

PERU FEDERAL SAVINGS BANK TERMS AND CONDITIONS OF YOUR ACCOUNT

This document, along with your account evidence, signature card and other documents we may give you establish the rules of our accounts. Please read them carefully. If you have any questions, please ask. There is a body of state and federal laws that governs our relationships but they cannot be duplicated here. We want to summarize some of the governing transaction laws, set some rules that those laws may not cover or permit variations, and inform you of bank policies in which you may have interest. The terms we, our, and us mean **PERU FEDERAL SAVINGS BANK** and the words you and yours mean the authorized person(s) who control an account. If any of these terms are found to be unenforceable, all remaining provisions shall continue in effect.

I. LIABILITY:

You agree to the terms of this account and the schedule of charges and authorize us to deduct same directly from your account balance and to pay any charges for services you request which are not covered in this agreement.

You agree to be individually and jointly liable for account shortages caused by overdrafts. This liability is due immediately and may be deducted from your account whenever sufficient funds are available. You may not defer this liability including our costs of collection and to the extent allowed our reasonable attorney fees.

II. DEPOSITS:

Provisional until collected, except cash.

Foreign US \$ exchange rate when final.

Our responsibilities begin when we record your transaction.

Credited the next day we are open if deposited when we are closed.

III. WITHDRAWALS:

Withdrawals are allowed by all signatories unless restricted in writing. These restrictions include the following:

- Endorsements for deposit to the account or other transactions;
- Postdating is not honored unless you notify us in a reasonable time so we can act;
- Requests not on our approved form or by our approved method may not be honored; or
- Requests greater in frequency or greater or lesser in amount than allowed may be refused.

Honoring a nonconforming request does not obligate us to do so later. See our funds availability policy for information about when you can withdraw deposited funds.

IV. OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION:

We make no representations as to the appropriateness or effect of account ownership or beneficiary designation except as they determine account payees.

V. JOINT ACCOUNT WITH SURVIVORSHIP, NOT AS TENANTS IN COMMON:

An account with 2 or more persons opened with the intent that when you die, the balance will belong to the survivor(s) in the same form.

VI. JOINT ACCOUNT – NO SURVIVORSHIP – TENANTS IN COMMON:

Also a joint account, but no survivorship intent. You should tell us in writing the percent of deposit contributed by each tenant. This does not affect the signature authorities for withdrawals.

VII. REVOCABLE TRUST OR PAY ON DEATH ACCOUNTS:

Revocable trust accounts may have more than one owner and more than one beneficiary. Beneficiaries may not withdraw during the life of the owner(s) and on death of the owner(s), multiple beneficiaries own the account equally without survivorship. P.O.D. accounts can have only one owner but multiple beneficiaries. Insurance of account regulations do specify allowed beneficiaries for insurance purposes. Only the owner of a P.O.D. account may access the funds or change beneficiaries.

VIII. BUSINESS ACCOUNTS:

We require the governing body of legal entity to provide an authorization telling us who is authorized to act on its behalf. These authorities may be honored by us until we actually receive a written notice of change.

IX. STOP PAYMENTS:

We must receive a stop payment order in time to act upon it. It must be signed and released by the same person.

That person must have account authority. It must provide precise information as to number, date, amount, and payee(s).

X. TELEPHONE TRANSFERS:

These transfers may be made by the same persons who are authorized to make account withdrawals. There are limitations on the number of these transfers. These are disclosed elsewhere.

XI. ACCOUNT TRANSFERS:

This account may not be assigned or transferred without our prior written consent.

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XII. NON-SUFFICIENT FUNDS AND OVERDRAFTS:

HOW WE DECIDE TO PAY AN ITEM OR DEBIT. We use an available balance method to determine whether there are sufficient funds in your account to pay a debit or item. The available balance method reflects deposits and transactions that have been posted to your account, and transactions that have been authorized but not yet posted to your account, including deposit holds and holds on debit card transactions that have been authorized but not yet posted (preauthorization holds). These pending transactions and holds reduce your available balance.

HOW WE ASSESS FEES: If there are insufficient funds to pay a debit transaction or item based on your available balance we may either: 1- return the debit or item or 2- pay the debit or item at our discretion. We may charge you fees if we return the debit or item or pay the debit or item on your behalf.

RETURN ITEM FOR NON-SUFFICIENT FUNDS. If we do not pay the debit transaction or item on your behalf and return the debit or item, we may charge you non-sufficient fund fees. Pursuant to Nacha Operating Rules and Guidelines and other applicable laws, a debit or item may be presented for payment more than one time. We may charge you nonsufficient fees for each submission of a debit or re-presentation of an item, which means you may incur multiple nonsufficient fund fees if a debit or item is returned more than one time. For example, you write a check from your account with us. The check is returned for non-sufficient fund fees, and we may charge you non-sufficient funds fees. The same check is then re-presented to us for payment, and the check is returned again for non-sufficient funds. We may charge you non-sufficient funds fees if the check is presented again for payment and returned for non-sufficient funds.

OVERDRAFTS. If we pay the debit transaction or item on your behalf, you will be responsible for the overdrawn balance, and we may charge you overdraft fees.

XIII. AMENDMENTS AND TERMINATION:

We may change any term of this agreement. Changes in interest rates are covered elsewhere. We will give you reasonable notice as permitted by law. Notice to any of you is notice to all. We may also close this account with reasonable notice to you and tender the balance personally or by mail.

XIV. DIRECT DEPOSITS:

Unless prohibited by law, we may deduct the amount of any direct deposit from any of our accounts if it is required to be returned to the Federal government without prior notice and we may also use legal remedies to recover these amounts.

XV. TEMPORARY ACCOUNT AGREEMENTS:

If this option is selected, a temporary account agreement exists. Those who sign the signature card may do transactions on this account unless the contrary is indicated. We may restrict or prohibit further use of this account if you fail to meet requirements we have imposed in a reasonable time.

XVI. AUTHORIZED SIGNER:

On individual accounts only, an authorized signer is merely a designee to do business on the account. We take no obligation to monitor transactions to see that they are on the owners behalf.

XVII. RESTRICTIVE LEGENDS:

We are not required to honor any restrictive legend(s) on checks you have written unless we have agreed to do so in writing.

XVIII. ACH AND WIRE TRANSFERS:

This agreement is subject to Article 4A of the Uniform Commercial Code. If you use Fedwire to initiate a transfer of funds, we and all receiving financial institutions will rely on the identifying number and beneficiary name you supply. You agree to be bound by ACH rules which provide among other things, that payments made to or originated by you are provisional until final settlement is made through a Federal Reserve Bank or as provided in UCC 4A-403a. If we receive credit to your account by wire or ACH, we are not required to give you any notice.

XIX. STATEMENTS:

You must examine your statement of account with "reasonable promptness". If you discover or should have reasonably discovered any alterations or unauthorized signatures, you must promptly provide us with the related facts. If you fail to do these things, you will either have to share the loss with us or bear it entirely if we used ordinary care or did not contribute to the loss. The time we allow you to examine the statement is 30 calendar days from when the statement is first sent or made available to you. If you do not report any of these errors within 60 calendar days from when the statement was first sent or made available to you, you cannot assert any claim against us and any loss will be entirely yours.

XX. SET OFF:

We may without prior notice as permitted by law, set off funds in your accounts against any debt you owe us now or in the future when is due and payable, including by proper acceleration permitted in the note, by any of you having the right of withdrawal, to extend of those persons or legal entities right to withdrawal. We will not be liable for the dishonor of any check when it occurs because we have set off a debt against the account and you agree to hold us harmless from any claim arising from out use of the right of set off.

XX.

UNLAWFUL INTERNET GAMBLING NOTICE

Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful internet Gambling.