



SERVING THE NEEDS OF OUR COMMUNITIES

We are dedicated to reinvesting a significant portion of our profits back into the communities we serve to improve the quality of life for everyone.

We proudly maintain the highest rating possible for Community Reinvestment — an “Outstanding” from the Federal Government. This rating is so rare, it is only awarded to 8% of all California banks*.

Since 2010, our employees have contributed over 20,000 volunteer hours in our communities. We have supported more than 250 non-profits, donated over \$1.2 million, invested over \$47 million, and provided more than \$187 million in community development loans.

* Based on 2017 CRA ratings reported by the FFIEC as of 1/2/18.

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FARMERS & MERCHANTS BANK OF CENTRAL CALIFORNIA

Customer Agreement & Schedule of Charges

BOOK II

Effective November 13, 2018*

* Replaces the December 12, 2016 edition of this book.

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DESCRIPTION OF ACCOUNTS.

Checking Accounts (Interest-Bearing). All of our interest-bearing checking accounts earn interest at rates and annual percentage yields determined by the Bank and are subject to change from time to time and at any time. Current interest rate and annual percentage yield information shall be provided to you at account opening. There are certain accounts (as stated in each respective account disclosure) that require a minimum balance to be maintained to earn higher interest rates. For those accounts and balance requirements, please refer to the accompanying rate sheet that shall be provided to you at account opening. In all cases, we use the daily balance method (365/365; 366/366) to calculate the interest in your account. This method applies a daily periodic rate to the principal in the account each day. Accrual of Interest: The accrual begins no later than the business day we receive credit for the deposit of non-cash items (for example, checks). Interest compounds monthly and is credited to your account on the monthly statement cycle date. If the account is closed before interest is credited, you will not receive the accrued interest for that period.

Worry-FREE Checking® This account is available to Consumer Customers. It requires a \$50 opening deposit, has no monthly service charge, has no minimum daily balance requirement, and is non-interest-bearing. There is no limit on check writing and no per check service charge. There is no charge for Online Banking; Bill Pay (including unlimited payment activity); Mobile Check Deposit (for qualifying accounts); eStatements or paper statements; Easy Mobile Banking; EZ Banking Smartphone Apps; or Point-of-Sale Cycle Service Charge. An F&M Bank ATM or Debit Card is available. Accountholders 50 years and older in age receive free Exclusive Style checks when your order is placed through F&M Bank’s check printer of choice. Customer pays tax, shipping, and tracking charges on check orders.

Ultimate Checking. This account is available to Consumer Customers. It requires a \$50 opening deposit, has a \$10 monthly service charge which can be waived by maintaining a minimum Average Daily Balance of \$2,500, and is interest-bearing. To determine your Average Daily Balance, take the ending balance for

each day in the cycle (for the last day do not include any service charge or surcharge refund amounts) and then divide by the number of days in the cycle. There are no F&M Bank charges for use of non-F&M Bank ATMs (the other financial institution may assess a charge, this is known as a “foreign ATM fee.”)

Your account will receive a refund which will be posted at the end of your account statement cycle for a maximum of \$20 for any foreign ATM fees from non-F&M Bank ATM usage within the United States posted during your monthly account statement cycle. If your account is closed prior to the end of the monthly statement cycle, your refund will be forfeited. Transactions that are conducted at or near the end of your monthly statement cycle period may not post to your account for a few business days depending upon the processing method the non-F&M Bank ATM provider uses, and thus would be eligible for a refund in the next monthly statement cycle period. In addition, foreign ATM fees will post to your account as they occur and will lower your actual available balance until they are offset by the refund that occurs on the last day of your account statement cycle.

There is no charge for Online Banking; Bill Pay (including unlimited payment activity); Mobile Check Deposit (for qualifying accounts); eStatements or paper statements; Easy Mobile Banking; EZ Banking Smartphone Apps; or Point-of-Sale Cycle Service Charge. One free Cashier's Check is available per monthly statement cycle. An F&M Bank ATM or Debit Card is available upon request. All accountholders receive an initial order of free Exclusive Style checks, available on the day of account opening, when F&M Bank places your order through our check printer of choice. Accountholders 50 years and older in age receive free Exclusive Style checks when your order is placed through F&M Bank's check printer of choice. For all check orders, customer pays tax, shipping, and tracking charges. A Safe Deposit Box (all sizes) is available for 50% off the current price, subject to box availability. Safe Deposit Boxes are not available at all branch locations. There is a one-time \$20 Safe Deposit Box key fee. Two keys are provided for each box at initial opening.

Ultimate High Yield Checking. This account is available to Consumer Customers. It requires a \$50 opening deposit, has a \$10 monthly service charge which can be waived by maintaining a minimum Average Daily Balance of \$5,000, and is interest-bearing. To determine your Average Daily Balance, take the ending balance for each day in the cycle (for the last day do not include any service charge or surcharge amounts) and then divide by the number of days in the cycle. There are no F&M Bank charges for use of non-F&M Bank ATMs (the other financial institution may assess a charge, this is known as a “foreign ATM fee.”)

Your account will receive a refund which will be posted at the end of your account statement cycle for a maximum of \$20 for any foreign ATM fees from non-F&M Bank ATM usage within the United States posted during your monthly account statement cycle. If your

account is closed prior to the end of the monthly statement cycle your refund will be forfeited. Transactions that are conducted at or near the end of your monthly statement cycle period may not post to your account for a few business days depending upon the processing method the non-F&M Bank ATM provider uses, and thus would be eligible for a refund in the next monthly statement cycle period. In addition, foreign ATM fees will post to your account as they occur and will lower your actual available balance until they are offset by the refund that occurs on the last day of your account statement cycle.

There is no charge for Online Banking; Bill Pay (including unlimited payment activity); Mobile Check Deposit (for qualifying accounts); eStatements or paper statements; Easy Mobile Banking; EZ Banking Smartphone Apps; or Point-of-Sale Cycle Service Charge. One free Cashier's Check is available per monthly statement cycle. An F&M Bank ATM or Debit Card is available upon request. All accountholders receive an initial order of free Exclusive Style checks, available on the day of account opening, when F&M Bank places your order through our check printer of choice. Accountholders 50 years and older in age receive free Exclusive Style checks when your order is placed through F&M Bank's check printer of choice. For all check orders, customer pays tax, shipping, and tracking charges. A Safe Deposit Box (all sizes) is available for 50% off the current price, subject to box availability. Safe Deposit Boxes are not available at all branch locations. There is a one-time \$20 Safe Deposit Box key fee. Two keys are provided for each box at initial opening.

Teen Checking. This account is available to Consumer Customers between the ages of 13-17. Upon reaching the age of 18, the account will be converted to a Worry-FREE Checking® account.

The Teen Checking account must be owned jointly by a minor and an adult. It requires a \$25 opening deposit, has no monthly service charge, has no minimum daily balance requirement, and is non-interest-bearing. There is no limit on check writing and no per check service charge. There is no charge for Online Banking; Bill Pay (including unlimited payment activity); Mobile Check Deposit (for qualifying accounts); eStatements or paper statements; Easy Mobile Banking; EZ Banking Smartphone Apps; or Point-of-Sale Cycle Service Charge. A specially-designed F&M Bank Debit Card is available. Coordinating checks are available when F&M Bank places your order through our check printer of choice. Customer pays for checks, tax, shipping and tracking charges. Overdraft Privilege Services are not available.

ATM Checking. This account is available to individuals who electronically receive Federal government benefits, wages, salary, or retirement payments and prefer basic banking services. This account does not allow for check access and has a monthly service charge of \$3.00. For each transaction exceeding four (4) during the monthly statement cycle, a \$1 service charge fee will be imposed. You will be charged \$10 (per day) any time debits

are submitted against insufficient funds in your account and these items will be returned unpaid.

Many Federal benefit payments, including Social Security benefits, Supplemental Security Income benefits, Veteran's benefits and Railroad Retirement benefits are protected from attachment under Federal law. This means that your creditors do not have the right to have these funds taken out of your ATM Checking account. There are a few exceptions however. For example, funds in your ATM Checking account can be taken to satisfy child support or alimony obligations you owe. If you deposit funds other than Federal benefit payments to your account, your creditors may be able to have those funds taken out of your account, but your Federal benefits would still be protected.

If we receive an order of attachment, garnishment or levy we will immediately send you a copy of the order and the name of the creditor and contact person, if any. Should you have any questions about a creditor's right to remove funds from your ATM Checking account, contact your benefit agency or your local legal services organization

Free Business Checking. This account is available to Corporations, Government Agencies, Non-Profit Organizations, Partnerships, and Sole Proprietorships. It requires a \$50 opening deposit, has no monthly service charge, has no minimum daily balance requirement, and is non-interest-bearing. The account has the following limits: 500 transaction items (all types) depositing to and withdrawing from, such as checks, ACH debits, ACH credits, and \$10,000 in aggregated cash transactions including deposits and withdrawals per statement cycle. There is no charge for exceeding these limits; however, the Bank reserves the right to close or convert this account to Business Account Analysis if activity, volume, or special services warrant. If the Bank converts your account, we will give you 30 days prior notice. To determine your number of transaction items, contact your local branch or call us at 800-888-1498.

There are no F&M Bank charges for Online Banking; Bill Pay (including unlimited payment activity); eStatements or paper statements; Easy Mobile Banking; EZ Banking Smartphone Apps; or Point-of-Sale Cycle Service Charge. Mobile Check Deposit is available and has a per item charge of \$0.50. An F&M Bank ATM or Debit Card is available upon request.

Ultimate Business Checking. This account is available to Corporations, Government Agencies, Non-Profit Organizations, Partnerships, and Sole Proprietorships. It requires a \$50 opening deposit, has a \$10 monthly service charge that is waived with an Average Daily Balance of \$5,000, and is interest-bearing. To determine your Average Daily Balance, take the ending balance for each day in the cycle (for the last day do not include any service charge or surcharge refund amounts) and then divide by the number of days in the cycle. The account has the following limits: 750 transaction items (all types) depositing to and withdrawing

from, such as checks, ACH debits, ACH credits, and \$20,000 in aggregated cash transactions including deposits and withdrawals per statement cycle. There is no charge for exceeding the 750 transaction limit; however, the Bank reserves the right to close or convert this account to Business Account Analysis if activity, volume, or special services warrant. If the Bank converts your account, we will give you 30 days prior notice. To determine your number of transaction items, contact your local branch or call us at 800-888-1498. There is a charge of \$1.30 per \$1,000 for exceeding the cash transaction limit.

There are no F&M Bank charges for Online Banking; Bill Pay (including unlimited payment activity); eStatements or paper statements; Easy Mobile Banking; EZ Banking Smartphone Apps; or Point-of-Sale Cycle Service Charge. Mobile Check Deposit is available and has a per item charge of \$0.50. An F&M Bank ATM or Debit Card is available upon request.

Business Account Analysis. This account is available to Corporations, Government Agencies, Non-Profit Organizations, Partnerships, and Sole Proprietorships; has a minimum opening deposit requirement, a monthly maintenance fee and related service charges. Please see the Schedule of Fees and Charges section of this book and the separate Account Analysis Fee Schedule Addendum for the specific fees and charges that may apply. The activity charges for a given monthly charge cycle may be offset by an earnings credit. Additional Treasury Management Special Services available as quoted.

Savings Accounts. All of the following accounts earn interest at rates and annual percentage yields that are subject to change from time to time and at any time and at the Bank's sole discretion. Current interest rate and annual percentage yield information shall be provided to you in a rate sheet at account opening. In all cases, interest is compounded quarterly (except Money Market and Savings-Link which compound monthly) using the daily balance method (365/365; 366/366). This method applies a daily periodic rate to the principal in the account each day. Accrual of Interest: The accrual begins no later than the business day we receive credit for the deposit of non-cash items (for example, checks). Crediting policies vary from account to account. If the account is closed before interest is credited, you will not receive the accrued interest for that period. Please refer to the "Withdrawal Restrictions for Certain Interest-Bearing Accounts" Section in Book I for "Important Information On Certain Withdrawal And Transfer Limits On Savings Accounts."

Regular Savings. This account is available to Consumer Customers (including Trustees), Non-Profit Organizations, and Sole Proprietorships. It requires a \$100 minimum opening deposit. Six (6) withdrawals of any type may be made without charge excluding overdraft transfers. If your daily balance remains at least \$300 at all times during the monthly statement cycle, additional withdrawals will be without charge. However, if you do

not maintain the minimum balance, a \$3 monthly service charge will be imposed and if more than six (6) withdrawals of any type are made, each of these additional withdrawals will result in a \$2 service charge fee. Interest is credited to the account at the end of each calendar quarter.

Business Savings. This account is available to Corporations, Government Agencies, and Partnerships. It requires a minimum opening deposit of \$500. Six (6) withdrawals of any type may be made without charge (excluding overdraft transfers). However, if you do not maintain a \$500 daily balance at all times during the monthly statement cycle, a \$5 monthly service charge will be imposed and if more than six (6) withdrawals of any type are made, each of these additional withdrawals will result in a \$2 service charge fee. Interest is credited to the account at the end of each calendar quarter.

Junior Savers. This account is available to Consumer Customers under the age of 18. Upon reaching the age of 18, the account will be transferred to a Regular Savings account. The Junior Savers account must be owned jointly by a minor and an adult or as a custodian account held for a minor (CUTMA's) unless the minor has a valid government issued picture ID, in which case the minor may sign on the account individually. This account requires a \$10 minimum opening deposit, has no monthly service charge, and permits six (6) withdrawals of any type during each month without charge. If your daily balance at any time falls below \$300 during your statement cycle and if withdrawals of any type exceed six (6), a \$2 service charge fee per withdrawal will apply. However if your daily balance remains at least \$300 during the monthly statement cycle additional withdrawals will be without charge. Interest is credited to the account at the end of each calendar quarter.

Money Market. This account is available to Consumer Customers, Corporations, Government Agencies, Non-Profit Organizations, Partnerships, and Sole Proprietorships. The minimum opening deposit requirement for Consumer Customer accounts is \$1,000. The minimum opening deposit requirement for business accounts is \$2,500. The monthly service charge of \$10 will be waived when a \$2,500 Minimum Daily Balance, a \$10,000 Average Daily Balance at the end of your cycle period or a \$15,000 combined Average Daily Balance at the end of your cycle period with your linked Savings, Checking or Time Deposit is maintained in the account during the statement cycle period. A \$10 fee will be charged for each withdrawal of any type that exceeds six (6) during each statement cycle. Interest compounds monthly and is credited on the monthly statement cycle date. An Automated Teller Machine/Point-of-Sale Card is available for Consumer Customer and Sole Proprietorship accounts only.

Holiday Club. This account is available to Consumer Customers and requires a \$20 minimum opening deposit. It authorizes monthly automatic transfers from other F&M Bank accounts to this account and the minimum transfer is \$20. Interest and final distribution of

your Holiday Club is credited to your related deposit account on the last day of October. The account will be renewed November 1 for the following year unless you tell us prior to the renewal date. No partial withdrawals are permitted from a Holiday Club account. If you close your account prior to maturity, no interest will be earned. A fee of \$20 will be charged for any account closed prior to the end of October.

Savings-Link Accounts. These 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. Interest on the Savings-Link accounts is credited to the account on the monthly statement cycle date.

Savings-Link for Individuals is available to Consumer Customers. The Minimum Opening Deposit requirement is \$100. Monthly Service Charge is \$3. The Monthly Service Charge will be waived if, during that monthly statement cycle, you maintain a Minimum Daily Balance of \$300 in your Savings-Link account. There is an Excess Activity Fee of \$5 fee per withdrawal in excess of six (6) per statement cycle, excluding Savings-Link Transfers and F&M Bank Online Banking transfers. Excess Activity Fee(s) will be waived if, during that monthly statement cycle, you maintain a Minimum Daily Balance of \$300 in your Savings-Link account. The Savings-Link Transfer Fee is \$12.50 per transfer; only one aggregate transfer occurs per day; and the fee is assessed from the checking account, after the transfer. 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.

Business Savings-Link is available to Sole Proprietorships and Non-Profit Organizations. The Minimum Opening Deposit requirement is \$500. Monthly Service Charge is \$5. The Monthly Service Charge will be waived if, during that monthly statement cycle, you maintain a Minimum Daily Balance of \$500 in your Savings-Link account. There is an Excess Activity Fee of \$5 fee per withdrawal in excess of six (6) per statement cycle, excluding Savings-Link Transfers and F&M Bank Online Banking transfers. Excess Activity Fee(s) will be waived if, during that monthly statement cycle, you maintain a Minimum Daily Balance of \$500 in your Savings-Link account. The Savings-Link Transfer Fee is \$12.50 per transfer; only one aggregate transfer occurs per day; and the fee is assessed from the checking account, after the transfer. 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.

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.

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, Text Banking, 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.

Time Deposit Accounts. A Time Deposit account (also known as a Certificate of Deposit or CD) provides you the flexibility of choosing a term from seven (7) days to three (3) years. Terms from seven (7) days to 30 days require a minimum investment of \$100,000. For terms of 31 to 89 days, the minimum investment is \$2,500.

For terms of 90 days to three (3) years, the minimum investment is \$1,000.

Interest rates and annual percentage yields on Time Deposit accounts are set according to market conditions and are subject to change daily. However, the rate in effect at the time your Time Deposit account is established is fixed for the term of your deposit.

Interest on your Time Deposit account is calculated using the daily balance method and using a 365 day year or a 366 day year in leap years.

PAYMENT OPTIONS. Interest may be credited to your F&M Bank checking, savings or money market account or paid by check. For terms of one year or less interest may be reinvested at maturity.

FOR TERMS	INTEREST WILL BE PAID
7 Days to 89 Days	At maturity
90 Days to 182 Days	Monthly, quarterly or at maturity
183 Days to One Year	Monthly, quarterly, semi-annually or at maturity
More than One Year	Monthly, quarterly, semi-annually or annually (Note: Interest will payout at least annually following the above payment options.)

Account Renewal. Shortly before your deposit matures (except for 7 to 31 day time deposits) the Bank will send you a written notice stating the maturity date and whether your deposit will be renewed automatically if you do not otherwise notify the Bank. If your account is automatically renewed, the renewal will be for the same term and at the Bank’s published interest rate in effect for Time Deposits of like term on the maturity date, and renewals of the renewed deposit will be subject to the same renewal provisions as applied to the original time deposit.

- During the 10 day grace period (1 day for 7 to 31 day time deposits), you may without penalty withdraw some or all of the funds in the deposit or you may change the term or balance of your account as long as the new account meets the minimum balance required for the renewal term.
- Any amount (up to the whole deposit) that you withdraw between the maturity date and the end of a 10 day grace period that follows that date (the grace period is only 1 day for 7 to 31 day time deposits) will not earn any interest after the maturity date.
- If before the grace period ends you make a change to the term or the amount of the deposit, the change will become effective on the first day of the grace period or the day on which the Bank receives your instructions, whichever is later. If the change becomes effective after the first day of the grace period, the amount that is renewed will earn interest from the first day of

the grace period until the change becomes effective at the rate applicable to the renewed deposit.

- If the maturity date falls on a day we are closed, like a weekend or holiday, your funds will become available for withdrawal on the following business day.

Early Withdrawal Penalty. When you invest in a Time Deposit Account (including an Individual Retirement Account), you agree to keep the principal on deposit with us for the term you have selected. If you withdraw all or a portion of the principal prior to the maturity date, the Bank will assess an early withdrawal penalty. It may be necessary to deduct all or a portion of the penalty from the accrued but uncredited interest and/or from the principal amount of the deposit. The Bank's early withdrawals penalty will be assessed as follows:

ORIGINAL TERM	WITHDRAWAL PENALTY
7 through 31 Days	All interest earned with a minimum penalty of seven (7) days' simple interest on amounts withdrawn within the first six (6) days after the deposit (or within six (6) days after the most recent partial withdrawal).
32 through 91 Days	1 month's simple interest
92 through 364 Days	3 month's simple interest
One Year through 729 Days	6 month's simple interest
Two Years or More	12 month's simple interest

Exception To Withdrawal Penalty. The Bank will honor a request for withdrawal prior to maturity, without assessing a penalty, in the event of the death or judicially declared mental incompetency of any owner of the account.

FUNDS AVAILABILITY DISCLOSURE.

It is 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 the funds 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 your deposit is received before the end of our normal business day, we will consider that day to be the day of your deposit. However, if you make a deposit after the close of our normal business day, we will consider that the deposit was made on the next business day we are open. (If a deposit or transfer is made at an Automated Teller Machine (ATM) after 4:00 pm on a business day, that deposit or transfer is not considered received until the following business day).

Longer Delays May Apply. In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$200 of your deposits, however, will be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, 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 \$5,000 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 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 day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 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 (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the ninth 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 \$5,000 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 ninth business day after the day of your deposit.

OVERDRAFTS AND NON-SUFFICIENT FUNDS.

If there are non-sufficient available funds in your account to pay a check or item, it may be returned unpaid. This includes but is not limited to the actions resulting from: a) The payment of checks, electronic funds transfers, or other withdrawal requests you initiate; b) Payments authorized by you; c) The return, unpaid, of items deposited by you; d) Charging your account for our applicable service charges and fees; e) The deposit of items to your account which are considered uncollected funds as governed by our Funds Availability Policy. However, the Bank may, at its sole discretion, take one of the following actions if the Bank receives an item drawn against your account and there are non-sufficient funds available in your account to cover the item:

Cover the Item according to the terms of any written overdraft plan that you and the Bank established.

Pay the Item and create an overdraft to your account. If the Bank pays your item against non-sufficient available funds, you agree to pay the Bank the amount of the overdraft (and any overdraft fee). You agree to pay the Bank the overdraft (and any fee) immediately and without notice or demand by the Bank. Any negative balance in your account is due and payable immediately, unless the Bank agrees otherwise in writing.

The Bank may place a hold on balances in any account you may have with the Bank until an overdraft (and/or any fee) is paid, but is not required to do so. The Bank may also, at its option, use funds from another account of yours. If the Bank receives subsequent deposits to your account and you have not yet paid your overdraft (and associated fees), you agree to use the subsequent deposit to pay the Bank and instruct the Bank to use the subsequent deposit to pay the overdraft (and any fees) for you. This includes subsequent deposits that are direct deposits of governmental benefits (such as Social Security and Supplemental Security Income) as well as any other source of subsequent deposits. If you wish to no longer pay the Bank from subsequent deposits, you agree to discontinue subsequent deposits (including contacting any payor of direct deposits and instructing the payor to discontinue making direct deposits).

Return the Item Unpaid. The Bank may choose, without notice to you, to refuse to pay any item if it would create an overdraft, even though the Bank may have previously established a pattern of honoring such items.

The Bank is not obligated to notify you before it decides to either pay an item that creates an overdraft or to return an item drawn against insufficient available funds. The Bank may assess a fee that will vary depending on the actions it takes. Enrollment in one of the Bank's overdraft protection plans can help you avoid overdrafts and returned items. Ask the Bank for more details regarding overdraft protection and other alternative options.

An interest charge will be placed on any overdrawn business accounts, including those on Business Analysis, and will accrue from the date of the overdraft using the periodic rate of 1.5% per monthly statement cycle. The charge will be computed by applying the periodic rate to the average daily balance overdrawn during the billing cycle. Whether or not the interest is payable in connection with an overdrawn account, you are obligated to cover the overdraft immediately upon the Bank's demand.

Each account holder is jointly and severally responsible for paying any overdraft amounts created by any authorized signer(s) or party to the account, regardless of whether an account holder signed the check or received any benefit from the check. The Bank is not obligated to continue paying checks or items which create an overdraft even if the Bank has done so in the past and the Bank may refuse to do so in the future without any notice to you.

OVERDRAFT PRIVILEGE SERVICES. The Bank offers overdraft privilege services to qualified checking account customers. The following disclosures apply to our Overdraft Privilege Services:

Fee or Fees for the payment of each overdraft:

- Our Non-Sufficient Funds (AKA Overdraft Item Charge) fee amount(s) is set forth in the Schedule of Fees and Charges section of this Book.

Categories of transactions for which a fee for paying an overdraft may be imposed.

- Checks, Electronic Checks authorized by you; in person (teller) withdrawals; ATM and one-time debit card transactions, if you have elected to Opt In to be paid.

Time period by which you must repay or cover any overdraft.

- We reserve the right to require you to pay your outstanding overdraft (negative) balance, including our fees, immediately or upon demand.

Circumstances under which the institution will not pay an overdraft.

- If the transaction amount exceeds your overdraft limit.
- If your account is not in good standing.
- If the Bank determines the Overdraft Privilege Service is being abused.

Whether your overdraft transactions are paid or not paid, is at our sole discretion and we reserve the right to not pay. Overdraft Privilege Service does not constitute an actual or implied agreement between you and the Bank. Our Overdraft Privilege Service represents a purely discretionary courtesy or privilege that we may

provide to you from time to time and which may be withdrawn or withheld by us at any time without prior notice or reason or cause.

Overdraft Privilege Services are intended to cover occasional, inadvertent non-sufficient fund items. Frequent use of Overdraft Privilege Service may be expensive. To discuss other alternative options, find out more about Overdraft Privilege Services, or to check your account balance, please visit your local branch or call us at 800-888-1498.

ELECTRONIC FUND TRANSFER DISCLOSURE & CUSTOMER AGREEMENT FOR AUTOMATED TELLER MACHINE/POINT-OF-SALE CARDS AND DEBIT CARDS

ELECTRONIC FUND TRANSFERS. The following information is provided to you concerning Electronic Fund Transfers (“EFTs”) to or from any of your accounts maintained with F&M Bank for personal, family or household use. EFT services permit you or a third party acting on your behalf to deposit to or withdraw from your account without the need for a specific written instruction, such as a check or deposit slip, for each transaction. In those instances where a third person will be making deposits or withdrawals from your account, the agreement you have with that third person will authorize the EFT activity on your account. F&M Bank will disclose information to third parties about your account or the transfers you make: when it is necessary for completing the transfer, or in order to verify the existence and condition of your account for a third party such as a credit bureau or merchant, or in order to comply with government agency or court orders, or if you give us your written permission. The terms and disclosures that follow will govern that activity.

DEFINITIONS:

- ACH: The Automated Clearing House, used for electronic payments and credits.
- ATM: An Automated Teller Machine, whether owned by us or another entity.
- ATM/POS Card: F&M Bank’s combination Automated Teller Machine (“ATM”) and Point-Of-Sale (“POS”) card, which is issued without the VISA® logo on the face of the card, is referred throughout this Deposit Contract as our ATM/POS Card. This Card can be used at all ATMs and POS locations linked to and identified by the logo of the PULSE® or CIRRUS® networks.
- Debit Card: F&M Bank’s Debit Card (AKA Money Card) can be used at all ATMs and POS terminals that accept the ATM/POS Card, plus all ATMs and POS locations that display the VISA® logo, and it can also be used to purchase goods or services from any merchant who accepts VISA® debit cards. The funds for transactions conducted with your Debit Card will be withdrawn directly from your primary checking account. Because your Debit Card is not a credit card, you may not defer payment of your transactions.
- Card: The term “Card,” when used alone, refers to F&M Bank’s

ATM/POS Card and to F&M Bank's Debit Card, as applicable.

- PIN: You will be issued a Personal Identification Number ("PIN") for use with your Card. Your PIN is confidential and it is important that it not be disclosed to third parties or written on your Card. You are responsible for the safekeeping of your PIN.

ATM SAFETY: For your safety when using an ATM, remember the following tips:

- Be aware of your surroundings, particularly at night.
- Park nearby, in a well-lighted area.
- Look around. If you notice anything suspicious, consider using another ATM or coming back later.
- Don't display your cash. Pocket it, and count it later in the safety of your car, office or home.

BASIC RULES APPLICABLE TO CARDS.

1. You cannot use the Card to transfer money into or out of your account until F&M Bank has validated it.
2. If you do not want to use the Card, please destroy it at once by cutting it in half, notify F&M Bank in writing and return the Card cut in half. Your cancellation will not affect your rights or obligations arising before the Card is cancelled.
3. The Card is the property of F&M Bank. We may replace, revoke, limit or suspend its use, without prior notice for any reason. You will stop using the Card and return it to us immediately upon request. The Card may be automatically captured at a terminal at any time.
4. F&M Bank may contact you to confirm recent activity performed on your Card to determine the validity of the transaction(s) in question.
5. You agree not to disclose or otherwise make your PIN or Card available to anyone not authorized by you to use the Card. If you authorize another person to use your Card, you will be liable for all of the transactions he or she initiates, not just the transactions you specifically intended him or her to undertake unless and until you notify F&M Bank that your authorization has been revoked (at which time F&M Bank may cancel and/or substitute a new PIN and/or Card).
6. You agree that you will not use your Card for illegal purposes.
7. You authorize F&M Bank to charge your account as indicated when you or any other person uses the Card, (except as otherwise provided in the Agreement). If your account is owned jointly with another person, the Agreement is fully binding on all joint account holders, and all authorizations and obligations contained herein shall be joint and several. The Agreement will not affect the terms and conditions of any other agreement with F&M Bank.

8. Card transactions are governed by this Agreement. Accounts affected by a Card transaction will be governed by the specific provisions of the Customer Agreement and Schedule of Charges, Books I & II, applicable to those accounts. Any banking business transacted by use of the Card is not consummated until we have verified and processed the transaction on our records according to our usual banking practices, regardless of any receipt produced at the time of the transaction.
9. F&M Bank makes no claims or warranties with respect to the equipment or the system, and we shall not be liable for any failure or malfunction of the equipment or system, except as specifically provided by law. You agree to examine your periodic statements from F&M Bank promptly and report any errors or unauthorized transfers. You agree to notify F&M Bank immediately if you believe your Card has been lost or stolen or that someone may have discovered your PIN.
10. F&M Bank has the right to limit the frequency or amount of withdrawals or to institute or change fees for cards or transactions. Current fees are contained in the Customer Agreement & Schedule of Charges, Book II. F&M Bank also has the right to establish or change other terms and conditions pertaining to the use of the Cards. F&M Bank will mail advance written notice of any changes to the address shown on your records.
11. Although F&M Bank's ATMs are designed to offer 24-hour service, occasionally mechanical or electrical failure may interrupt service. Controllable interruptions will be minimal.
12. If any other bank, merchant, or business refuses to accept your Card, F&M Bank will not be liable.
13. Please contact F&M Bank to notify us in advance of international travel. This will aid us while reviewing transaction activity performed with your Card. Additionally, F&M Bank may decide, at its discretion and timing, and without prior notice, to block transactions which are attempted in foreign countries.

BUSINESS DAYS. For the purposes of these disclosures, our business days are Monday through Friday. Holidays are not included.

DISPUTES REGARDING POS TRANSACTIONS. You cannot stop payment on a Card transaction. If you have a dispute with a merchant regarding goods or services that you purchased with your Card, understand that you will need to resolve your dispute directly with the merchant.

EFT DOCUMENTATION. You should receive a receipt at the time you make a transfer to or from your account using your Card. Written information concerning each EFT transaction, including Card transactions, which will include the date, amount, merchant name and location of the transaction, will be included with your monthly account statement.

IMPORTANT INFORMATION FOR DEBIT CARD HOLDERS. Each time you use your Debit Card, a hold will be placed on your account. The hold may be for the amount of the transaction, or a pre-established amount in excess of the individual transactions (for example, hotel or car reservations). The held funds will not be available for other account purposes and F&M Bank has the right to return checks or other items drawn on your account to maintain sufficient funds to pay for Debit Card transactions. If checks are returned, you agree to pay all applicable insufficient funds fees. F&M Bank may, but is not obligated to, allow transactions which exceed the available funds in your account plus any available overdraft limit. If we do, you agree to pay the overdraft. You also agree to pay the overdraft charges in effect for each transaction which causes your available balance or available overdraft limit, if applicable, to be exceeded.

LIMITATIONS FOR CASH WITHDRAWAL FROM ATMS. The maximum amount you can withdraw in cash from all ATMs each day is limited to the lower of your established limit as disclosed to you on the disclosure included with your card or the available amount you have on deposit in your account plus the available amount under our overdraft protection services limited to Premium Overdraft Privilege Service or Personal Overdraft Protection Account, if applicable. Overdraft Privilege Service is available only if your account qualifies and you have requested it. A Savings-Link Account does not provide availability for ATM transactions. Any withdrawal made with your Card may be subject to authorization by F&M Bank or by an authorization center and no authorization will be given if you exceed, or the transaction would exceed, any of these limits. Additionally, PULSE® and CIRRUS® ATMs may have lower limits on the amount of cash you may withdraw.

LIMITATIONS FOR POS PURCHASES. The maximum amount you can purchase using your Card each day is limited to the lower of your established limit as disclosed to you on the disclosure included with your card or the available amount you have on deposit in your account plus the available amount under our overdraft protection services limited to Premium Overdraft Privilege Service or Personal Overdraft Protection Account, if applicable. Overdraft Privilege Service is available only if your account qualifies and you have requested it. A Savings-Link Account does not provide availability for POS transactions. Any purchase made with your Card may be subject to authorization by F&M Bank or by an authorization center and no authorization will be given if you exceed, or the transaction would exceed, any of these limits.

NOTICE REGARDING ATM OR POS FEES BY OTHERS. If you use an ATM that is not operated by F&M Bank or if you use your Card at a POS terminal, you may be charged a fee by the operator of the machine and/or by an automated transfer network.

SAFEGUARDING YOUR CARD AND PIN. You should care for your Card and PIN as you would your checkbook and other important documents. Some examples of specific measures you can take:

- Memorize your PIN. Do not write your PIN anywhere or reveal it to anyone, including F&M Bank personnel.
- Never allow anyone else to use, borrow or obtain your Card or PIN. By giving your Card and PIN to another person, you take responsibility for all transactions made by that person or by anyone else to whom that person gives the Card and PIN. The only way to limit that responsibility will be for you to notify F&M Bank that you have revoked your authorization to the other person(s).

SERVICE CHARGES. EFT transactions are subject to the same charges as are applicable to your transactions on your account effected through other types of items. This includes, for example, service charges when your account balance falls below a specified level, when an overdraft is created or a transaction is dishonored due to insufficient funds, when a deposit item is returned unpaid, or when a stop payment order is placed. Additionally, F&M Bank may assess a fee for each ATM withdrawal performed at a non-F&M Bank ATM. A POS Cycle Service Charge may be assessed per statement cycle for cardholders that perform POS transactions on accounts that opened on or after May 15, 2007. Current fees are contained in the Customer Agreement & Schedule of Charges, Book II. For accounts that opened prior to May 15, 2007, a POS Cycle Service Charge of \$2.00 is assessed per statement cycle for cardholders that perform POS transactions during that statement cycle.

SPECIAL LIABILITY LIMITATION FOR UNAUTHORIZED VISA® TRANSACTIONS. You will have no liability for unauthorized use of your Debit Card through the VISA® system, so long as F&M Bank can verify that you acted in good faith. Liability will only be assessed to you if F&M Bank finds substantial evidence that your own fraudulent or negligent behavior is at fault. This special limitation does not apply to ATM or POS transactions that are not processed through the VISA® system.

UNAUTHORIZED USE. Notify F&M Bank at once if your Card has been lost or stolen and/or another person has your PIN. Also notify F&M Bank if someone has transferred, or may transfer money from your account without your permission, or may transfer money from your account without your permission using the information from your check, or if you suspect any fraudulent activity on your account. Call 800-888-1498, advise your local F&M Bank branch or write F&M Bank at 121 West Pine Street, Lodi, CA 95240, or by email at internetbank@fmbonline.com.

SPECIAL PROVISIONS APPLICABLE TO YOUR CONSUMER ACCOUNT AND CARD. The following; General Liability Limitation, In Case of Errors or Questions About Your Electronic Transfers, and F&M Bank's Liability for Failure to Make Transfers sections apply to your account and Card only if they are established primarily for your personal, family and household use.

GENERAL LIABILITY LIMITATION. If your Card and PIN have been lost or stolen, and you tell F&M Bank within two business days after you learn of the loss or theft and the account linked to your Card is primarily used for personal, family or household purposes, you can lose no more than \$50 if someone used your Card without your permission. If you do NOT tell F&M Bank within two business days after you learn of the loss or theft of your Card and PIN and we could have stopped someone from using your Card without your permission had you told F&M Bank you could lose as much as \$500. Also, if your statement shows withdrawals or transfers that you did not make, including those made by card, code or other means such as from the information on your check, please notify F&M Bank at once. If you do not notify F&M Bank within 60 days after the statement was mailed or made available to you and we could have stopped someone from taking money, if you had told F&M Bank in time, you may not get back any money lost after 60 days. If extenuating circumstances - such as a long trip or hospital stay - keep you from telling F&M Bank, the time periods in this section will be extended.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS. Telephone F&M Bank at 800-888-1498, or write us at 121 West Pine Street, Lodi, CA 95240, or email us at internetbank@fmbonline.com as soon as you can if you think your statement is wrong or if you need more information about a transaction performed through the use of your Card which is listed on the statement. We must hear from you no later than 60 days after F&M Bank sent the FIRST statement on which the problem or error appeared.

1. Give your name and account number (last four digits only).
2. Describe the error or transfer you are unsure about and explain, as clearly as you can, why you believe it is an error or why you need more information.
3. Give the dollar amount of the suspected error.

If you tell F&M Bank verbally, we may require that you send us your complaint or question in writing within 10 business days. We will determine whether an error occurred within 10 business days (or 5 business days for transactions covered by SPECIAL LIABILITY LIMITATION FOR UNAUTHORIZED VISA® TRANSACTIONS) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (or 5 business days for transactions covered by SPECIAL LIABILITY LIMITATION FOR UNAUTHORIZED VISA® TRANSACTIONS) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts, POS, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

THE BANK'S LIABILITY FOR FAILURE TO MAKE TRANSFERS. If F&M Bank does not complete a transfer to or from your account or in the correct amount according to its agreement with you, we will be liable for your losses or damages. However, there are some exceptions. F&M Bank will not be liable, for instance:

1. If, through no fault of F&M Bank, you do not have enough money in your account or available credit to complete the transaction.
2. If the ATM you are using does not have enough cash.
3. If the ATM is not working properly and you knew of the breakdown when you started the transaction.
4. If circumstances beyond F&M Bank's control (such as fire or flood) prevent the transaction from being completed, despite reasonable precautions that we have taken.
5. If F&M Bank has been enjoined by law from allowing any withdrawals from your account.
6. If there are any other exceptions in this or any other agreement you have with F&M Bank.

TRANSACTIONS AVAILABLE AT AN ATM. With your Card, you can use any F&M Bank ATM to conduct most of your day-to-day banking transactions, 24 hours a day, 365/366 days a year. You can also use your Card at ATMs that display the PULSE® or CIRRUS® logos and if your Card is a Debit Card, at ATMs that display the VISA® logo. ATM transactions require use of your PIN.

ATMs can be used for any of the following transactions with those accounts you have instructed us to link to your Card. Some of these services may not be available at all terminals.

- Make deposits to your F&M Bank checking, savings or money market accounts – available at F&M Bank's ATMs only.
- Withdraw cash from your F&M Bank checking, savings or money market accounts. Some ATM locations may impose withdrawal fees for such withdrawals. Such ATMs will advise you of such fees before you complete the transaction. There is

no separate fee payable for use of your Card at an F&M Bank ATM.

- Make transfers between your F&M Bank checking, savings and money market accounts.
- Make balance inquiries. (The balance displayed at an ATM may not reflect all recent transactions.)

TRANSACTIONS AVAILABLE AT PARTICIPATING POS MERCHANTS.

Your Card may be used for POS at merchants that participate in the PULSE® POS network. Your Debit Card can also be used to purchase goods or services from any merchant who accepts VISA® debit cards. You may also use your Debit Card to pay bills directly from your checking account in the amounts and on the days you request. Some of these services may not be available at all terminals. Certain charges for these transactions may be imposed, current fees are contained in the Customer Agreement & Schedule of Charges, Book II. In addition, some merchants may impose fees for use of your Card. There will be a notice indicating the existence and amount of such fees in proximity to the POS terminal.

Your Card can only access a single checking account when it is used at a POS or VISA® merchant location. If your Card is linked to more than one account, you will have to designate one account as the primary account, and this would be the account that would be accessible at POS terminals and VISA® debit locations.

Important information about your F&M Bank Visa® Debit Card when used for International Transactions. Payments made in foreign currencies will be converted by Visa®. That conversion will be done at either a rate selected by Visa® from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa® or MasterCard® itself receives, or the government-mandated rate in effect for the applicable central processing date. Additionally, a fee, known as an International Service Assessment (ISA), will be charged to F&M Bank by Visa® for each International Transaction, regardless if a currency conversion has occurred and will be passed on to you as a separate fee. If there is no currency conversion (known as a single currency transaction) the ISA fee will be 0.8% of the transaction amount. If there is a currency conversion, (known as a multi currency transaction) the ISA fee will be 1.0% of the transaction amount. An International Transaction is defined by Visa® as a transaction where the issuer's country (United States) is different than the merchant's country (which could include a transaction performed over the Internet).

TRANSACTIONS AVAILABLE THROUGH THE AUTOMATED CLEARING HOUSE.

- Electronic Check Conversion. You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.

- **Preauthorized Payments.** You may authorize a merchant or other payee to make a single or recurring electronic payment (such as a health club or utility billing) from your checking or savings account through ACH by providing them with F&M Bank's Routing Number and your Account Number. If you have arranged to have regular payments taken out of your account, you can stop any of those payments. Here's how: Call 800-888-1498, advise your local F&M Bank branch or write us at 121 West Pine Street, Lodi, CA 95240, in time for us to receive your request at least 3 business days before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us 14 days after you call. A charge for each stop payment request may also be assessed. If you order us to stop one of these payments at least 3 business days before the transfer is scheduled, and we do not do so, we will be liable to you for your losses and damages. NOTE: This procedure applies only to preauthorized electronic payments, and is good for one payment only. Should you wish to revoke your authorization to a merchant such as a health club, you must contact the merchant directly and request that the electronic payments be discontinued. Please refer to the Stop Payment Orders section of the Customer Agreement & Schedule of Charges, Book I for information regarding stopping payment on other items.
- **Preauthorized Credits.** If you have arranged for someone, such as your employer, your pension fund or the Social Security Administration, to make direct deposits to your account at least once every 60 days, you may call us at 800-888-1498 to find out whether the deposit has been made. If you want to call about a deposit, please wait until at least one business day after the deposit should have been made so that we have time to update your records.

IMPORTANT INFORMATION ABOUT YOUR CONSUMER CHECKING ACCOUNT — SUBSTITUTE CHECKS AND YOUR RIGHTS ("CHECK 21").

WHAT IS A SUBSTITUTE CHECK? To make check processing faster, 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 of the checks that you receive back from us may be substitute checks. This notice 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, returned item fee).

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 laws.

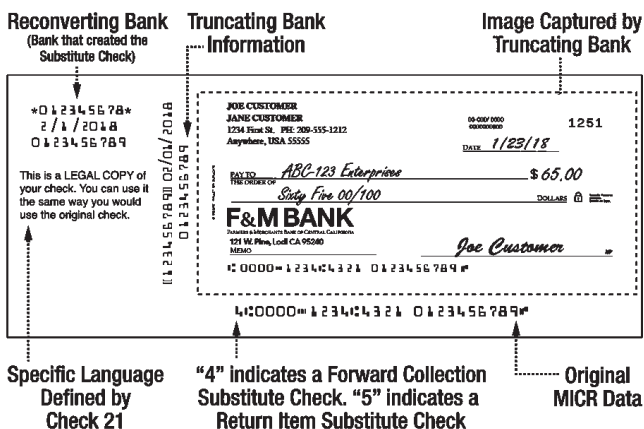
If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we receive your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we receive your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

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: Farmers & Merchants Bank of Central California, 121 West Pine Street, Lodi, CA 95240, 800-888-1498. 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 are not able to make a timely claim because of extraordinary circumstances.

YOUR WRITTEN CLAIM MUST INCLUDE:

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check and/or the following information to help us identify the substitute check: last four digits of your account number, check number, amount and the name of the person to whom you wrote the check.



SCHEDULE OF FEES AND CHARGES

ACCOUNT RESEARCH

Legal Process/each.....	\$100.00
<i>to process each court or other government order to the Bank and added to any amount lawfully charged by the requesting party</i>	
Non-Legal Process Account Research/per quarter hour....	\$ 17.50
Photocopy per Research Page.....	\$ 1.00

AFTER HOURS DEPOSITORY / (FORMERLY "NIGHT DEPOSITORY")

Annual Fee.....	\$ 30.00
Key Fee/each.....	\$ 5.00

ATM / POINT OF SALE

ATM withdrawal Fee using an F&M Card at a Non-F&M Bank ATM/each (AKA SVC Charge).....	\$ 2.00
International Transactions Fee.....	1%
<i>international use of F&M Bank VISA® Debit Card incurs a fee that is 1% of the transaction amount</i>	
Point-of-Sale (POS)/per statement period (AKA POS Cycle Service Charge)	\$ 1.50
<i>If statement reflects any POS activity this fee may apply to accounts opened on or after May 15, 2007</i>	
ATM Card or Debit Card Replacement/each.....	\$ 5.00
Re-PIN F&M ATM Card or Debit Card/each	\$ 5.00
<i>no charge at initial issuance</i>	

BILL PAY

Business Monthly Service Charge	\$ 9.95
<i>May apply based on account type. Refer to account description for conditions</i>	
Personal Monthly Service Charge.....	\$ 5.95

May apply based on account type. Refer to account description for conditions

Excess Activity Fee.....\$ 0.50

May apply based on account type. Refer to account description for conditions

For account types no longer offered (i.e., not listed in the Descriptions of Accounts Section in Book II), please contact us at 800-888-1498 for information on applicable Bill Pay related fees for your account.

CASHIER'S CHECKS & MONEY ORDERS

Cashier's Checks for F&M Customer/each.....\$ 8.00

Money Orders for F&M Customers/each.....\$ 7.00

CHECKING & SAVINGS RELATED CHARGES

Account Closure Fee (Checking/Savings).....\$ 25.00
if account closed within 6 months of opening

Check Copy Fee/each\$ 5.00

Deposit Corrections/each.....\$ 5.00
no charge if Bank error

Deposit Slips.....Prices Vary

Deposited Item Returned/each.....\$ 10.00

Interest Rate on Overdrawn Business Accounts..... 18%
using a periodic rate of 1.5% per monthly statement cycle from the date of the overdraft (see Overdrafts and Non-Sufficient Funds, pages 11-14 of this book)

IRA Transfer or Closure Fee.....\$ 30.00

Non-Sufficient Funds Items Paid or Returned (AKA Overdraft Item Charge).....\$ 32.00
Consumer Accounts: daily maximum \$ 160.00
Non-Consumer Accounts: no daily maximum

Printed ChecksPrices Vary

Savings-Link Transfer Fee/per transfer.....\$ 12.50
includes Individual and Business Savings-Link

Statement Holds and Undeliverable Mail/each item/
per month\$ 8.00

Statement Requests/each.....\$ 7.00

Temporary Checks/10 temporary checks.....\$ 5.00

COPIES

Fax Copies/per page\$ 2.50

Photo Copies/per page.....\$ 1.00

MISCELLANEOUS FEES

Alien Media Fee/Check Reject Fee/per instance\$ 5.00

Coin Deposited and/or Supplied/roll\$ 0.12
Business Accounts only

Coin Deposited and/or Supplied/standard bag.....\$ 5.00

Coin Deposited and/or Supplied/non-standard bag.....\$ 8.00

Coin Wrappers Supplied/40 assorted wrappers	\$ 3.00
Collection Items/Incoming & Outgoing.....	\$ 30.00
Converting Foreign Currency	\$ 10.00
<i>plus minimum \$20 shipping</i>	
Endorsement Guarantee or Signature Guarantee/ each guarantee	\$ 20.00
Foreign Collections In / Out	\$ 50.00
<i>plus correspondent bank fees</i>	
Foreign Drafts	1%
<i>calculated in \$100 increments; minimum charge \$25</i>	
Manual Telephone Transfers/each	\$ 5.00
Medallion Stamp Signature Guarantee/each signature	\$ 25.00
<i>available only to established customers and no charge on F&M Bancorp stock</i>	
Non-Customer Cashing an F&M Bank Non-Payroll Business Check/each	\$ 7.00
<i>no fee for cashing payroll checks drawn on F&M Bank</i>	
Non-Customer Cashing an F&M Bank Personal Check/each	\$ 7.00
Notary Service/each signature	\$ 10.00
Notice of Escheatment/each	\$ 2.00
Signature Validation/each signature	\$ 25.00
<i>excludes F&M Bancorp stock and available only to established customers</i>	
Special Services	As Quoted

SAFE DEPOSIT BOX

Rates..... See Rate Table

Key Fee	\$ 20.00
<i>at Box Opening, two keys presented</i>	
Key Replacement Fee	\$ 20.00
<i>plus additional costs</i>	
Forcible Entry Fee	\$ 50.00
<i>plus additional costs</i>	
Mailing of Contents Fee	\$ 5.00
<i>plus additional costs</i>	

STOP PAYMENT & RENEWALS

6 Months/each.....	\$ 30.00
12 Months/each.....	\$ 40.00
24 Months/each.....	\$ 50.00
Online (6 mos only)	\$ 20.00

WIRE TRANSFERS

Incoming/each	\$ 20.00
Incoming Wire Telephone Confirmation.....	\$ 1.00
Outgoing (Domestic)/each.....	\$ 35.00
Outgoing (Foreign)/each.....	\$ 50.00

SAFE DEPOSIT BOX RATE TABLE

Annual rent on safe deposit boxes is as follows:

Safe Deposit Box Size	Without Automatic Payment	With Automatic Payment**
2" x 5"	\$ 70.00.....	\$ 35.00
2" x 10"	\$ 110.00.....	\$ 55.00
3" x 5"	\$ 80.00.....	\$ 40.00
3" x 10"	\$ 140.00.....	\$ 70.00
4" x 5"	\$ 90.00.....	\$ 45.00
4" x 10"	\$ 160.00.....	\$ 80.00
5" x 5"	\$ 100.00.....	\$ 50.00
5" x 10"	\$ 180.00.....	\$ 90.00
5" x 11"	\$ 190.00.....	\$ 95.00
7" x 10"	\$ 220.00.....	\$ 110.00
10" x 10"	\$ 300.00.....	\$ 150.00
10" x 11"	\$ 320.00.....	\$ 160.00
10" x 15"	\$ 400.00.....	\$ 200.00

** This rate applies to boxes with an automatic payment from your F&M Bank Checking or Savings account.

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