain account statements.

Text and Email Alerts

Sign up for personalized alerts to help keep track of your account, including balance, transfers and more.

Easy Mobile Banking

You can bank anywhere and anytime with our F&M EZ Banking App, available on a smartphone or mobile device.

Instantly view transactions, make mobile deposits and pay your bills² conveniently. This is an easy, quick and secure way to manage your money.

1 Online Banking for Personal Accounts, Text and Email Alerts and Easy Mobile Banking have no monthly service charge. To use all of these services, Online Banking is required. To use Online Banking, Easy Mobile Banking, Text and Email Alerts and the EZ Banking App, internet access is required and text messaging is desirable. Check with your mobile carrier about fees they may charge you for Internet access, text messaging, or other related services. 2 Must qualify for mobile deposit and enroll in Bill Pay; fees may apply.

Refer to the Customer Agreement & Schedule of Charges, Books I & II, for a complete list of fees and charges that may apply.

This information is current as of 10/2/17 and subject to change at any time without notice.

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F&M BANK

FARMERS & MERCHANTS BANK OF CENTRAL CALIFORNIA

Savings-Link Account

Overdraft Protection

Savings-Link for Individuals and Business Savings-Link accounts offer the convenience of automatic fund transfers toward an overdraft balance in your linked checking account. Owners of both accounts must be the same.

When Savings-Link *has sufficient funds* to cover the overdraft balance in the linked checking account:

- an automatic transfer from the Savings-Link account into the checking account occurs; and
- the total amount transferred from the Savings-Link account into the checking account will include:
 - the amount of the overdraft balance in the checking account, plus
 - \$12.50 for the Savings-Link Transfer Fee, plus
 - \$0.01 to keep the checking account at a positive balance.

When Savings-Link does not have enough funds to cover the overdraft balance in the linked checking account:

- an automatic transfer from the Savings-Link account into the checking account occurs, up to the Savings-Link account balance excluding \$0.01 to keep the Savings-Link at a positive balance; and
- the transfer will reduce the amount of the overdraft in the checking account, and may make funds available to pay incoming items; and
- a \$12.50 Savings-Link Transfer Fee will be charged to the checking account.
- The Savings-Link Transfer Fee is waived when an automatic Savings-Link transfer occurs and the funds transferred are not sufficient to pay at least one of the incoming debits creating the overdraft balance in the linked checking account.



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Savings-Link does not transfer funds to cover overdrafts caused by Automated Teller Machine (ATM) transactions, or everyday debit card overdraft transactions (also known as Point of Sale or POS transactions). However, in some cases your linked checking account may become overdrawn by an ATM or POS transaction. In this event, Savings-Link may transfer available funds toward the overdraft balance in the linked checking account, and you will be charged a Savings-Link Transfer Fee. The available balance in your Savings-Link account is not included in Online Banking, ATM, or merchant pre-authorizations when determining your available checking account balance.

From the Savings-Link account you are permitted to make six (6) transfers or withdrawals per monthly statement cycle (excluding Savings-Link Transfers) by check, draft, debit card, or similar order and payable to third parties. As required by Federal Regulation D, if you exceed these limits during any monthly statement cycle we may reclassify or close your Savings-Link account. Please refer to "Withdrawal Restrictions for Certain Interest-Bearing Accounts" in Book I of the Customer Agreement & Schedule of Charges, which you received at account opening.

Other fees and charges may apply and may reduce earnings. Restrictions may apply. For complete account information, please refer to the Customer Agreement & Schedule of Charges, Books I & II, including the "Schedule of Fees and Charges" section.

Sample Savings-Link Scenario

The following scenario is illustrated in the table to the right. The checking account has a balance of \$52.60. Incoming Debits totaling \$574.48 are presented to the checking account for payment, creating a potential checking account overdraft total of **-\$521.88**. The Savings-Link account has a balance of \$488.96. A Savings-Link Transfer automatically transfers \$488.95 from the Savings-Link account into the linked checking account.

In this scenario, the Savings-Link account balance is not sufficient to cover the entire overdraft balance in the linked checking account. The entire Savings-Link account balance (excluding \$0.01) was transferred to reduce the overdraft balance in the checking account, and to make funds available in the checking account to pay incoming debits (if any).

Incoming Debits

1. \$ 192.00 Check #7250 - Grocery Store
2. \$ 200.00 Check #7255 - Cashed at an F&M Bank Drive-Up Teller Window
3. \$ 100.00 Point of Sale Debit - Pre Authorized by Merchant
4. \$ 82.48 ACH Debit - Monthly Gym Membership

\$ 574.48 Total Incoming Debits

Savings-Link Account Fees & Charges	
Savings-Link for Individuals and Business Savings-Link accounts offer the convenience of automatic fund transfers toward an overdraft balance in your linked checking account. Owners of both accounts must be the same.	
Minimum Opening Deposit	\$100 Savings-Link for Individuals \$500 Business Savings-Link
Monthly Service Charge	\$3 Savings-Link for Individuals \$5 Business Savings-Link
Waiver of Monthly Service Charge	The Savings-Link for Individuals monthly service charge will be waived if, during that monthly statement cycle, you maintain a minimum daily balance of \$300 in your Savings-Link for Individuals account. The Business Savings-Link monthly service charge will be waived if, during that monthly statement cycle, you maintain a minimum daily balance of \$500 in your Business Savings-Link account.
Excess Activity Fee	\$5 fee per withdrawal in excess of six (6) per statement cycle, excluding Savings-Link Transfers and F&M Bank Online Banking transfers (applies to both Savings-Link for Individuals and Business Savings-Link).
Waiver of Excess Activity Fee	The Savings-Link for Individuals Excess Activity Fee(s) will be waived if, during that monthly statement cycle, you maintain a minimum daily balance of \$300 in Savings-Link for Individuals. The Business Savings-Link Excess Activity Fee(s) will be waived if, during that monthly statement cycle, you maintain a minimum daily balance of \$500 in Business Savings-Link.
Savings-Link Transfer Fee	\$12.50 per transfer Only one aggregate transfer occurs per day and the fee is assessed from the checking account, after the transfer (applies to both Savings-Link for Individuals and Business Savings-Link).
Waiver of Savings-Link Transfer Fee	Savings-Link Transfer Fees cannot be waived by maintaining a minimum daily balance in the Savings-Link account. The Savings-Link Transfer Fee is reversed when an automatic Savings-Link transfer occurs and the funds transferred are not sufficient to pay at least one of the incoming debits creating the overdraft balance in the linked checking account.

Sample Savings-Link Scenario				
Description	Amount	Checking Balance	Savings-Link Balance	
Starting Account Balances		52.60	488.96	
Automatic Savings-Link Transfer of \$488.95 out of the Savings-Link account and into the linked checking account	488.95	541.55	.01	
Savings-Link Transfer Fee	-12.50	529.05	.01	
<i>With the additional funds automatically transferred into the linked checking account, from the Savings-Link Transfer, the following would occur in the checking account:</i>				
Description	Check #	Amount	Checking Balance	Savings-Link Balance
Paid: Point of Sale Debit – Pre Authorized		-100.00	429.05	
Paid: Check# 7255 – Cashed at an F&M Bank Drive-Up Teller Window (checks cashed at an F&M Bank branch clear first)	7255	-200.00	229.05	
Paid: Check# 7250 – Grocery Store	7250	-192.00	37.05	
Not Paid: ACH Debit – Monthly Gym Membership		-82.48	37.05	
Non-sufficient Funds Fee: ACH Debit – Monthly Gym Membership		-32.00	5.05	
Ending Account Balances			5.05	.01
<i>This automatic Savings-Link Transfer allowed three of the four overdraft items to be paid from the linked checking account. Without the Savings-Link Transfer, these three items may have been returned unpaid, and the checking account charged three additional Insufficient Funds Fees totaling \$96.00.</i>				
<i>Additionally, the minimum daily balance in the Savings-Link was not maintained and the account will be charged the applicable Monthly Service Charge, for the account type.</i>				

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