



COMMUNITY REINVESTMENT ACT POLICY PUBLIC FILE

The public section of our most recent CRA performance evaluation is available electronically or in paper form.

The Sherwood State Bank operates one (1) main office located at 105 N Harrison Street, Sherwood, Ohio, 43556, Defiance County and three (3) branch offices at the following locations:

- 400 West Third St, Defiance, Ohio, 43512, Defiance County
- 202 Stryker Street, Archbold, OH 43502, Fulton County
- 121 W Main Street, Fayette, Ohio, 43521, Fulton County

Also available in electronic or paper form:

- Current ATM locations which are provided service-charge-free to our ATM or debt card holders.
- A map showing the boundaries and census tracts of the Bank's delineated lending area.
- A copy of the most recent "Understanding Your Account" brochure which contains main and branch office hours of operation, deposit products, and other services. Loan product information can be found on the Bank's website at www.sherwood.bank or is available upon request.
- The most recent annual CRA audit and the four most recent quarter-end financial statements which contain the loan-to-deposit ratio and other financial information.



Written CRA Complaints in:

- 2025
 - None
- 2024
 - None
- 2023
 - None

PUBLIC DISCLOSURE

June 14, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Sherwood State Bank
Certificate Number: 16222

105 North Harrison Street
Sherwood, Ohio 43556

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Chicago Regional Office

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Sherwood State Bank's (TSSB) CRA performance is based upon the following:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending-related activities are in the institution's assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and business of different sizes.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DESCRIPTION OF INSTITUTION

Background

TSSB is headquartered in Sherwood, Ohio, and operates in northeastern Ohio. The institution is a subsidiary of Sherwood Banc Corporation, a one-bank holding company. The institution has no affiliates that offer credit products. TSSB received a Satisfactory rating at its previous FDIC Performance Evaluation, dated May 18, 2015, based on Small Institution CRA Examination Procedures.

Operations

TSSB operates four offices in Ohio as follows: Defiance County-main office in Sherwood and one branch in Defiance; Henry County-one branch in Ridgeville Corners; and Fulton County-one branch in Fayette. The bank did not complete any mergers or acquisitions during the evaluation period. One office was opened during the evaluation period in Fulton County in 2016, and no offices were closed. Fulton County is in the Toledo, Ohio Metropolitan Statistical Area (MSA), and the other three offices are in the Ohio Non-Metropolitan Area (Non-MSA).

The bank's loan products include home mortgage loans, commercial loans, agriculture loans, and consumer loans, with its primary focus on home mortgage lending, commercial lending, and consumer loans. Mortgages are also sold on the secondary market. Additionally, the institution provides a variety of deposit services including checking, savings, and certificates of deposit. Alternative banking services include online banking, online bill pay, automated teller machines, and drive-up facilities. The bank's website, www.sherwood.bank, provides additional information.

Ability and Capacity

According to the Consolidated Report of Condition (Call Report) dated March 31, 2021, the bank had total assets of \$83,329,000; net loans totaling \$54,280,000; total deposits of \$70,483,000; and total equity capital of \$8,783,000. On the same date, the net loans-to-total deposits ratio was 77.0 percent, and the net loans-to-total assets ratio was 65.1 percent. The composition of TSSB's loan portfolio as of March 31, 2021, is shown in the following table. The three major categories of loans by dollar volume are home mortgage (includes 1-4 family), commercial, and consumer at 57.9 percent, 22.5 percent, and 6.3 percent, respectively. The bank's loan portfolio mix is representative of its business strategy and focus. Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs. The following table details the bank's loan portfolio as of March 31, 2021.

Loan Portfolio Distribution as of 3/31/21		
Loan Category	\$(000s)	%*
Construction, Land Development, and Other Land Loans	2,485	4.5
Secured by Farmland	1,202	2.2
Secured by 1-4 Family Residential Properties	31,750	57.9
Secured by Multi-family (5 or more) Residential	2,537	4.6
Secured by Nonfarm Nonresidential Properties	7,139	13.0
Total Real Estate Loans	45,113	82.2
Commercial and Industrial Loans	5,225	9.5
Agricultural Production and Other Loans to Farmers	758	1.4
Consumer Loans	3,435	6.3
Other Loans	325	0.6
Less: Unearned Income	(0)	(0.0)
Total Loans	54,856	100.0

*Source: 3/31/2021 Call Report; *-Percentages may not add to 100 percent due to rounding.*

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which to evaluate its CRA performance. TSSB designates two assessment areas in the State of Ohio. Brief descriptions of the assessment areas are detailed in this section, and the evaluation sections for each assessment area include detailed information.

- Ohio Non-MSA Assessment Area – Nine tracts in Defiance County, three tracts in Paulding County, one tract in Henry County, and one tract in Williams County.
- Toledo, Ohio MSA Assessment Area (#45780) – Two tracts in Fulton County.

The assessment areas conform to the requirements of the CRA regulation, do not arbitrarily exclude low- and moderate-income geographies, and do not reflect illegal discrimination. All of the census tracts are contiguous to one another in northeast Ohio. The assessment area has not changed since the previous evaluation.

Performance in the Ohio Non-MSA Assessment Area receives greater weight since that assessment area contains a significant majority of the bank’s reviewed lending activity, deposits, and branch locations. Considering the significance of the lending activity and operations in each assessment area, examiners conducted a full-scope review of the Ohio Non-MSA Assessment Area. A full-scope review of the Toledo, Ohio MSA Assessment Area was also completed since this is the first performance evaluation after the office in Fulton County was established. The two Fulton County tracts were in the assessment area at the previous evaluation, but no banking office was located in it.

The following table outlines the reviewed loans, the bank’s deposits, and branch locations by assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Ohio Non-MSA	18,244	83.5	53,028	83.0	3	75.0
Toledo, OH MSA	3,599	16.5	10,886	17.0	1	25.0
Total	21,843	100.0	63,914	100.0	4	100.0

Source: Bank Records; FDIC Summary of Deposits (6/30/2020)

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated May 18, 2015, to the current evaluation dated June 14, 2021. Examiners used the Small Institution CRA Examination Procedures to evaluate TSSB’s CRA performance. These procedures include the Small Bank Lending Test. This evaluation does not consider any lending activity performed by affiliates. The bank’s two assessment areas received full-scope reviews.

Activities Reviewed

The bank’s major product lines are home mortgage, small business, and motor vehicle lending. This conclusion considered the bank’s business focus, the bank’s portfolio composition, and the number and dollar of loans originated during the evaluation period. Bank records evidenced that the lending focus and product mix remained consistent throughout the evaluation period.

In 2018 and 2019, TSSB was subject to the Home Mortgage Disclosure Act (HMDA) data collection requirements. Therefore, this evaluation considered the 2018 and 2019 HMDA loans that TSSB originated. The bank was not subject to HMDA in 2020. Furthermore, this evaluation considered all home mortgage loans originated in 2020. The bank originated 225 loans totaling approximately \$25.5 million during this evaluation period. The 2018 and 2019 aggregate data for HMDA reporters is included as a comparison for the bank’s performance. The HMDA aggregate data consists of all reporters subject to the HMDA data collection requirements in the assessment areas.

All of the bank's small business loans originated from January 1, 2019, through December 31, 2020 were reviewed. During this period, the bank originated 71 small business loans totaling approximately \$4.3 million. Examiners reviewed all of the bank's motor vehicle loans originated from January 1, 2019, through December 31, 2020. During this period, the bank originated 169 motor vehicle loans totaling approximately \$2.5 million. The one major consumer loan product line, motor vehicle loans, is being reviewed, but no other consumer loan product constitutes a major product line necessitating review. Farm lending is not a major product and will not be reviewed.

TSSB's primary lending focus is home mortgage lending followed by small business lending and motor vehicle lending. Therefore, in evaluating performance, home mortgage lending will receive the most weight, followed by small business lending and motor vehicle lending.

While this evaluation presents the number and dollar volume of loans, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals and businesses served.

The 2015 American Community Survey (ACS) data and D&B data are the demographic comparators used in this evaluation. If different demographic data was used, the data source is noted.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST-OVERALL

The bank exhibited satisfactory performance in the Small Bank Lending Test criteria.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 77.2 percent over the past 24 calendar quarters from June 30, 2015, to March 31, 2021. The ratio ranged from a low of 65.0 percent on March 31, 2017 to a high of 87.6 percent on June 30, 2019.

TSSB's LTD ratio is compared to the ratios of similarly situated banks (SSB), based on their asset size, geographic location, and lending focus. As shown in the following table, TSSB's ratio was below the ratios of two SSBs, but greater than two others. All of the SSB's have offices in the assessment area. The major product for SSBs two and four is residential loans.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 3/31/2021 (\$000s)	Average Net LTD Ratio (%)
The Sherwood State Bank	83,329	77.2
Similarly-Situated Institution #1	142,191	86.5
Similarly-Situated Institution #2	97,323	80.1
Similarly-Situated Institution #3	149,443	66.5
Similarly-Situated Institution #4	55,414	41.8
<i>Source: Reports of Condition and Income 6/30/2015 – 3/31/2021</i>		

Assessment Area Concentration

A majority by number and dollar volume of loans were within the institution's assessment area, as shown in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
*2018	48	65.8	25	34.2	73	6,025	67.9	2,852	32.1	8,877
*2019	56	60.2	37	39.8	93	7,403	69.0	3,319	31.0	10,722
2020	41	69.5	18	30.5	59	3,437	58.7	2,416	41.3	5,853
Subtotal	145	64.4	80	35.6	225	16,865	66.3	8,587	33.7	25,452
Small Business										
2019	24	77.4	7	22.6	31	1,820	86.5	284	13.5	2,104
2020	30	75.0	10	25.0	40	1,382	64.1	775	35.9	2,157
Subtotal	54	76.1	17	23.9	71	3,202	75.1	1,059	24.9	4,261
Consumer										
2019	60	76.9	18	23.1	78	935	80.1	232	19.9	1,167
2020	62	68.1	29	31.9	91	841	65.1	450	34.9	1,291
Subtotal	122	72.2	47	27.8	169	1,776	72.3	682	27.7	2,458
Total	321	69.0	144	31.0	465	21,843	67.9	10,328	32.1	32,171
<i>Source: Evaluation Period: 1/1/2018 - 12/31/2020 Bank Data; *-HMDA Data Due to rounding, totals may not equal 100.0</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. This is supported by reasonable performance in the Ohio Non-MSA Assessment Area for all loan products reviewed. The Toledo, OH MSA Assessment Area does not include any low-or-moderate income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated for the Ohio MSA Assessment

Area. A complete discussion of the performance for this criterion is in the separate assessment area sections of this evaluation.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels and businesses of different sizes. Performance was consistent throughout both assessment areas. A complete discussion of the performance for this criterion is in the separate assessment area sections of this evaluation.

Response to Complaints

TSSB did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

OHIO NON-MSA ASSESSMENT AREA– Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE OHIO NON-MSA ASSESSMENT AREA

The Ohio Non-MSA assessment area is as follows: all of Defiance County, part of Paulding County, part of Henry County, and part of Williams County. Three banking offices are located in this assessment area.

Economic and Demographic Data

This assessment area includes 14 census tracts. These tracts reflect the following income designations according to the 2015 ACS:

- 0 low-income tracts,
- 1 moderate-income tract,
- 9 middle-income tracts, and
- 4 upper-income tracts.

The following table provides a summary of the demographics, housing, and business information within the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: NON-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	14	0.0	7.1	64.3	28.6	0.0
Population by Geography	57,894	0.0	5.4	67.0	27.6	0.0
Housing Units by Geography	24,823	0.0	6.7	67.0	26.2	0.0
Owner-Occupied Units by Geography	17,275	0.0	4.4	65.4	30.2	0.0
Occupied Rental Units by Geography	5,232	0.0	12.4	76.3	11.3	0.0
Vacant Units by Geography	2,316	0.0	11.4	58.1	30.5	0.0
Businesses by Geography	2,999	0.0	7.1	68.0	24.9	0.0
Farms by Geography	345	0.0	0.6	48.4	51.0	0.0
Family Distribution by Income Level	15,735	15.7	17.4	23.3	43.6	0.0
Household Distribution by Income Level	22,507	18.2	16.6	18.9	46.3	0.0
Median Family Income Non-MSAs – OH		\$55,785	Median Housing Value			\$106,664
			Median Gross Rent			\$669
			Families Below Poverty Level			8.8%
<i>Source: 2015 ACS Census and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The largest employment sectors in the assessment area are services, retail trade, manufacturing, and agriculture. Major employers within the assessment area are General Motors, Campbell Soup Manufacturing Company, Menards Distribution Center, Johns Manville, Parker-Hannifin, and Spangler Candy Company.

The economy in the assessment area remained stable during the evaluation period until the onset of the COVID-19 pandemic in early 2020. According to the Bureau of Labor Statistics, the unemployment rate increased in the counties of Defiance, Henry, Paulding, and Williams during the pandemic stay-at-home order. In April 2020, the unemployment rates for Defiance, Henry, Paulding, and Williams Counties rose to 21.9 percent, 19.4 percent, 18.5 percent, and 20.8 percent, respectively. However, the unemployment rates have decreased, and as of April 2021 the rates for Defiance, Henry, Paulding, and Williams Counties was 4.4 percent, 5.4 percent, 3.9 percent, and 4.1 percent, respectively. These rates were similar to or lower than the 4.7 percent State of Ohio rate in April 2021. The lower unemployment rates indicate that the economy is more stable and unemployment levels are comparable to the state level.

The assessment area’s economy relies heavily upon small businesses. According to 2020 D&B data, 2,999 non-farm businesses are located in the assessment area. Of these businesses, 64.4 percent have four or fewer employees and 84.2 percent operate from a single location. The bank’s performance of lending to small businesses is compared to the percentage of businesses reporting gross annual revenues (GARs) of \$1 million and less, as noted in the following 2020 D&B data.

Non-farm businesses within the assessment area have the following GARs (percentages may not total 100.0 percent due to rounding):

- 77.3 percent have \$1 million and less.
- 6.3 percent have more than \$1 million.
- 16.5 percent have unknown revenues.

The Federal Financial Examination Council (FFIEC) updated median family income is used to analyze home mortgage loans under the borrower profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table. The categories are based on the 2018, 2019, and 2020 FFIEC-updated median family incomes for the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
OH NA Median Family Income (99999)				
2018 (\$61,400)	<\$30,700	\$30,700 to <\$49,120	\$49,120 to <\$73,680	≥\$73,680
2019 (\$61,000)	<\$30,500	\$30,500 to <\$48,800	\$48,800 to <\$73,200	≥\$73,200
2020 (\$63,400)	<\$31,700	\$31,700 to <\$50,720	\$50,720 to <\$76,080	≥\$76,080
<i>Source: FFIEC</i>				

Competition

The assessment area is a highly competitive market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2020, 16 financial institutions operated 58 full-service offices within the assessment area. TSSB is ranked 13th in market share, holding 1.9 percent of all deposits. Furthermore, there is a high level of competition for home mortgage loans within the assessment area. TSSB was not subject to the HMDA loan data collection requirements in 2020, but was in 2019 and 2018. The following aggregate data is presented to illustrate competition for home mortgage loans. In the assessment area, the 2019 HMDA aggregate data listed 86 lenders reporting 1,487 home mortgage loans originated or purchased. The level of competition is high considering the size and population of the assessment area, the number of financial institution offices for banking services, and the number of lenders providing HMDA loans.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. Examiners completed one community contact for this assessment area with an economic development entity. The contact said that there is a shortage of housing, including affordable housing, in the assessment area. The contact also said there is a need for additional infrastructure in the local communities.

Credit Needs

Considering information obtained from the community contact, bank management, and demographic and economic data, examiners determined that there is a continued need for home mortgage loans, as well as small business loans.

CONCLUSIONS ON PERFORMANCE CRITERIA IN OHIO NON-MSA ASSESSMENT AREA

LENDING TEST

TSSB demonstrated reasonable performance in this assessment area.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

Home Mortgage Lending

As shown in the following table, the geographic distribution of home mortgage lending was reasonable. The bank's 2018 lending in the moderate-income census tract was slightly lower than aggregate, but slightly higher than the owner-occupied housing level. However, in 2019, home mortgage lending was lower than both the aggregate and the owner-occupied housing level. TSSB's 2020 lending in the moderate-income tract increased, and the percentage was significantly greater than the owner-occupied housing level. Overall, performance is reasonable based upon the lending level in the moderate-income census tract.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: NON-MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2018	4.4	5.7	2	4.9	169	3.1
2019	4.4	6.0	1	2.1	78	1.2
2020	4.4	--	4	11.8	305	9.8
Middle						
2018	74.2	76.4	34	82.9	4,314	78.4
2019	65.4	65.6	29	61.7	4,195	64.9
2020	65.4	--	23	67.6	2,048	66.0
Upper						
2018	21.5	17.9	5	12.2	1,022	18.6
2019	30.2	28.4	17	36.2	2,191	33.9
2020	30.2	--	7	20.6	752	24.2
Not Available						
2018	0.0	0.0	0	0.0	0	0.0
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	--	0	0.0	0	0.0
Totals						
2018	100.0	100.0	41	100.0	5,505	100.0
2019	100.0	100.0	47	100.0	6,464	100.0
2020	100.0	--	34	100.0	3,105	100.0
<i>Source: 2015 ACS Census; 1/1/2018 - 12/31/2019 HMDA Data; 1/1/2020-12/31/2020 Bank Data, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Small Business Lending

As shown in the following table, the geographic distribution of small business lending was reasonable. TSSB's 2019 small business lending in the moderate-income tract significantly exceeded the business population. The institution did not originate any small business loans in the moderate-income tract in 2020. Due to the pandemic, some businesses may have chosen not to borrow or used other credit products for funds, such as credit cards or home equity lines of credit. Overall, performance is reasonable.

Geographic Distribution of Small Business Loans					
Assessment Area: NON-MSA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate					
2019	7.4	3	16.7	105	13.2
2020	7.1	0	0.0	0	0.0
Middle					
2019	67.3	10	55.6	450	56.4
2020	68.0	14	70.0	818	79.4
Upper					
2019	25.3	5	27.8	243	30.5
2020	24.9	6	30.0	212	20.6
Not Available					
2019	0.0	0	0.0	0	0.0
2020	0.0	0	0.0	0	0.0
Totals					
2019	100.0	18	100.0	798	100.0
2020	100.0	20	100.0	1,030	100.0
<i>Source: 2019 & 2020 D&B Data; 1/1/2019 - 12/31/2020 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>					

Consumer Lending

The geographic distribution of consumer loans was reasonable. TSSB's 2019 and 2020 lending in the moderate-income census tract was consistent with the household population. The following table details the geographic distribution of consumer loans.

Geographic Distribution of Consumer Loans					
Assessment Area: NON-MSA					
Tract Income Level	% of Households	#	%	\$(000s)	%
Moderate					
2019	6.3	3	6.4	76	10.2
2020	6.3	3	6.3	37	6.2
Middle					
2019	67.9	33	70.2	466	62.7
2020	67.9	28	58.3	349	58.3
Upper					
2019	25.8	11	23.4	201	27.1
2020	25.8	17	35.4	213	35.6
Not Available					
2019	0.0	0	0.0	0	0.0
2020	0.0	0	0.0	0	0.0
Totals					
2019	100.0	47	100.0	743	100.0
2020	100.0	48	100.0	599	100.0
<i>Source: 2015 ACS Census; 1/1/2019 - 12/31/2020 Bank Data. Due to rounding, totals may not equal 100.0</i>					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and businesses of different sizes. This is supported by reasonable performance in all three loan products reviewed.

Home Mortgage Lending

As shown in the following table, the borrower distribution was reasonable for home mortgage loans. Although the bank's lending to low-income borrowers was much lower than the low-income family population in 2018 and 2019, a significant portion (8.8 percent) of the assessment area's families have incomes below the poverty level. Many persons with incomes below the poverty level are unable to afford the expenses of homeownership and a mortgage. The percentage of loans to low-income borrowers increased in 2019 and exceeded aggregate performance. In 2020, the percentage of lending to low-income borrowers more than doubled 2019 performance and exceeded the low-income family population.

Lending to moderate-income borrowers was comparable to the moderate-income family population in 2018 and 2020, but was below the demographic in 2019. Performance was lower than aggregate performance in 2018 and 2019, the years in which the bank was a HMDA reporter. However, the number of loans to moderate-income borrowers remained stable from 2018 to 2020 even with some

fluctuation in the total loan number. Lending to moderate-income borrowers is reasonable based upon 2018 and 2020 performance.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: NON-MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	15.7	7.7	2	4.9	76	1.4
2019	15.7	6.7	4	8.5	168	2.6
2020	15.7	--	6	17.6	350	11.3
Moderate						
2018	17.4	25.1	7	17.1	605	11.0
2019	17.4	22.5	6	12.8	332	5.1
2020	17.4	--	6	17.6	399	12.9
Middle						
2018	23.3	26.0	10	24.4	1,014	18.4
2019	23.3	25.2	13	27.7	2,319	35.9
2020	23.3	--	8	23.5	575	18.5
Upper						
2018	43.6	29.0	15	36.6	3,009	54.7
2019	43.6	33.1	21	44.7	3,293	50.9
2020	43.6	--	14	41.2	1,781	57.4
Not Available						
2018	0.0	12.1	7	17.1	801	14.6
2019	0.0	12.5	3	6.4	352	5.4
2020	0.0	--	0	0.0	0	0.0
Totals						
2018	100.0	100.0	41	100.0	5,505	100.0
2019	100.0	100.0	47	100.0	6,464	100.0
2020	100.0	--	34	100.0	3,105	100.0
<i>Source: 2015 ACS Census; 1/1/2018 - 12/31/2019 HMDA Data; 1/1/2020-12/31/2020 Bank Data, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Small Business Lending

The small business loan distribution by GARs was reasonable. As shown in the following table, all of the bank's 2019 small business lending was to businesses with GARs of \$1 million and less.

In 2020, the bank’s lending was below the business population with GARs of \$1 million and less. However, a majority of the small business loans were Paycheck Protection Program (PPP) loans, which required no revenue to be collected. These PPP loans comprise all of the loans within the Revenues Not Available line of the table. Excluding the PPP loans with no revenue information, the bank originated 66.7 percent of the loans to businesses with revenues of \$1 million and less. This percentage reflects a reasonable level of lending although it remains below the business population. The business population represents all of the businesses in that revenue range and not the population seeking a loan. As smaller businesses tend to seek alternative forms of financing such as home equity lines of credit or credit cards, it is reasonable that the bank’s performance would trail the percent of businesses reporting revenues of \$1 million and less.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: NON-MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2019	77.5	18	100.0	798	100.0
2020	77.3	6	30.0	303	29.4
>1,000,000					
2019	6.3	0	0.0	0	0.0
2020	6.3	3	15.0	583	56.6
Revenue Not Available					
2019	16.1	0	0.0	0	0.0
2020	16.5	11	55.0	144	14.0
Totals					
2019	100.0	18	100.0	798	100.0
2020	100.0	20	100.0	1,030	100.0
<i>Source: 2019 & 2020 D&B Data; 1/1/2019 - 12/31/2020 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>					

Consumer Loans

As shown in the following table, the borrower distribution of consumer lending was reasonable. In 2019, lending to low-income borrowers exceeded the low-income household population. Lending in 2020 was lower than the low-income household population. However, the households below the poverty level of 11.4 percent indicates that a sizeable population may be unable to borrow funds due to using income for basic living expenses. Unemployment rates were also high for most of 2020 due to the pandemic and many of the impacted industries employed lower-income workers. Employment insecurity and unemployment caused some persons to avoid borrowing. Lending to moderate-income borrowers exceeded the moderate-income household population in 2019 and 2020.

Distribution of Consumer Loans by Borrower Income Level					
Assessment Area: NON-MSA					
Borrower Income Level	% of Households	#	%	\$(000s)	%
Low					
2019	18.2	10	21.3	95	12.8
2020	18.2	6	12.5	58	9.7
Moderate					
2019	16.6	14	29.8	168	22.6
2020	16.6	12	25.0	131	21.9
Middle					
2019	18.9	14	29.8	213	28.7
2020	18.9	14	29.2	184	30.7
Upper					
2019	46.3	9	19.1	267	35.9
2020	46.3	16	33.3	226	37.7
Not Available					
2019	0.0	0	0.0	0	0.0
2020	0.0	0	0.0	0	0.0
Totals					
2019	100.0	47	100.0	743	100.0
2020	100.0	48	100.0	599	100.0
<i>Source: 2015 ACS Census; 1/1/2019 - 12/31/2020 Bank Data. Due to rounding, totals may not equal 100.0</i>					

**TOLEDO, OHIO METROPOLITAN STATISTICAL AREA #45780
ASSESSMENT AREA – Full-Scope Review**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN
THE TOLEDO, OHIO MSA #45780 ASSESSMENT AREA**

The Toledo, Ohio MSA assessment area consists of two tracts in Fulton County. One full-service office is present in this assessment area. The office, which is located in the town of Fayette, opened in 2016 during the evaluation period.

Economic and Demographic Data

This assessment area includes two middle-income census tracts. No low- or moderate-income census tracts are present. The following table provides a summary of the demographics, housing, and business information within the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: TOLEDO MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2	0.0	0.0	100.0	0.0	0.0
Population by Geography	9,209	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	3,765	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	2,515	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	945	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	305	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	623	0.0	0.0	100.0	0.0	0.0
Farms by Geography	71	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	2,471	21.3	15.4	24.5	38.8	0.0
Household Distribution by Income Level	3,460	20.6	15.5	17.3	46.6	0.0
Median Family Income MSA - 45780 Toledo, OH MSA		\$60,742	Median Housing Value			\$115,553
			Median Gross Rent			\$623
			Families Below Poverty Level			10.0%
<i>Source: 2015 ACS Census and 2020 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The largest employment sectors in the assessment area are services, retail trade, manufacturing, and agriculture. Major employers within the assessment area are Sauder Woodworking Company, Fulton County Health Center, North Star BlueScope Steel LLC, and Nofziger Door International.

The economy in the assessment area remained stable during the evaluation period until the onset of the COVID-19 pandemic in early 2020. According to the Bureau of Labor Statistics, the unemployment rate increased in Fulton County during the pandemic stay-at-home order. In April 2020, the unemployment rate for Fulton County rose to 20.4 percent. However, the unemployment rate has decreased, after remaining elevated for much of 2020. The April 2021 unemployment rate for Fulton County was 4.7 percent, which equaled the 4.7 State of Ohio rate.

The assessment area’s economy relies heavily upon small businesses. According to 2020 D&B data, 623 non-farm businesses are located in the assessment area. Of these businesses, 63.5 percent have four or fewer employees and 85.7 percent operate from a single location. The bank’s performance of lending to small businesses is compared to the percentage of businesses reporting

GARs of \$1 million and less, as noted in the following 2020 D&B data. Non-farm businesses within the assessment area have the GARs (percentages may not total 100.0 percent due to rounding):

- 77.0 percent have \$1 million and less.
- 10.1 percent have more than \$1 million.
- 12.8 percent have unknown revenues.

The FFIEC-updated median family income is used to analyze home mortgage loans under the borrower profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table. The categories are based on the 2018, 2019, and 2020 FFIEC-updated median family incomes for the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Toledo, Ohio MSA Median Family Income (45780)				
2018 (\$67,200)	<\$33,600	\$33,600 to <\$53,760	\$53,760 to <\$80,640	≥\$80,640
2019 (\$66,600)	<\$33,300	\$33,300 to <\$53,280	\$53,280 to <\$79,920	≥\$79,920
2020 (\$68,300)	<\$34,150	\$34,150 to <\$54,640	\$54,640 to <\$81,960	≥\$81,960
<i>Source: FFIEC</i>				

Competition

The assessment area is a competitive market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2020, 10 financial institutions operated 19 full-service offices within the assessment area. TSSB is ranked 8th in market share, holding 1.1 percent of all deposits. Furthermore, there is a high level of competition for home mortgage loans within the assessment area. TSSB was not subject to HMDA loan data collection requirements in 2020, but was in 2019. The following aggregate data is presented to illustrate competition for home mortgage loans. In the assessment area, the 2019 HMDA aggregate data listed 31 lenders reporting 256 home mortgage loans originated or purchased. The level of competition is high considering the size and population of the assessment area, the number of financial institution offices for banking services, and the number of lenders providing HMDA loans.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. Examiners completed one community contact for this assessment area with an economic development entity (the same contact as mentioned for the Non-MSA assessment area). The contact said that there is a shortage of housing including, affordable housing, in the assessment area. The contact also said there is a need for additional infrastructure in the local communities.

Credit Needs

Considering information obtained from the community contact, bank management, and demographic and economic data, examiners determined that there is continued need for home mortgage loans, as well as small business loans.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE TOLEDO, OHIO MSA #45780 ASSESSMENT AREA

LENDING TEST

TSSB demonstrated reasonable performance in this assessment area.

Geographic Distribution

The assessment area does not include any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and businesses of different sizes.

Home Mortgage Lending

As shown in the following table, the borrower distribution for home mortgage loans was reasonable. In 2018, lending to low-income borrowers exceeded the aggregate data. The bank did not originate any loans to low-income borrowers in 2019. Lending to low-income borrowers was lower than the low-income family population in 2018 and 2020. However, a significant portion (10 percent) of the assessment area's families have incomes below the poverty level. Many persons with incomes below the poverty level are unable to afford the expenses of homeownership and a mortgage.

The bank's lending to moderate-income borrowers was significantly higher than the moderate-income family population in 2018 and 2019. In 2020, lending to moderate-income borrowers declined, but was comparable to the moderate-income family population. Lending was greater than the aggregate data in 2018 and 2019. Performance for this criterion is reasonable based upon the lending to low- and moderate-income borrowers

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: TOLEDO MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	21.3	9.1	1	14.3	30	5.8
2019	21.3	9.0	0	0.0	0	0.0
2020	21.3	--	1	14.3	45	13.5
Moderate						
2018	15.4	24.3	3	42.9	283	54.4
2019	15.4	18.4	2	22.2	198	21.0
2020	15.4	--	1	14.3	22	6.7
Middle						
2018	24.5	27.2	0	0.0	0	0.0
2019	24.5	28.6	2	22.2	266	28.3
2020	24.5	--	1	14.3	71	21.3
Upper						
2018	38.8	31.7	2	28.6	151	29.0
2019	38.8	36.9	5	55.6	475	50.6
2020	38.8	--	4	57.1	194	58.5
Not Available						
2018	0.0	7.8	1	14.3	56	10.8
2019	0.0	7.1	0	0.0	0	0.0
2020	0.0	--	0	0.0	0	0.0
Totals						
2018	100.0	100.0	7	100.0	520	100.0
2019	100.0	100.0	9	100.0	939	100.0
2020	100.0	--	7	100.0	332	100.0
<i>Source: 2015 ACS Census; 1/1/2018 - 12/31/2019 HMDA Data; 1/1/2020-12/31/2020 Bank Data, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Small Business Lending

The small business loan distribution by GARs was reasonable. As shown in the following table, the bank's lending was below the business population in the \$1 million and less revenue range for both years reviewed. The number of loans was small which has a great impact on the percentage distribution.

In 2020, the bank’s lending was below the business population with GARs of \$1 million and less. However, a majority of the small business loans were PPP loans, which required no revenue to be collected. These PPP loans comprise all of the loans within the Revenues Not Available line of the table. Excluding the PPP loans with no revenue information, the bank originated 60 percent of the loans to businesses with revenues of \$1 million and less. This percentage reflects a reasonable level of lending although it remains below the business population. The business population represents only the businesses in that revenue range and not the population seeking a loan. As smaller businesses tend to seek alternative forms of financing such as home equity lines of credit or credit cards, it is expected that the bank’s performance would trail the percent of businesses reporting revenues of \$1 million and less.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: TOLEDO MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2019	77.2	3	50.0	380	37.2
2020	77.0	3	30.0	153	43.5
>1,000,000					
2019	10.6	3	50.0	642	62.8
2020	10.1	2	20.0	100	28.4
Revenue Not Available					
2019	12.2	0	0.0	0	0.0
2020	12.8	5	50.0	99	28.1
Totals					
2019	100.0	6	100.0	1,022	100.0
2020	100.0	10	100.0	352	100.0
<i>Source: 2019 & 2020 D&B Data; 1/1/2019 - 12/31/2020 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>					

Consumer Loans

As shown in the following table, the borrower distribution of consumer lending was reasonable. In 2019, lending to low-income borrowers was lower than the low-income household population, but 2020 lending increased and was slightly greater than the household population. Lending to moderate-income borrowers significantly exceeded the percentage of households in 2019 and 2020.

Distribution of Consumer Loans by Borrower Income Level					
Assessment Area: TOLEDO MSA					
Borrower Income Level	% of Households	#	%	\$(000s)	%
Low					
2019	20.6	2	15.4	26	13.5
2020	20.6	3	21.4	17	7.0
Moderate					
2019	15.5	7	53.8	91	47.4
2020	15.5	4	28.6	79	32.6
Middle					
2019	17.3	2	15.4	28	14.6
2020	17.3	4	28.6	45	18.6
Upper					
2019	46.6	2	15.4	47	24.5
2020	46.6	3	21.4	101	41.7
Not Available					
2019	0.0	0	0.0	0	0.0
2020	0.0	0	0.0	0	0.0
Totals					
2019	100.0	13	100.0	192	100.0
2020	100.0	14	100.0	242	100.0
<i>Source: 2015 ACS Census; 1/1/2019 - 12/31/2020 Bank Data. Due to rounding, totals may not equal 100.0</i>					

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The institution's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the institution under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

ATM LOCATIONS



SHERWOOD BRANCH

105 N. Harrison St. Sherwood, OH 43556



FAYETTE BRANCH

121 W. Main St. Fayette, OH 4521



DEFIANCE BRANCH

400 Third St. Defiance, OH 43512



ARCHBOLD BRANCH

202 Stryker St. Archbold, OH 43502



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ASSESSMENT AREA

The Sherwood State Bank will continue, as in the past, to accept all sound business in our delineated lending area, described as the following county census tract numbers:

- Defiance County: 9581, 9582, 9583, 9584, 9585, 9586, 9587, 9588, 9589
- Fulton County: 406, 407, 408, 409
- Henry County: 0002.00, 0003.00, 0007.00
- Paulding County: 9601, 9602, 9603, 9604, 9605
- Williams County: 9501, 9503, 9504, 9505, 9506, 9508

Branches Opened or Closed in:

- 2025
 - None
- 2024
 - Opened Archbold branch 6/14/24
 - Closed Ridgeville Corners branch 7/26/24
- 2023
 - None



Loan Fees
Revised 05/20/2025

Origination Fees:

Consumer	GL #3027XX (XX=01,02,04,05)	\$250.00
Business	GL #3016XX (XX=01,02,04,05)	\$250.00
Dealer	GL #3016XX (XX=01,02,04,05)	\$250.00
Real Estate (Primary Residence)	GL #3182XX (XX=01,02,04,05)	\$750.00
Real Estate with Controlled Account	GL #3182XX (XX=01,02,04,05)	\$750.00
Construction - Residential	GL #3182XX (XX=01,02,04,05)	\$750.00
Real Estate - Business (Commercial/Ag)	GL #3182XX (XX=01,02,04,05)	\$1,000.00
Business Real Estate with Controlled Account	GL #3182XX (XX=01,02,04,05)	\$1,000.00
Construction - Business	GL #3182XX (XX=01,02,04,05)	\$1,000.00
Home Equity Line of Credit (HELOC)	GL #5311XX (XX=01,02,04,05)	\$350.00
Construction Administration Fee - This fee is in addition to the Origination Fee listed above.	GL #3182XX (XX=01,02,04,05)	\$1,000.00
Controlled Account Fee - This fee is in addition to the Origination Fee.	GL #3182XX (XX=01,02,04,05)	\$500.00

Other Fees:

Flood Determination	DDA #13 FLOODPLAIN CONSULTANTS, INC	\$24.00
Attorney H.E. (Defiance County)	WHW, Ltd.	\$250.00
Attorney H.E. (Any other County)	WHW, Ltd.	\$300.00
Deed Package	WHW, Ltd.	\$650.00
Jr. Lien Policy (All 2nd lien Mortgages)	Title Insurance Provider	\$1.75 per \$1,000.00
Record Mortgage	County Recorder	Refer to website (01/2025) www.ohiorecorders.com
Record Deed	County Recorder	Refer to website (01/2025) www.ohiorecorders.com
Notice of Commencement	County Recorder	Refer to website (01/2025) www.ohiorecorders.com
Affidavit of Completion	County Recorder	Refer to website (01/2025) www.ohiorecorders.com
Record Assignment	County Recorder	Refer to website (01/2025) www.ohiorecorders.com
Credit Report - Mortgage/In House	Factual Data	\$90.00
Credit Report - Mortgage/Secondary Market	Factual Data	\$295.00
Appraisal	Appraisal Company	See Appraisal Fee Sheet
SBS Valuation & Property Solutions	Automation Valuation Model (AVM)	\$106.09
SBS Valuation & Property Solutions	Automation Valuation Model (AVM) (No Pictures)	\$21.09
Sam Switzer Realty	Broker Price Opinion (BPO) - Refinance / HELOC	\$150.00
Sam Switzer Realty	Broker Price Opinion (BPO) - COMMERCIAL	\$250.00
UCC1	DDA #11000395	\$12.00
UCC Renewal	GL #42353110 (XX=01,02,04,05)	\$12.00
Certificate of Good Standing	DDA #11000865	\$5.00
Single Interest Insurance (VSI)	DDA #20	\$40.00 (November 1, 2024) (\$500 Deductible)
GAP Insurance	DDA #421065477	\$375.00
Auto Title	Clerk of Courts	\$15.00
Out of State Title	Clerk of Courts	\$16.50
Mobile Home Title	Clerk of Courts	\$20.00
Mortgage Release	County Recorder	Refer to website (01/2025) www.ohiorecorders.com
Deed Transfer Fee	County Auditor	\$.50 per parcel
Conveyance-Paulding	County Auditor	\$4 per thousand of purchase price
Conveyance-Henry	County Auditor	\$4 per thousand of purchase price
Conveyance-Fulton	County Auditor	\$4 per thousand of purchase price
Conveyance-Putnam	County Auditor	\$4 per thousand of purchase price
Conveyance-Williams	County Auditor	\$4 per thousand of purchase price
Conveyance-Defiance	County Auditor	\$4 per thousand of purchase price
Conveyance-Wood	County Auditor	\$3 per thousand of purchase price
Conveyance-Van Wert	County Auditor	\$4 per thousand of purchase price
Dealer Participation (Mark Moats)	GL #5770XX (XX=01,02,04,05)	2% of "Amount Financed" less VSI fee
Dealer Participation (Ward's Power Sports)	GL #5770XX (XX=01,02,04,05)	1% of "Loan Amount"
USPS- Overnight Fee	USPS	\$31.40 (01/2025)
Construction Extension Fee	GL RE MTG Loan Fees	\$100.00
Modification - includes any type of change to a loan agreement.	GL RE MTG Loan Fees	\$100.00

Late Fees:

Mortgage	5% of late amount of prin and int with Minimum \$50.00
Installment	5% of late amount of prin and int with Minimum \$50.00
Dealer (Indirect)	5% of late amount of prin and int with Minimum \$50.00

* Mortgage release fees are automatic on mortgages and home equities. If extra legal description pages or more than 1 mortgage, note the additional amount on the loan cover sheet. You must also note on non-mortgage loans if there is a mortgage taken in abundance of caution and the proper release amount.

Your Deposit Account

Terms and Conditions
Funds Availability
Special Account Details

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TERMS AND CONDITIONS OF YOUR ACCOUNT

IMPORTANT ACCOUNT OPENING INFORMATION - Federal law requires us to obtain sufficient information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

AGREEMENT - This document, along with any other documents we give you pertaining to your account(s), is a contract (also referred to as "this agreement") that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you open the account (whether in-person, electronically, or by any other method permitted by us) or continue to use the account after receiving a notice of change or amendment, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this agreement. If you have any questions, please ask us.

This agreement is subject to applicable federal laws, the laws of the state of Ohio and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this agreement is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this agreement is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this agreement the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this agreement should be construed so the singular includes the plural and the plural includes the singular.

LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and we can deduct any amounts deposited into the account and apply those amounts to the shortage. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

DEPOSITS - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing indorsement, claim of alteration, encoding error, counterfeit cashier's check or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check or draft for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

WITHDRAWALS -

Important terms for accounts where more than one person can withdraw - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

Postdated checks - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

Checks and withdrawal rules - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted by our policy, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify your account as another type of account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

Cash withdrawals - We recommend you take care when making large cash withdrawals because carrying large amounts of cash may pose a danger to your personal safety. As an alternative to making a large cash withdrawal, you may want to consider a cashier's check or similar instrument. You assume full responsibility of any loss in the event the cash you withdraw is lost, stolen, or destroyed. You agree to hold us harmless from any loss you incur as a result of your decision to withdraw funds in the form of cash.

Multiple signatures, electronic check conversion, and similar transactions - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

Notice of withdrawal - We reserve the right to require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account, other than a time deposit or demand deposit, or from any other savings deposit as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your separately provided notice of penalty for early withdrawal.

UNDERSTANDING AND AVOIDING OVERDRAFT AND NONSUFFICIENT FUNDS (NSF) FEES -

Generally - The information in this section is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and nonsufficient funds (NSF) is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to overdrafts and NSF transactions.

An overdrawn account will typically result in you being charged an overdraft fee or an NSF fee. Generally, an overdraft occurs when there is not enough money in your account to pay for a transaction, but we pay (or cover) the transaction anyway. An NSF transaction is slightly different. In an NSF transaction, we do not cover the transaction. Instead, the transaction is rejected and the item or requested payment is returned. In either situation, we can charge you a fee.

If you use our Overdraft Privilege and we cover a transaction for which there is not enough money in your account to pay, we will consider that an overdraft. We treat all other transactions for which there is not enough money in your account as an NSF transaction, regardless of whether we cover the transaction or the transaction is rejected.

Determining your available balance - We use the "available balance" method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your "available" balance may not be the same as your account's "actual" balance. This means an overdraft or an NSF transaction could occur regardless of your account's actual balance.

Your account's actual balance (sometimes called the ledger balance) only includes transactions that have settled up to that point in time, that is, transactions (deposits and payments) that have posted to your account. The actual balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your periodic statement is the ledger balance for your account as of the statement date.

As the name implies, your available balance is calculated based on the money "available" in your account to make payments. In other words, the available balance takes ACH credit transactions and debit card transactions that have been authorized, but not yet settled, and adds or subtracts them from the actual balance. In addition, when calculating your available balance, any "holds" placed on deposits that have not yet cleared are also subtracted from the actual balance. For more information on how holds placed on funds in your account can impact your available balance, read the subsection titled "A temporary debit authorization hold affects your account balance."

Overdrafts - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

Nonsufficient funds (NSF) fees - If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money available in your account, and we decide not to pay the item or transaction, you agree that we can charge you an NSF fee for returning the payment. Be aware that such an item or payment may be presented multiple times by the merchant or other payee until it is paid, and that we do not monitor or control the number of times a transaction is presented for payment. You agree that we may charge you an NSF fee each time a payment is presented if the amount of money available in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented.

Payment types - Some, but not necessarily all, of the ways you can access the funds in your account include debit card transactions, automated clearing house (ACH) transactions, and check transactions. All these payment types can use different processing systems and some may take more or less time to post. This information is important for a number of reasons. For example, keeping track of the checks you write and the timing of the preauthorized payments you set up will help you to know what other transactions might still post against your account. For information about how and when we process these different payment types, see the "Payment order of items" subsection below.

Important information regarding "decoupled" cards - Decoupled debit cards are debit cards offered or issued by an institution or merchant other than us. As part of the issuing process, you provide the decoupled debit card issuer with the information it needs to link the decoupled debit card to your account with us. Once this is done, you can typically use the decoupled debit card as you would any other debit card. Importantly, however, while transactions initiated with these decoupled debit cards may originate as debit card transactions paid by the card issuer, we receive and process them as ACH transactions. Additionally, you need to refer to your agreement with the decoupled debit card issuer to understand the terms of use for that card. Thus, when our documentation refers to "debit cards," "everyday debit card transactions," or "one-time debit card transactions," we are referring to debit cards issued by us, not decoupled debit cards issued by other institutions or merchants. Different payment types can use different processing systems and some may take more or less time to post. Knowing which card you are using and how the transaction is processed can help you manage your finances, including helping you to avoid overdraft or NSF fees.

Balance information - Keeping track of your balance is important. You can review your balance in a number of ways including reviewing your periodic statement, reviewing your balance online, accessing your account information by phone, or coming into one of our branches.

Funds availability - Knowing when funds you deposit will be made available for withdrawal is another important concept that can help you avoid being assessed fees or charges. Please see our funds availability disclosure (generally titled, "Your Ability to Withdraw Funds") for information on when different types of deposits will be made available for withdrawal. For an account to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the times we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

A temporary debit authorization hold affects your account balance - On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If one or more transactions are presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy, which may result in one or more overdraft or NSF fees. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

Payment order of items - The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items.

Note that items may not be processed in the order they are received.

Our policy is to process items in the order they are received on the day they are processed.

If one or more checks, items, or transactions are presented without sufficient funds in your account to pay it, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy, which may result in one or more overdraft or NSF fees. The amounts of the overdraft and NSF fees are disclosed elsewhere. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees.

BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

You further represent that, if you are required by law to do so, you have filed, or will file, the initial Beneficial Ownership Information (BOI) Report with the Financial Crimes Enforcement Network (FinCEN) and, if appropriate, that you have or will update any previously filed BOI Report with FinCEN. You agree to notify us of any initial, updated, or corrected BOI Report that you file with FinCEN.

If you have filed, or will file, a BOI Report with FinCEN, you consent to us accessing such BOI data now and on an ongoing basis, as long as a banking relationship between you and us continues. You acknowledge that your consent permits FinCEN to disclose such information to us to facilitate compliance with our customer due diligence requirements under applicable law. You may revoke your consent at any time. However, you agree that we may treat your revocation as terminating our banking relationship with you. If we terminate our banking relationship with you, we will provide reasonable notice to you in accordance with applicable law or our policy.

STOP PAYMENTS - The rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because the most effective way for us to execute a stop-payment order is by using an automated process, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item

drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

TELEPHONE TRANSFERS - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Limitations on the number of telephonic transfers from a savings account, if any, are described elsewhere.

AMENDMENTS AND TERMINATION - We may amend or delete any term of this agreement. We may also add new terms to this agreement. In addition, we may suspend, modify, convert, or terminate a service, convert this account to another account type, or close this account for any reason except as prohibited by law. For any of these types of changes, we will give you reasonable notice in writing by any reasonable method including by mail, by any electronic communication method to which you have agreed, or with a periodic statement, or through any other method permitted by law. If we close the account, we will tender the account balance to you or your agent personally, by mail, or by another agreed upon method.

Reasonable notice depends on the circumstances, and in some cases, such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change becomes effective. For instance, if we suspect fraudulent activity with respect to your account, and if we deem it appropriate under the circumstances and necessary to prevent further fraud, we might immediately freeze or close your account and then give you notice.

Unless otherwise indicated in the notice of change, if we have notified you of a change to your account, and you continue to have your account after the effective date of the change, you have accepted and agreed to the new or modified terms. You should review any change in terms notice carefully as the notice will provide important information of which you may need to be aware.

We reserve the right to waive any term of this agreement. However, such waiver shall not affect our right to enforce the term at a later date.

If you request that we close your account, you are responsible for leaving enough money in the account to cover any outstanding items or transactions to be paid from the account. Once any outstanding items or transactions are paid, we will close the account and tender the account balance, if any, to you or your agent personally, by mail, or by another agreed upon method.

Any items and transactions presented for payment after the account is closed may be dishonored. Any deposits we receive after the account is closed may be returned. We will not be liable for any damages for not honoring any such debits or deposits received after the account is closed.

Note: Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. In addition, for changes governed by a specific law or regulation, we will follow the specific timing and format notice requirements of those laws or regulations.

CORRECTION OF CLERICAL ERRORS - Unless otherwise prohibited by law, you agree, if determined necessary in our reasonable discretion, to allow us to correct clerical errors, such as obtaining your missing signature, on any account documents or disclosures that are part of our agreement with you. For errors on your periodic statement, please refer to the STATEMENTS section.

NOTICES - Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive any notice in time to have a reasonable opportunity to act on it. If a notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Notice we give you via the United States Mail is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we currently have on file. Notice we give you through your email of record, or other electronic method to which you agreed, will be treated as delivered to you when sent. Notice to any of you is notice to all of you.

STATEMENTS - Statements are a valuable tool to, among other things, help prevent fraudulent or mistaken transfers. Your statement will show the transactions that occurred in connection with your account during the statement period.

Your duty to report unauthorized signatures (including forgeries and counterfeit checks) and alterations on checks and other items - Your statement will provide sufficient information for you to reasonably identify the items paid (item number, amount, and date of payment). You should keep a record of each transaction as it is made so that when we give you the information in the statement, you will have a complete understanding of each transaction listed.

You have some responsibilities in connection with your statement. You must examine your statement with "reasonable promptness." Also, if you discover (or reasonably should have discovered) any unauthorized signatures (including forgeries and counterfeit checks) or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss). The loss you might bear, in whole or part, could be not only with respect to items listed on the statement, but also other items with unauthorized signatures or alterations by the same wrongdoer. Of course, an attempt can be made to recover the loss from the thief, but this is often unsuccessful.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but you will not, in any circumstance, have a total of more than 30 days from when we first send or make the statement available to you.

You further agree that if you fail to report any unauthorized signatures or alterations in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we exercised ordinary care. The limitation in this paragraph is in addition to those contained in the second paragraph of this section.

If this is a business account, you agree that you will have at least two people review your statements, notices, and returned checks, or in the alternative, the person who reviews these will be someone who does not have authority to transact business on the account.

Your duty to report other errors or problems - In addition to the Commercial Code and other state law, you agree there is a common law duty to promptly review your statement for errors in addition to unauthorized signatures or alterations. Promptly reviewing your statement is valuable to both you and us because it can help identify, correct and prevent future mistakes.

In addition to your duty to review your statements for unauthorized signatures and alterations, you agree to examine your statement with reasonable promptness for any other error or problem - such as an encoding error or an unexpected deposit amount. Also, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing endorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the 60 day time period to report other errors.

Duty to notify if statement not received - You agree to immediately notify us if you do not receive your statement by the date you normally expect to receive it. Not receiving your statement in a timely manner is a sign that there may be an issue with your account, such as possible fraud or identity theft. Absent a lack of ordinary care by us, a failure to receive your statement in a timely manner does not extend the time you have to conduct your review under this agreement.

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

REIMBURSEMENT OF FEDERAL BENEFIT PAYMENTS - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other available legal remedy to recover the amount of our liability.

TEMPORARY ACCOUNT AGREEMENT - If the account documentation indicates that this is a temporary account agreement, each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

SETOFF - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

RESTRICTIVE LEGENDS OR INDORSEMENTS - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. For this reason, we are not required to honor any restrictive legend or indorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive indorsement.

FACSIMILE SIGNATURES - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

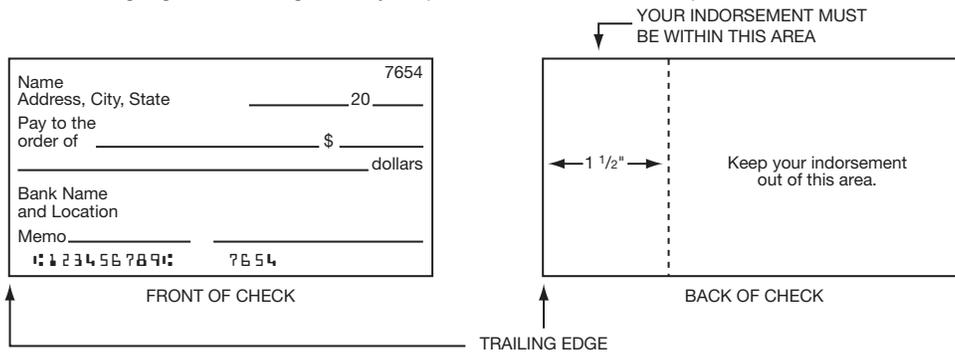
CHECK PROCESSING - We process items mechanically by relying almost exclusively on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of indorsements unless you notify us in writing that the check requires multiple indorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

CHECK CASHING - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

INDORSEMENTS - We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 1/2" of that edge.



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement or information you have printed on the back of the check obscures our indorsement.

These indorsement guidelines apply to both personal and business checks.

DEATH OR INCOMPETENCE - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

FIDUCIARY ACCOUNTS - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

CREDIT VERIFICATION - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

LEGAL ACTIONS AFFECTING YOUR ACCOUNT - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action as required by applicable law. However, nothing in this agreement shall be construed as a waiver of any rights you may have under applicable law with regards to such legal action. Subject to applicable law, we may, in our sole discretion, choose to freeze the assets in the account and not allow any payments or transfers out of the account until there is a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action and applicable law. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees, and our internal expenses) may be charged against your account, unless otherwise prohibited by applicable law. The list of fees applicable to your account(s) - provided elsewhere - may specify additional fees that we may charge for responding to certain legal actions.

ACCOUNT SECURITY

Your duty to protect account information and methods of access - Our policy may require methods of verifying your identity before providing you with a service or allowing you access to your account. We can decide what identification is reasonable under the circumstances. For example, process and identification requirements may vary depending on whether they are online or in person. Identification may be documentary or physical and may include collecting a fingerprint, voiceprint, or other biometric information.

It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card, point-of-sale card and/or PIN) we provide you for your accounts. You should also safeguard your username, password, and other access and identifying information when accessing your account through a computer or other electronic, audio, or mobile device or technology. If you give anyone authority to access the account on your behalf, you should exercise caution and ensure the trustworthiness of that agent. Do not discuss, compare, or share information about your account numbers with anyone unless you are willing to give them full use of your money. Checks and electronic withdrawals are processed by automated methods, and anyone who obtains your account number or access device could use it to withdraw money from your account, with or without your permission.

Positive pay and other fraud prevention services - Except for consumer electronic fund transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, and you reject those services, you will be responsible for any fraudulent or

unauthorized transactions which could have been prevented by the services we offered. You will not be responsible for such transactions if we acted in bad faith or to the extent our negligence contributed to the loss. Such services include positive pay or commercially reasonable security procedures. The positive pay service can help detect and prevent check fraud and is appropriate for account holders that issue a high volume of checks, a lot of checks to the general public, or checks for large dollar amounts.

Account numbers - Thieves can encode your account number on a check which looks and functions like an authorized check and can be used to withdraw money from your account. Your account number can also be used to issue a "remotely created check." Like a typical check, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a draft or check that can be used to withdraw money from your account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). If you have truly authorized the remotely created check (to purchase a service or merchandise, for example), it is properly payable. But it can be risky to authorize a remotely created check. A swindler could issue a remotely created check in an amount greater than you authorized, or issue additional remotely created checks that you have not authorized. We will not know if the withdrawal is unauthorized or in an amount greater than the amount you have authorized. Payment can be made from your account even though you did not contact us directly and order the payment.

Access devices - If you furnish your access device and grant actual authority to make transfers to someone who then exceeds that authority, you will be liable for the transfers unless we have been notified that transfers by that person are no longer authorized. Please review the additional information you have received or will receive regarding transfers by access device.

Blank checks - You must also take precaution in safeguarding your blank checks. Notify us at once if you think your blank checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself, or share the loss with us if we failed to use ordinary care which substantially contributes to the loss.

INSTRUCTIONS FROM YOU - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission, email, voicemail, or phone call to a facsimile number, email address, or phone number not designated by us for a particular purpose or for a purpose that is unrelated to the request or instruction.

MONITORING AND RECORDING TELEPHONE CALLS AND ACCOUNT COMMUNICATIONS - Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record, and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account, we may need to contact you about your account from time to time by telephone, text messaging, or email. In contacting you about your account, we may use any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us.

You acknowledge that the number we use to contact you may be assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service, or any other service for which you may be charged for the call. You acknowledge that we may contact you by voice, voicemail, or text messaging. You further acknowledge that we may use pre-recorded voice messages, artificial voice messages, or automatic telephone dialing systems.

If necessary, you may change or remove any of the telephone numbers, email addresses, or other methods of contacting you at any time using any reasonable means to notify us.

CLAIM OF LOSS - The following rules do not apply to a transaction or claim related to a consumer electronic fund transfer governed by Regulation E (e.g., an everyday/one-time consumer debit card or ATM transaction). The error resolution procedures for consumer electronic fund transfers can be found in our initial Regulation E disclosure generally titled, "Electronic Fund Transfers." For other transactions or claims, if you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals) - We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your separately provided notice of penalty for early withdrawal for additional information.

CHANGES IN NAME AND CONTACT INFORMATION - You are responsible for notifying us of any change in your name, address, or other information we use to communicate with you. Unless we agree otherwise, notice of such a change must be made in writing. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent information you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

RESOLVING ACCOUNT DISPUTES - We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

WAIVER OF NOTICES - To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit an item and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

TRUNCATION, SUBSTITUTE CHECKS, AND OTHER CHECK IMAGES - If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

REMOTELY CREATED CHECKS - Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

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.

FUNDS TRANSFERS - You agree that this section is governed by Article 4A of the Uniform Commercial Code - Funds Transfers (UCC 4A) and the terms used in this section have the meaning given to them in UCC 4A. You also agree to be bound by all funds-transfer system rules, rules of the Board of Governors of the Federal Reserve System (Board) and their operating circulars, as appropriate. Unless otherwise required by applicable law, such as Regulation J or the operating circulars of the Board, this section is subject to UCC 4A as adopted in the state in which you have your account with us. If any part of this section is determined to be unenforceable, the rest shall remain effective. This section controls funds transfers unless supplemented or amended in a separate record. Generally, this section will not apply to you if you are a consumer. For example, this section generally does not apply to a funds transfer if any part of the transfer is governed by the Electronic Fund Transfer Act of 1978 (EFTA). However, this section does apply to

a funds transfer that is a remittance transfer as defined in EFTA unless the remittance transfer is an electronic fund transfer as defined in EFTA. To the extent this section is not inconsistent with the EFTA, this section may also apply to a consumer electronic fund transfer sent through the FedNow system or through the Real Time Payments system (RTP) operated by The Clearing House. In addition, even if you are a consumer, this section will apply to that part of any funds transfer that is conducted by Fedwire.

Funds transfer - A funds transfer is the transaction or series of transactions that begin with the originator's payment order, made for the purpose of making payment to the beneficiary of the order. A funds transfer is completed by the acceptance by the beneficiary's bank of a payment order for the benefit of the beneficiary of the originator's order. Unless otherwise required by the type of funds transfer you are initiating, you may transmit a payment order orally or in a record, but your order cannot state any condition to payment to the beneficiary other than the time of payment. Credit entries may be made by ACH.

Authorized account - An authorized account is a deposit account you have with us that you have designated as a source of payment of payment orders you issue to us. If you have not designated an authorized account, any account you have with us is an authorized account to the extent that payment of the payment order is not inconsistent with the use of the account.

Acceptance of your payment order - We are not obligated to accept any payment order that you give us, although we normally will accept your payment order if you have a withdrawable credit in an authorized account sufficient to cover the order. If we do not execute your payment order, but give you notice of our rejection of your payment order after the execution date or give you no notice, we are not liable to pay you as restitution any interest on a withdrawable credit in a non-interest-bearing account.

Cutoff time - If we do not receive your payment order or communication canceling or amending a payment order before our cutoff time on a funds transfer day for that type of order or communication, the order or communication will be deemed to be received at the opening of our next funds transfer business day.

Payment of your order - If we accept a payment order you give us, we may receive payment by automatically deducting from any authorized account the amount of the payment order plus the amount of any expenses and charges for our services in execution of your payment order. We are entitled to payment on the payment or execution date. Unless your payment order specifies otherwise, the payment or execution date is the funds transfer date we receive the payment order. The funds transfer is completed upon acceptance by the beneficiary's bank. Your obligation to pay your payment order is excused if the funds transfer is not completed, but you are still responsible to pay us any expenses and charges for our services. However, if you told us to route the funds transfer through an intermediate bank, and we are unable to obtain a refund because the intermediate bank that you designated has suspended payments, then you are still obligated to pay us for the payment order. You will not be entitled to interest on any refund you receive because the beneficiary's bank does not accept the payment order.

Security procedure - As described more fully in a separate writing, the authenticity of a payment order or communication canceling or amending a payment order issued in your name as sender may be verified by a security procedure. You affirm that you have no circumstances which are relevant to the determination of a commercially reasonable security procedure unless those circumstances are expressly contained in a separate writing signed by us. You may choose from one or more security procedures that we have developed, or you may develop your own security procedure if it is acceptable to us. If you refuse a commercially reasonable security procedure that we have offered you, you agree that you will be bound by any payment order issued in your name, whether or not authorized, that we accept in good faith and in compliance with the security procedure you have chosen.

Identifying number - If your payment order identifies an intermediate bank, beneficiary bank, or beneficiary by name and number, we and every receiving or beneficiary bank may rely upon the identifying number rather than the name to make payment, even if the number identifies an intermediate bank or person different than the bank or beneficiary identified by name. Neither we nor any receiving or beneficiary bank have any responsibility to determine whether the name and identifying number refer to the same financial institution or person.

Record of oral or telephone orders - You agree that we may, if we choose, record any oral or telephone payment order or communication of amendment or cancellation.

Notice of credit - If we receive a payment order to credit an account you have with us, we are not required to provide you with any notice of the payment order or the credit.

Provisional credit - You agree to be bound by the automated clearing house association operating rules that provide that payments made to you or originated by you by funds transfer through the automated clearing house system are provisional until final settlement is made through a Federal Reserve Bank or otherwise payment is made as provided in Article 4A-403(a) of the Uniform Commercial Code.

Refund of credit - You agree that if we do not receive payment of an amount credited to your account, we are entitled to a refund from you in the amount credited and the party originating such payment will not be considered to have paid the amount so credited.

Cancellation or amendment of payment order - You may cancel or amend a payment order you give us only if we receive the communication of cancellation or amendment before our cutoff time and in time to have a reasonable opportunity to act on it before we accept the payment order. The communication of cancellation or amendment must be presented in conformity with the same security procedure that has been agreed to for payment orders.

Intermediaries - We are not liable for the actions of any intermediary, regardless of whether or not we selected the intermediary. We are not responsible for acts of God, outside agencies, or nonsalaried agents.

Limit on liability - You waive any claim you may have against us for consequential or special damages, including loss of profit arising out of a payment order or funds transfer, unless this waiver is prohibited by law. We are not responsible for attorney fees you might incur due to erroneous execution of payment order.

Erroneous execution - If we receive an order to pay you, and we erroneously pay you more than the amount of the payment order, we are entitled to recover from you the amount in excess of the amount of the payment order, regardless of whether you may have some claim to the excess amount against the originator of the order.

Duty to report unauthorized or erroneous payment - You must exercise ordinary care to determine that all payment orders or amendments to payment orders that we accept that are issued in your name are authorized, enforceable, in the correct amount, to the correct beneficiary, and not otherwise erroneous. If you discover (or with reasonable care should have discovered) an unauthorized, unenforceable, or erroneously executed payment order or amendment, you must exercise ordinary care to notify us of the relevant facts. The time you have to notify us will depend on the circumstances, but that time will not in any circumstance exceed 14 days from when you are notified of our acceptance or execution of the payment order or amendment or that your account was debited with respect to the order or amendment. If you do not provide us with timely notice you will not be entitled to interest on any refundable amount. If we can prove that you failed to perform either of these duties with respect to an erroneous payment and that we incurred a loss as a result of the failure, you are liable to us for the amount of the loss not exceeding the amount of your order.

Objection to payment - If we give you a notice that reasonably identifies a payment order issued in your name as sender that we have accepted and received payment for, you cannot claim that we are not entitled to retain the payment unless you notify us of your objection to the payment within one year of our notice to you.

INTERNATIONAL ACH TRANSACTIONS - Financial institutions are required by law to scrutinize or verify any international ACH transaction (IAT) that they receive against the Specially Designated Nationals (SDN) list of the Office of Foreign Assets Control (OFAC). This action may, from time to time, cause us to temporarily suspend processing of an IAT and potentially affect the settlement and/or availability of such payments.

PLEDGES - Each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective. For example, if an account has two owners and one of the owners pledges the account (i.e., uses it to secure a debt) and then dies, (1) the surviving owner's rights in this account do not take effect until the debt has been satisfied, and (2) the debt may be satisfied with the funds in this account.

POWER OF ATTORNEY - You may wish to appoint an agent to conduct transactions on your behalf. (We, however, have no duty or agreement whatsoever to monitor or insure that the acts of the agent are for your benefit.) This may be done by allowing your agent to sign in that capacity on the signature card or by separate form, such as a power of attorney. A power of attorney continues until your death or the death of the person given the power. If the power of attorney is not "durable," it is revoked when you become incompetent. We may continue to honor the transactions of the agent until: (a) we have received written notice or have actual knowledge of the termination of the authority or the death of an owner, and (b) we have had a reasonable opportunity to act on that notice or knowledge. You agree not to hold us responsible for any loss or damage you may incur as a result of our following instructions given by an agent acting under a valid power of attorney.

STALE-DATED CHECKS - We are not obligated to, but may at our option, pay a check, other than a certified check, presented for payment more than six months after its date. If you do not want us to pay a stale-dated check, you must place a stop-payment order on the check in the manner we have described elsewhere.

FDIC INSURANCE - Funds in your account(s) with us are insured by the Federal Deposit Insurance Corporation (FDIC) and backed by the full faith and credit of the United States. The amount of insurance coverage you have depends on the number of accounts you have with us that are of different "ownership." An individual account is one unique form of "ownership"; a joint account, a pay-on-death account, and a self directed qualified retirement account (e.g., an IRA) are examples of some of the others. Deposit insurance for a person's self directed qualified retirement account is up to \$250,000. (An IRA is a self directed qualified retirement account as is any account where the owner decides where and how to invest the balance.) Funds are insured to \$250,000 per depositor for the total of funds combined in all of your other insured accounts with us. If you want a more detailed explanation or additional information, you may ask us or contact the FDIC. You can also visit the FDIC website at www.fdic.gov and click on the Deposit Insurance link. The link includes detailed contact information as well as a deposit insurance estimator.

UNCLAIMED PROPERTY - The law establishes procedures under which unclaimed property must be surrendered to the state. (We may have our own rules regarding dormant accounts, and if we charge a fee for dormant accounts it will be disclosed to you elsewhere.) Generally, the funds in your account are considered unclaimed if you have not had

any activity or communication with us regarding your account over a period of years. Ask us if you want further information about the period of time or type of activity that will prevent your account from being unclaimed. If your funds are surrendered to the state, you may be able to reclaim them, but your claim must be presented to the state. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds.

CASH TRANSACTION REPORTING - To help law enforcement agencies detect illegal activities, the law requires all financial institutions to gather and report information on some types of cash transactions. If the information we need to complete the report is not provided, we may be required to refuse to handle the transaction. If you have any questions regarding these rules, the U.S. Treasury Financial Crimes Enforcement Network (FinCEN) maintains a frequently asked questions (FAQ) document online. The FAQ also includes additional information for contacting FinCEN.

BACKUP WITHHOLDING/TIN CERTIFICATION - Federal tax law requires us to report interest payments we make to you of \$10 or more in a year, and to include your taxpayer identification number (TIN) on the report (the taxpayer identification number is your social security number if you are an individual). Interest includes dividends, interest and bonus payments for purposes of this rule. Therefore, we require you to provide us with your TIN and to certify that it is correct. In some circumstances, federal law requires us to withhold and pay to the IRS a percentage of the interest that is earned on funds in your accounts. This is known as backup withholding. We will not have to withhold interest payments when you open your account if you certify your TIN and certify that you are not subject to backup withholding due to underreporting of interest. (There are special rules if you do not have a TIN but have applied for one, if you are a foreign person, or if you are exempt from the reporting requirements.) We may subsequently be required to begin backup withholding if the IRS informs us that you supplied an incorrect TIN or that you underreported your interest income.

LOST, DESTROYED, OR STOLEN CERTIFIED, CASHIER'S, OR TELLER'S CHECKS - Under some circumstances you may be able to assert a claim for the amount of a lost, destroyed, or stolen certified, cashier's or teller's check. To assert the claim: (a) you must be the remitter (or drawer of a certified check) or payee of the check, (b) we must receive notice from you describing the check with reasonable certainty and asking for payment of the amount of the check, (c) we must receive the notice in time for us to have a reasonable opportunity to act on it, and (d) you must give us a declaration (in a form we require) of your loss with respect to the check. You can ask us for a declaration form. Even if all of these conditions are met, your claim may not be immediately enforceable. We may pay the check until the ninetieth day after the date of the check (or date of acceptance of a certified check). Therefore, your claim is not enforceable until the ninetieth day after the date of the check or date of acceptance, and the conditions listed above have been met. If we have not already paid the check, on the day your claim is enforceable we become obligated to pay you the amount of the check. We will pay you in cash or issue another certified check.

At our option, we may pay you the amount of the check before your claim becomes enforceable. However, we will require you to agree to indemnify us for any losses we might suffer. This means that if the check is presented after we pay your claim, and we pay the check, you are responsible to cover our losses. We may require you to provide a surety bond to assure that you can pay us if we suffer a loss.

CHANGING ACCOUNT PRODUCTS - We may change your account to another product offered by us at any time by giving you notice that your account will be changed to another product on a specified date. If your account is a time account, the change will not occur before the next maturity date of your account. If you do not close your account before the date specified in the notice, we may change your account to that other product on the date specified in the notice.

TRANSACTIONS BY MAIL - You may deposit checks or drafts by mail. You should indorse the item being sent through the mail with the words "For Deposit Only" and should include your correct account number underneath to ensure the item is credited to the correct account. You should use the pre-encoded deposit slips found in your checkbook. If you do not use your deposit slip or provide us with instructions indicating how or where the item should be credited, we may apply it to any account or any loan balance you have with us or we may return the item to you. Receipts for such transactions will be mailed to you only if a self-addressed stamped envelope is provided. Following your deposit, examine your statement carefully or call us to ensure that we received the item. Do not send cash through the mail for deposit.

CHECK STORAGE AND COPIES - You agree that you will not receive your canceled checks. We will store your canceled checks or copies of them for a reasonable retention period. You may request copies from us in the manner we require.

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to all deposit accounts.

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 them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

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 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 closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

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.

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

LONGER DELAYS MAY APPLY

Case-by-case delays. 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 \$275 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.

Safeguard exceptions. 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 \$6,725 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 \$6,725 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 \$6,725 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 \$6,725 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 eleventh business day after the day of your deposit.

SPECIAL ACCOUNT DETAILS

FREE BUSINESS CHECKING ACCOUNT

This account is not a consumer account to which Truth in Savings applies.

Minimum balance to open the account - You must deposit \$50.00 to open this account. If account is closed within 180 days of opening, a \$25.00 fee will be charged.

Minimum balance to avoid imposition of fees - None

Fees - No monthly maintenance fees on the first 250 items per statement cycle. Please see your branch account representative for a listing of what qualifies as items. A per item fee of \$0.25 will be charged for each item in excess of 250 during a statement cycle.

REGULAR BUSINESS CHECKING ACCOUNT

This account is not a consumer account to which Truth in Savings applies.

Minimum balance to open the account - You must deposit \$100.00 to open this account. If account is closed within 180 days of opening, a \$25.00 fee will be charged.

Minimum balance to avoid imposition of fees - A monthly service fee of \$10.00 will be imposed every statement cycle unless you maintain a minimum daily balance of \$500.00 for the monthly statement cycle.

Fees:

A per check fee of \$.20 will be charged for each check in excess of 10 during a statement cycle. This fee will apply if minimum daily balance of \$500.00 is not maintained during a statement cycle.

A fee of \$1.00 will be charged each statement cycle if there is no monthly activity.

A fee of \$6.00 will be charged for return of checks and deposit slips.

COMMON FEATURES

Please refer to our separate rate sheet for current interest rate and annual percentage yield information and to our separate fee schedule for additional information about charges.

DEPOSIT ACCOUNT FEES

Account closed within 180 days	\$25.00
Check printing.....	Varies by style of check
Per 10 counter checks.....	\$2.50
Automatic transfer activity (sweep accounts).....	\$6.00 per transfer
Telephone transfer	\$6.00 per transfer
Return check - personal	\$15.00 per item
Return check - business.....	\$15.00 per item
NSF check - personal checking.....	\$35.00 per item (up to 6 items per day)
NSF check - business checking	\$35.00 per item (up to 6 items per day)
Negative checking/savings balance per day.....	\$5.00 (beginning on the 6th day)
NSF EFT or ACH (preauthorized withdrawal)	\$35.00 per item (up to 6 items per day)
NSF telephone transfer	\$35.00 per item (up to 6 items per day)
NSF telephone payment.....	\$35.00 per item (up to 6 items per day)
The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal, or other electronic means.	
Overdraft fee.....	\$35.00 per item (up to 6 items per day)
Stop payment (all types).....	\$35.00 per order
Account research per hour (1 hr minimum).....	\$25.00
Account balancing assistance per hour (1 hr minimum).....	\$25.00
Reproduction of statement	\$5.00
Images of checks in statements	\$5.00 per month
Check charge-back to loan.....	\$35.00
Fax Payoff fee	\$15.00
Garnishments/levies (per transaction).....	\$75.00
Money orders (1 free draft from account per day).....	\$3.00
Cashier's check (1 free draft from account per day).....	\$5.00
Coin count (no account).....	10%
Photocopies	\$1.00 each page
FAX - in or out	\$2.00 per page
Outgoing domestic wire transfer.....	\$25.00
Incoming domestic wire transfer.....	\$25.00
Outgoing international wire transfer.....	\$50.00
Incoming international wire transfer.....	\$50.00
Inactive fee/Dormant	\$5.00 per month
Check copies	\$1.00 per item

ATM/DEBIT CARD FEES

Replace lost/stolen ATM/Debit card	\$10.00
*Foreign non-Pulse withdrawal/transfer.....	\$1.50
*Foreign Pulse withdrawal/transfer.....	\$1.50
ATM foreign customer fee (per transaction).....	\$3.00
Inquiry from any ATM	\$0.25

Free use of the Sherwood State Bank ATMs. Complete list available upon request.

SAFETY DEPOSIT BOXES

2.5 x 4.5 x 20 (\$18.00 if automatic pay)	\$20.00
4 x 4.5 x 18 (\$23.00 if automatic pay)	\$25.00
3 x 10 x 22 (\$33.00 if automatic pay)	\$35.00

5 x 10 x 20 (\$38.00 if automatic pay)	\$40.00
Lost key replacement	\$50.00
Box drilling.....	Cost plus 5%
Late charge after 10 days.....	\$5.00
INTERNET BANKING FEES	
Stop payment.....	\$35.00 per order
Cancellation of a payment.....	\$35.00 per item
ACH returns.....	\$35.00 per item
Consumer Bill Pay.....	Free
Business Bill Pay.....	\$9.95 per month



- Real Estate Loans
- Farm Loans
- Home Equity Loans
- Car Loans
- Business & Personal Loans
- Agricultural Lines of Credit
- Business & Personal Lines of Credit
- Personal and Business Checking Accounts:
- Statement Savings
- Money Market Savings
- Certificates of Deposit
- IRA Accounts
- HSA Accounts
- Christmas Clubs
- Safety Deposit Boxes
- ATM Cards
- Consumer Debit Cards
- Business Debit Cards
- Wallet Pay
- Money Orders
- Cashier's Checks
- Fax
- Domestic and Foreign Wire Transfers
- Coin Counting
- Photocopies
- Internet Banking
- Consumer & Business Bill Pay
- Telephone Banking
- Mobile Banking
- Mobile Remote Deposit
- Business ACH Origination & Wires

These and many more services are available at
The Sherwood State Bank
Your Independent Community Bank Since 1945.
If we can help you, give us a call at 1-800-899-9531.
www.sherwood.bank

SHERWOOD STATE BANK

S S B A COMMUNITY BANK

Sherwood - Main Office

105 N. Harrison Street
P.O. Box 4546
Sherwood, Ohio 43556
Phone: 419-899-2111

Archbold Branch

202 Stryker St.
Archbold, OH 43502
Phone: 419-267-5555

Defiance Branch

400 Third Street
Defiance, Ohio 43512
Phone: 419-782-0088

Fayette Branch

121 W. Main Street
P.O. Box 305
Fayette, Ohio 43521
Phone: 419-237-2575

Fax: 419-899-4535
TOLL FREE: 1-800-899-9531

Sherwood Main Office Banking Hours

	<u>Lobby</u>	<u>Drive-Up</u>
Monday - Thursday	9:00 a.m. - 4:00 p.m. By Appt. after 4 p.m.	8:30 a.m. to 5:00 p.m.
Friday	9:00 a.m. - 5:00 p.m.	8:30 a.m. to 5:00 p.m.
Saturday	Lobby by Appt. only	8:30 a.m. to 12:00 p.m.

Archbold Branch Banking Hours

	<u>Lobby</u>	<u>Drive-Up</u>
Monday - Thursday	9:00 a.m. - 4:00 p.m. By Appt after 4 p.m.	8:30 a.m. to 5:00 p.m.
Friday	9:00 a.m. - 5:00 p.m.	8:30 a.m. to 5:00 p.m.
Saturday	Lobby by Appt. only	8:30 a.m. to 12:00 p.m.

Defiance Banking Hours

	<u>Lobby</u>	<u>Drive-Up</u>
Monday -Thursday	9:00 a.m. - 4:00 p.m. By Appt after 4 p.m.	8:30 a.m. to 5:00 p.m.
Friday	9:00 a.m. - 5:00 p.m.	8:30 a.m. to 12:00 p.m.
Saturday	Lobby by Appt. only	8:30 a.m. to 12:00 p.m.

Fayette Banking Hours

	<u>Lobby</u>	<u>Drive-Up</u>
Monday - Thursday	9:00 a.m. - 4:00 p.m. By Appt after 4 p.m.	8:30 a.m. to 5:00 p.m.
Friday	9:00 a.m. - 5:00 p.m.	8:30 a.m. to 5:00 p.m.
Saturday	Lobby by Appt. only	8:30 a.m. to 12:00 p.m.

E-Mail: info@sherwood.bank

ATMs available at the following locations:

Sherwood 105 N Harrison Street Sherwood, Ohio	Defiance 400 Third Street Defiance, Ohio	Archbold Branch 202 Stryker St. Archbold, OH 43502
	Fayette 121 W. Main Street Fayette, Ohio	

www.sherwood.bank



UNDERSTANDING YOUR ACCOUNT

Terms and Conditions
Electronic Transfers
Funds Availability
Substitute Checks
Truth in Savings



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TERMS AND CONDITIONS OF YOUR ACCOUNT

IMPORTANT ACCOUNT OPENING INFORMATION - Federal law requires us to obtain sufficient information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

AGREEMENT - This document, along with any other documents we give you pertaining to your account(s), is a contract (also referred to as "this agreement") that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you open the account (whether in-person, electronically, or by any other method permitted by us) or continue to use the account after receiving a notice of change or amendment, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this agreement. If you have any questions, please ask us.

This agreement is subject to applicable federal laws, the laws of the state of Ohio and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this agreement is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this agreement is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this agreement the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this agreement should be construed so the singular includes the plural and the plural includes the singular.

LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and we can deduct any amounts deposited into the account and apply those amounts to the shortage. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

DEPOSITS - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged,

unauthorized or missing indorsement, claim of alteration, encoding error, counterfeit cashier's check or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check or draft for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

WITHDRAWALS

Important terms for accounts where more than one person can withdraw - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

Postdated checks - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

Checks and withdrawal rules - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted by our policy, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify your account as another type of account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

Cash withdrawals - We recommend you take care when making large cash withdrawals because carrying large amounts of cash may pose a danger to your personal safety. As an alternative to making a large cash withdrawal, you may want to consider a cashier's check or similar instrument. You assume full responsibility of any loss in the event the cash you withdraw is lost, stolen, or destroyed. You agree to hold us harmless from any loss you incur as a result of your decision to withdraw funds in the form of cash.

Multiple signatures, electronic check conversion, and similar transactions - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

Notice of withdrawal - We reserve the right to require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account, other than a time deposit or demand deposit, or from any other savings deposit as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your separately provided notice of penalty for early withdrawal.

UNDERSTANDING AND AVOIDING OVERDRAFT AND NONSUFFICIENT FUNDS (NSF) FEES

Generally - The information in this section is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and nonsufficient funds (NSF) is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to overdrafts and NSF transactions.

An overdrawn account will typically result in you being charged an overdraft fee or an NSF fee. Generally, an overdraft occurs when there is not enough money

in your account to pay for a transaction, but we pay (or cover) the transaction anyway. An NSF transaction is slightly different. In an NSF transaction, we do not cover the transaction. Instead, the transaction is rejected and the item or requested payment is returned. In either situation, we can charge you a fee.

If you use our Overdraft Privilege and we cover a transaction for which there is not enough money in your account to pay, we will consider that an overdraft. We treat all other transactions for which there is not enough money in your account as an NSF transaction, regardless of whether we cover the transaction or the transaction is rejected.

Determining your available balance - We use the "available balance" method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your "available" balance may not be the same as your account's "actual" balance. This means an overdraft or an NSF transaction could occur regardless of your account's actual balance.

Your account's actual balance (sometimes called the ledger balance) only includes transactions that have settled up to that point in time, that is, transactions (deposits and payments) that have posted to your account. The actual balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your periodic statement is the ledger balance for your account as of the statement date.

As the name implies, your available balance is calculated based on the money "available" in your account to make payments. In other words, the available balance takes ACH credit transactions and debit card transactions that have been authorized, but not yet settled, and adds or subtracts them from the actual balance. In addition, when calculating your available balance, any "holds" placed on deposits that have not yet cleared are also subtracted from the actual balance. For more information on how holds placed on funds in your account can impact your available balance, read the subsection titled "A temporary debit authorization hold affects your account balance."

Overdrafts - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time (sometimes referred to as "everyday") debit card transactions if you have not opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

Nonsufficient funds (NSF) fees - If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money available in your account, and we decide not to pay the item or transaction, you agree that we can charge you an NSF fee for returning the payment. Be aware that such an item or payment may be presented multiple times by the merchant or other payee until it is paid, and that we do not monitor or control the number of times a transaction is presented for payment. You agree that we may charge you an NSF fee each time a payment is presented if the amount of money available in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented.

Important information regarding "decoupled" cards - Decoupled debit cards are debit cards offered or issued by an institution or merchant other than us. As part of the issuing process, you provide the decoupled debit card issuer with the information it needs to link the decoupled debit card to your account with us. Once this is done, you can typically use the decoupled debit card as you would any other debit card. Importantly, however, while transactions initiated with these decoupled debit cards may originate as debit card transactions paid by the card issuer, we receive and process them as ACH transactions. Additionally, you need to refer to your agreement with the decoupled debit card issuer to understand the terms of use for that card. Thus, when our documentation refers to "debit cards," "everyday debit card transactions," or "one-time debit card transactions," we are referring to debit cards issued by us, not decoupled debit cards issued by other institutions or merchants. Different payment types can use different processing systems and some may take more or less time to post. Knowing which card you are using and how the transaction is processed can help you manage your finances, including helping you to avoid overdraft or NSF fees.

Payment types - Some, but not necessarily all, of the ways you can access the funds in your account include debit card transactions, automated clearing house (ACH) transactions, and check transactions. All these payment types can use different processing systems and some may take more or less time to post. This information is important for a number of reasons. For example, keeping track of the checks you write and the timing of the preauthorized payments you set up will

help you to know what other transactions might still post against your account. For information about how and when we process these different payment types, see the "Payment order of items" subsection below.

Balance information - Keeping track of your balance is important. You can review your balance in a number of ways including reviewing your periodic statement, reviewing your balance online, accessing your account information by phone, or coming into one of our branches.

Funds availability - Knowing when funds you deposit will be made available for withdrawal is another important concept that can help you avoid being assessed fees or charges. Please see our funds availability disclosure (generally titled, "Your Ability to Withdraw Funds") for information on when different types of deposits will be made available for withdrawal. For an account to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the times we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

A temporary debit authorization hold affects your account balance - On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If one or more transactions are presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy, which may result in one or more overdraft or NSF fees. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

Payment order of items - The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items.

Our policy is to process items in the order they are received on the day they are processed.

If one or more checks, items, or transactions are presented without sufficient funds in your account to pay it, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy, which may result in one or more overdraft or NSF fees. We will not charge you a fee for paying an overdraft of an ATM or one-time (sometimes referred to as "everyday") debit card transaction if this is a consumer account and you have not opted-in to that service. The amounts of the overdraft and NSF fees are disclosed elsewhere, as are your rights to opt in to overdraft services for ATM and one-time debit card transactions, if applicable. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership and beneficiary designations on any or all of our accounts unless otherwise prohibited by law. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Individual Account - is an account in the name of one person.

Joint Account - With Survivorship (And Not As Tenants In Common) - is an account in the name of two or more persons. Each of you intend that when you die the balance in the account (subject to any previous pledge to which we have agreed) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common.

Joint Account - No Survivorship (As Tenants In Common) - This is owned by two or more persons, but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the number of signatures necessary for withdrawal.

Revocable Trust or Pay-On-Death Account - If two or more of you create this type of account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating either of these account types may: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time.

BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

STOP PAYMENTS - The rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because the most effective way for us to execute a stop-payment order is by using an automated process, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time for checks is anytime prior to the item being presented against your account. ACH items generally require three banking days notice before the scheduled date of the transfer.

TELEPHONE TRANSFERS - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Limitations on the number of telephonic transfers from a savings account, if any, are described elsewhere.

AMENDMENTS AND TERMINATION - We may amend or delete any term of this agreement. We may also add new terms to this agreement. In addition, we may suspend, modify, convert, or terminate a service, convert this account to another account type, or close this account for any reason except as prohibited by law. For any of these types of changes, we will give you reasonable notice in writing by any reasonable method including by mail, by any electronic communication method to which you have agreed, on or with a periodic statement, or through any other method permitted by law. If we close the account, we will tender the account balance to you or your agent personally, by mail, or by another agreed upon method.

Reasonable notice depends on the circumstances, and in some cases, such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change becomes effective. For instance, if we suspect fraudulent activity with respect to your account, and if we deem it appropriate under the circumstances and necessary to prevent further fraud, we might immediately freeze or close your account and then give you notice.

Unless otherwise indicated in the notice of change, if we have notified you of a change to your account, and you continue to have your account after the effective date of the change, you have accepted and agreed to the new or modified terms. You should review any change in terms notice carefully as the notice will provide important information of which you may need to be aware.

We reserve the right to waive any term of this agreement. However, such waiver shall not affect our right to enforce the term at a later date.

If you request that we close your account, you are responsible for leaving enough money in the account to cover any outstanding items or transactions to be paid from the account. Once any outstanding items or transactions are paid, we will close the account and tender the account balance, if any, to you or your agent personally, by mail, or by another agreed upon method.

Any items and transactions presented for payment after the account is closed may be dishonored. Any deposits we receive after the account is closed may be

returned. We will not be liable for any damages for not honoring any such debits or deposits received after the account is closed.

Note: Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. In addition, for changes governed by a specific law or regulation, we will follow the specific timing and format notice requirements of those laws or regulations.

CORRECTION OF CLERICAL ERRORS - Unless otherwise prohibited by law, you agree, if determined necessary in our reasonable discretion, to allow us to correct clerical errors, such as obtaining your missing signature, on any account documents or disclosures that are part of our agreement with you. For errors on your periodic statement, please refer to the STATEMENTS section.

NOTICES - Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive any notice in time to have a reasonable opportunity to act on it. If a notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Notice we give you via the United States Mail is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we currently have on file. Notice we give you through your email of record, or other electronic method to which you agreed, will be treated as delivered to you when sent.

STATEMENTS - Your duty to report unauthorized signatures (including forgeries and counterfeit checks) and alterations on checks and other items - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations (including forgeries and counterfeit checks), you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures or alterations in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

Your duty to report other errors or problems - In addition to your duty to review your statements for unauthorized signatures and alterations, you agree to examine your statement with reasonable promptness for any other error or problem - such as an encoding error or an unexpected deposit amount. Also, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing indorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

Errors relating to electronic fund transfers or substitute checks - For information on errors relating to electronic fund transfers (e.g., online, mobile, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

Duty to notify if statement not received - You agree to immediately notify us if you do not receive your statement by the date you normally expect to receive it. Not receiving your statement in a timely manner is a sign that there may be an issue with your account, such as possible fraud or identity theft. Absent a lack of ordinary care by us, a failure to receive your statement in a timely manner does not extend the time you have to conduct your review under this agreement.

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

REIMBURSEMENT OF FEDERAL BENEFIT PAYMENTS - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other available legal remedy to recover the amount of our liability.

TEMPORARY ACCOUNT AGREEMENT - If the account documentation indicates that this is a temporary account agreement, each person who signs to open the account or has authority to make withdrawals (except as indicated to

the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

SETOFF - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

AUTHORIZED SIGNER - The authorized signer is merely designated to conduct transactions on behalf of the owner or owners. Owners do not give up any rights to act on the account, and the authorized signer may not in any manner affect the rights of owners or beneficiaries, if any, other than by withdrawing funds from the account. Owners are responsible for any transactions of the authorized signer. We undertake no obligation to monitor transactions to determine that they are on behalf of the owners.

We may continue to honor the transactions of the authorized signer until: (a) we have received written notice or have actual knowledge of the termination of authority, and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept the designation of an authorized signer.

For accounts owned by a single individual, the owner may terminate the authority at any time, and the authority is automatically terminated by the death of the owner.

If our policy allows for the designation of an authorized signer on an account with multiple owners (and without any multiple signatures requirement), then the following rules apply: Each owner individually authorizes the authorized signer to act on his/her behalf. Any one owner may revoke or terminate the authorization, and the authorized signer's authority to access the account will continue only as long as no owner has revoked authorization. If no other event terminates the authority of the authorized signer, the authority is terminated upon the death of the last surviving owner.

RESTRICTIVE LEGENDS OR INDORSEMENTS - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. For this reason, we are not required to honor any restrictive legend or indorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive indorsement.

FACSIMILE SIGNATURES - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

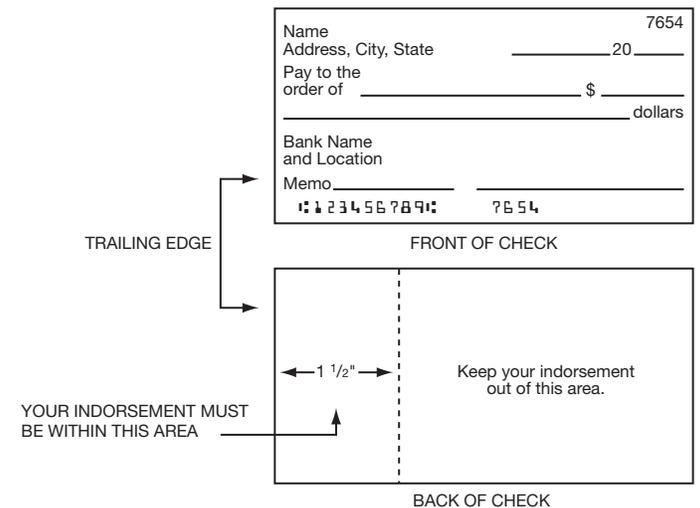
CHECK PROCESSING - We process items mechanically by relying almost exclusively on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of indorsements unless you notify us in writing that the check requires multiple indorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

CHECK CASHING - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

INDORSEMENTS - We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 1/2" of that edge.



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement or information you have printed on the back of the check obscures our indorsement. These indorsement guidelines apply to both personal and business checks.

DEATH OR INCOMPETENCE - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

FIDUCIARY ACCOUNTS - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

CREDIT VERIFICATION - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

LEGAL ACTIONS AFFECTING YOUR ACCOUNT - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action as required by applicable law. However, nothing in this agreement shall be construed as a waiver of any rights

you may have under applicable law with regards to such legal action. Subject to applicable law, we may, in our sole discretion, choose to freeze the assets in the account and not allow any payments or transfers out of the account, or take other action as may be appropriate under the circumstances, until there is a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action and applicable law. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees, and our internal expenses) may be charged against your account, unless otherwise prohibited by applicable law. The list of fees applicable to your account(s) - provided elsewhere - may specify additional fees that we may charge for responding to certain legal actions.

ACCOUNT SECURITY -

Your duty to protect account information and methods of access - Our policy may require methods of verifying your identity before providing you with a service or allowing you access to your account. We can decide what identification is reasonable under the circumstances. For example, process and identification requirements may vary depending on whether they are online or in person. Identification may be documentary or physical and may include collecting a fingerprint, voiceprint, or other biometric information.

It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your accounts. You should also safeguard your username, password, and other access and identifying information when accessing your account through a computer or other electronic, audio, or mobile device or technology. If you give anyone authority to access the account on your behalf, you should exercise caution and ensure the trustworthiness of that agent. Do not discuss, compare, or share information about your account numbers with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device or information and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized. Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

Positive pay and other fraud prevention services - Except for consumer electronic fund transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered. You will not be responsible for such transactions if we acted in bad faith or to the extent our negligence contributed to the loss. Such services include positive pay or commercially reasonable security procedures. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected. The positive pay service can help detect and prevent check fraud and is appropriate for account holders that issue a high volume of checks, a lot of checks to the general public, or checks for large dollar amounts.

INSTRUCTIONS FROM YOU - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission, email, voicemail, or phone call to a facsimile number, email address, or phone number not designated by us for a particular purpose or for a purpose that is unrelated to the request or instruction.

MONITORING AND RECORDING TELEPHONE CALLS AND ACCOUNT COMMUNICATIONS - Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record, and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account, we may need to contact you about your account from time to time by telephone, text messaging, or email. In contacting you about your account, we may use any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us.

You acknowledge that the number we use to contact you may be assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service, or any other service for which you may be charged for the call. You acknowledge that we may contact you by voice,

voicemail, or text messaging. You further acknowledge that we may use pre-recorded voice messages, artificial voice messages, or automatic telephone dialing systems.

If necessary, you may change or remove any of the telephone numbers, email addresses, or other methods of contacting you at any time using any reasonable means to notify us.

CLAIM OF LOSS - The following rules do not apply to a transaction or claim related to a consumer electronic fund transfer governed by Regulation E (e.g., an every day/one-time consumer debit card or ATM transaction). The error resolution procedures for consumer electronic fund transfers can be found in our initial Regulation E disclosure generally titled, "Electronic Fund Transfers." For other transactions or claims, if you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals) - We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your separately provided notice of penalty for early withdrawal for additional information.

CHANGES IN NAME AND CONTACT INFORMATION - You are responsible for notifying us of any change in your name, address, or other information we use to communicate with you. Unless we agree otherwise, notice of such a change must be made in writing. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent information you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

RESOLVING ACCOUNT DISPUTES - We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

WAIVER OF NOTICES - To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit an item and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

FUNDS TRANSFERS - Unless otherwise required by applicable law, such as Regulation J or the operating circulars of the Board of Governors of the Federal Reserve System, this agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association and other funds-transfer system rules, as applicable. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH or other funds-transfer systems. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

NOTICE OF NEGATIVE INFORMATION

Federal law requires us to provide the following notice to customers before any "negative information" may be furnished to a nationwide consumer reporting agency. "Negative information" includes information concerning delinquencies, overdrafts or any form of default. This notice does not mean that we will be reporting such information about you, only that we may report such information about customers that have not done what they are required to do under our agreement.

After providing this notice, additional negative information may be submitted without providing another notice.

We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

This Electronic Fund Transfer disclosure does not apply to any accounts other than consumer accounts, as defined by Regulation E.

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

Electronic Fund Transfers Initiated By Third Parties. You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits (such as U.S. Treasury (Social Security) or some employers (payroll)) to be accepted into your checking or savings account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your checking, savings, or money market account(s).
- **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.
- **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

SherTeller Transfers - types of transfers - You may access your account by telephone 24 hours a day at 1-866-617-7437 using your touch-tone phone and your account numbers, to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from savings to checking
- transfer funds from savings to savings
- make payments from checking to loan accounts with us
- make payments from savings to loan accounts with us
- get information about:
 - the account balance of checking accounts
 - account history on checking accounts
 - the account balance of savings accounts
 - account history on savings accounts

ATM Transfers - Pulse, Money Pass and Cirrus Networks - types of transfers, dollar limitations and charges - You may access your account(s) by ATM using your ATM Card and personal identification number or Debit Card and personal identification number, to:

- get cash withdrawals from checking account(s) with an ATM card
 - you may withdraw no more than \$500.00 per day
- get cash withdrawals from savings account(s) with an ATM card
 - you may withdraw no more than \$500.00 per day

- transfer funds from savings to checking or money market savings account(s) with an ATM/Debit Card
 - transfer funds from checking or money market savings to savings account(s) with an ATM/Debit Card
 - we will charge \$1.50 per withdrawal, deposit or transfer from Pulse ATMs we do not own or operate
 - we will charge \$1.50 per withdrawal, deposit or transfer from Plus ATMs
 - get information about:
 - the account balance of your checking accounts
 - with an ATM/Debit Card
 - the account balance of your savings accounts
 - with an ATM/Debit Card
 - We will charge \$.25 per inquiry at any foreign ATM
- Some of these services may not be available at all terminals.

Types of Debit Card Point-of-Sale Transactions - You may access your checking or savings account(s) to purchase goods (in person or by phone), pay for services (in person or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

Point-of-Sale Transactions - dollar limitations - Using your card:

- you may not exceed \$2,500.00 in transactions per day

Currency Conversion and Cross-Border Transaction Fees. If you initiate a transaction with your Debit Card in a currency other than US Dollars, Mastercard will convert the charge into a US Dollar amount. The Mastercard currency conversion procedure is based on rates observed in the wholesale market or, where applicable, on government-mandated rates. The currency conversion rate Mastercard generally uses is the rate for the applicable currency that is in effect on the day the transaction occurred. However, in limited situations, particularly where Mastercard transaction processing is being delayed, Mastercard may instead use the rate for the applicable currency in effect on the day the transaction is processed.

Mastercard charges us a Currency Conversion Assessment of 20 basis points (.2% of the transaction) for performing the currency conversion. In addition, Mastercard charges us an Issuer Cross-Border Assessment of 90 basis points (.9% of the transaction) on all cross-border transactions regardless of whether there is a currency conversion. As a result, we charge you a Currency Conversion fee of .2% and a Cross-Border Transaction fee of .9%. The Cross-Border Transaction fee is charged on all cross-border transactions regardless of whether there is a currency conversion. A cross-border transaction is a transaction that occurs at a card acceptance location in a different country from the country in which the card was issued. This means a cross-border transaction can occur even though the transaction is made when you are not in a foreign country. For example, a transaction made online with a foreign merchant is a cross-border transaction even though made while you are physically in the United States.

Please see your cardholder agreement for additional information relating to the use of your Debit Card.

Online/Mobile Banking Transfers - types of transfers - You may access your account(s) by computer at www.sherwood.bank and using your user ID, your PIN and your account numbers, or via your web-enabled mobile device, to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from savings to checking
- transfer funds from savings to savings
- make payments from checking to loan account(s) with us
- make payments from checking to third parties (Bill Pay)
- make payments from savings to loan account(s) with us

Mobile Remote Deposit Capture is available through our mobile app. Checks deposited require signature and "For SSB Mobile Deposit Only" endorsement on back of check. Availability of your deposited funds is based on Sherwood State Bank's hold policies. Funds deposited after 3:00 p.m. EST will be available next business day during nightly processing.

FEES

- We do not charge for direct deposits to any type of account.
- We do not charge for preauthorized payments from any type of account.

Except as indicated elsewhere, we do not charge for these electronic fund transfers.

ATM Operator/Network Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

DOCUMENTATION

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.

- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 419-899-2111 or 1-800-899-9531 to find out whether or not the deposit has been made.
- **Periodic statements.**

You will get a monthly account statement from us for your statement savings and money market accounts if you have any EFT activity. If you do not have any EFT activity, you will receive a quarterly statement.

PREAUTHORIZED PAYMENTS

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this disclosure in time for us to receive your request 3 business days or more 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 within 14 days after you call.

We will charge you \$35.00 for each stop-payment order you give.

- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

FINANCIAL INSTITUTION'S LIABILITY

Liability for failure to make transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- (1) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- (2) If you have an overdraft line and the transfer would go over the credit limit.
- (3) If the automated teller machine where you are making the transfer does not have enough cash.
- (4) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- (6) There may be other exceptions stated in our agreement with you.

CONFIDENTIALITY

We will disclose information to third parties about your account or the transfers you make:

- (1) where it is necessary for completing transfers; or
- (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (3) in order to comply with government agency or court orders; or
- (4) as explained in the separate Privacy Disclosure.

UNAUTHORIZED TRANSFERS

(a) Consumer liability.

• **Generally.** Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

• **Additional Limits on Liability for Debit Card.** You will not be liable for any unauthorized transactions using your Debit Card if: (i) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of

loss or theft, and (ii) upon becoming aware of a loss or theft, you promptly report the loss or theft to us. In the event these additional limits do not apply (e.g., if you failed to exercise reasonable care or failed to promptly notify us) the liability limits of Regulation E (described above) apply. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

(b) Contact in event of unauthorized transfer. If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the information from your check without your permission.

ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this disclosure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and account number (if any).
- (2) Describe the error or the 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) Tell us the dollar amount of the suspected error.

If you tell us orally, 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 (20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days if the transfer involved a new account) 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. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

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 SHERWOOD STATE BANK
ACCOUNTING
P.O. BOX 4546, 105 NORTH HARRISON STREET
SHERWOOD, OHIO 43556

Business Days: Monday through Friday
Excluding Federal Holidays

Phone: 419-899-2111 or 1-800-899-9531

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

NOTICE OF ATM/NIGHT DEPOSIT FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don't leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements you receive.
4. Don't lend your ATM card to anyone.
5. Remember, do not leave your card at the ATM. Do not leave any documents at a night deposit facility.
6. Protect the secrecy of your Personal Identification Number (PIN). Protect your ATM card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your ATM card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. If you lose your ATM card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.

9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lit. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
10. Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
12. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
13. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to all deposit accounts.

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 them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

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 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 closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

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.

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

LONGER DELAYS MAY APPLY

Case-by-case delays. 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 \$275 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.

Safeguard exceptions. 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 \$6,725 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 \$6,725 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 \$6,725 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 \$6,725 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 eleventh business day after the day of your deposit.

SUBSTITUTE CHECKS AND YOUR RIGHTS

As our customer we think it's important for you to know about substitute checks. The following Substitute Check Disclosure provides information about substitute checks and your rights. So you will recognize substitute checks when you receive them, we have included a copy of the front side of a substitute check along with an explanation of the substitute check's components.

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 law 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, bounced check fees).

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 law.

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 received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received 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:

The Sherwood State Bank
105 N. Harrison Street
P.O. Box 4546
Sherwood, Ohio 43556-0546

You must contact us within 60 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 were not able to make a timely claim because of extraordinary circumstances.

Your 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 or the following information to help us identify the substitute check: the check number, the amount of the check, the date of the check, and the name of the person to whom you wrote the check.

Minimum balance to avoid imposition of fees - A monthly service fee of \$15.00 will be imposed every statement cycle unless you maintain a minimum daily balance of \$2,500.00 for the monthly statement cycle.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the business day you deposit noncash items (for example, checks).

SHER-ADVANTAGE CHECKING ACCOUNT

Minimum balance to open the account - You must deposit \$500.00 to open this account.

Minimum balance to avoid imposition of fees - A monthly service fee of \$10.00 will be imposed every statement cycle if the balance in the account falls below \$1,000.00 any day of the cycle.

Effect of closing an account - If you close your account within 180 days of opening, \$25.00 fee will be charged.

Fees:

Check images with statement are \$5.00

ADDITIONAL TERMS

No fee for the first 3 months from account opening.

No limit on number of checks clearing account

No paper statement fee

Check Images with statement are \$5.00

SHER-ADVANTAGE SAVINGS ACCOUNT

Rate Information - Your interest rate and annual percentage yield may change.

Frequency of rate changes - We may change the interest rate on your account at any time.

Determination of rate - Rate tiers are based on additional deposit relationship product tied to this account. You must have a Sher-Advantage Checking Account to receive a higher tiered rate. At our discretion, we may change the interest rate on your account.

Compounding and crediting frequency - Interest will be compounded every month. Interest will be credited to your account every month.

Effect of closing an account - If you close your account before interest is credited, you will not receive the accrued interest. If closed within 180 days of opening, \$25.00 fee will be charged.

Minimum balance to open the account - You must deposit \$100.00 to open this account.

Minimum balance to avoid imposition of fees - A monthly service fee of \$1.00 will be imposed every statement cycle if the balance in the account falls below \$100.00 for the monthly cycle, or \$1,000.00 combined average balance, otherwise a \$1 service fee will be imposed per statement cycle.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day. Accrual of interest on noncash deposits - Interest begins to accrue on the business day you deposit noncash items (for example, checks).

ADDITIONAL TERMS

Paper Statement Fee - \$1.00

STATEMENT SAVINGS ACCOUNT

Rate Information - Your interest rate and annual percentage yield may change.
Frequency of rate changes - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

Compounding and crediting frequency - Interest will be compounded semi-annually. Interest will be credited to your account semi-annually.

Effect of closing an account - If you close your account before interest is credited, you will not receive the accrued interest.

Minimum balance to open the account - You must deposit \$50.00 to open this account. If account is closed within 180 days of opening, a \$25.00 fee will be charged. Youth accounts for children under 16 can be opened without the minimum deposit requirement.

Minimum balance to avoid imposition of fees - A monthly service fee of \$5.00 will be imposed every statement cycle if the balance in the account falls below \$50.00 any day of the cycle. Fee is waived for customers under age 16.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the business day you deposit noncash items (for example, checks).

MONEY MARKET ACCOUNT

Rate Information - Your interest rate and annual percentage yield may change.

Frequency of rate changes - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

Compounding and crediting frequency - Interest will be compounded every month. Interest will be credited to your account every month.

Effect of closing an account - If you close your account before interest is credited, you will not receive the accrued interest.

Minimum balance to open the account - You must deposit \$2,500.00 to open this account. If account is closed within 180 days of opening, a \$25.00 fee will be charged.

Minimum balance to avoid imposition of fees - A monthly service fee of \$1.00 will be imposed every statement cycle if the balance in the account falls below \$500.00 any day of the cycle.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the business day you deposit noncash items (for example, checks).

COMMUNITY ADVANTAGE MONEY MARKET ACCOUNT

Rate Information - Your interest rate and annual percentage yield may change.

Frequency of rate changes - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

Compounding and crediting frequency - Interest will be compounded every month. Interest will be credited to your account every month.

Effect of closing an account - If you close your account before interest is credited, you will not receive the accrued interest.

Minimum balance to open the account - You must deposit \$5,000.00 to open this account. If account is closed within 180 days of opening, a \$25.00 fee will be charged.

Minimum balance to avoid imposition of fees - A monthly service fee of \$5.00 will be imposed every statement cycle if the balance in the account falls below \$5,000.00 any day of the cycle.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the business day you deposit noncash items (for example, checks).

CHRISTMAS/REGULAR CLUB ACCOUNTS

Rate Information - Your interest rate and annual percentage yield may change.

Frequency of rate changes - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

Compounding and crediting frequency - Interest will be compounded annually. Interest will be credited to your account annually.

Minimum balance to open the account - You must deposit \$1.00 to open this account.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the business day you deposit noncash items (for example, checks).

Fees:

\$25.00 penalty for closing before maturity date.

DEPOSIT ACCOUNT FEES

Account closed within 180 days.....	\$25.00
Check printing.....	Varies by style of check
Per 10 counter checks.....	\$2.50
Automatic transfer activity (sweep accounts).....	\$6.00 per transfer
Telephone transfer.....	\$6.00 per transfer
Return check - personal.....	\$15.00 per item
NSF check - personal checking.....	\$35.00 per item (up to 6 items per day)
Negative checking/savings balance per day.....	\$5.00 (beginning on the 6th day)
NSF EFT or ACH (preauthorized withdrawal).....	\$35.00 per item (up to 6 items per day)
NSF telephone transfer.....	\$35.00 per item (up to 6 items per day)
NSF telephone payment.....	\$35.00 per item (up to 6 items per day)

The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal, or other electronic means.

Overdraft fee.....	\$35.00 per item (up to 6 items per day)
Stop payment (all types)	\$35.00 per order
Account research per hour (1 hr minimum)	\$25.00
Account balancing assistance per hour (1 hr minimum).....	\$25.00
Reproduction of statement.....	\$5.00
Images of checks in statements	\$5.00 per month
Check charge-back to loan	\$35.00
Fax Payoff fee.....	\$15.00
Garnishments/levies (per transaction).....	\$75.00
Money orders (1 free draft from account per day)	\$3.00
Cashier's check (1 free draft from account per day).....	\$5.00
Coin count (no account)	10%
Photocopies	\$1.00 each page
FAX - in or out	\$2.00 per page
Outgoing domestic wire transfer	\$25.00
Incoming domestic wire transfer	\$25.00
Outgoing international wire transfer	\$50.00
Incoming international wire transfer	\$50.00
Inactive fee/Dormant	\$5.00 per month
Check copies	\$1.00 per item

ATM/DEBIT CARD FEES

Replace lost/stolen ATM/Debit card	\$10.00
*Foreign non-Pulse withdrawal/transfer	\$1.50
*Foreign Pulse withdrawal/transfer	\$1.50
ATM foreign customer fee (per transaction)	\$3.00
Inquiry from any ATM	\$0.25
Free use of the Sherwood State Bank ATMs. Complete list available upon request.	

SAFETY DEPOSIT BOXES

2.5 x 4.5 x 20 (\$18.00 if automatic pay).....	\$20.00
4 x 4.5 x 18 (\$23.00 if automatic pay).....	\$25.00
3 x 10 x 22 (\$33.00 if automatic pay).....	\$35.00
5 x 10 x 20 (\$38.00 if automatic pay).....	\$40.00
Lost key replacement.....	\$50.00
Box drilling	Cost plus 5%
Late charge after 10 days	\$5.00

INTERNET BANKING FEES

Stop payment	\$35.00 per order
Cancellation of a payment	\$35.00 per item
ACH returns	\$35.00 per item
Consumer Bill Pay	Free

SHERWOOD STATE BANK



- Real Estate Loans
- Farm Loans
- Home Equity Loans
- Car Loans
- Business & Personal Loans
- Agricultural Lines of Credit
- Business & Personal Lines of Credit
- Personal and Business Checking Accounts:
- Statement Savings
- Money Market Savings
- Certificates of Deposit
- IRA Accounts
- HSA Accounts
- Christmas Clubs
- Regular Clubs
- Safety Deposit Boxes
- ATM Cards
- Consumer Debit Cards
- Business Debit Cards
- Wallet Pay
- Money Orders
- Cashier's Checks
- Fax
- Domestic and Foreign Wire Transfers
- Coin Counting
- Photocopies
- Internet Banking
- Consumer & Business Bill Pay
- Telephone Banking
- Mobile Banking
- Mobile Remote Deposit
- Business ACH Origination & Wires

These and many more services are available at
 The Sherwood State Bank
 Your Independent Community Bank Since 1945.
 If we can help you, give us a call at 1-800-899-9531.
www.sherwood.bank

SHERWOOD STATE BANK



Sherwood - Main Office

105 N. Harrison Street
P.O. Box 4546
Sherwood, Ohio 43556
Phone: 419-899-2111

Archbold Branch

202 Stryker St.
Archbold, OH 43502
Phone: 419-267-5555

Defiance Branch

400 Third Street
Defiance, Ohio 43512
Phone: 419-782-0088

Fayette Branch

121 W. Main Street
P.O. Box 305
Fayette, Ohio 43521
Phone: 419-237-2575

Fax: 419-899-4535

TOLL FREE: 1-800-899-9531

Sherwood Main Office Banking Hours

	<u>Lobby</u>	<u>Drive-Up</u>
Monday - Thursday	9:00 a.m. - 4:00 p.m. By Appt. after 4 p.m.	8:30 a.m. to 5:00 p.m.
Friday	9:00 a.m. - 5:00 p.m.	8:30 a.m. to 5:00 p.m.
Saturday	Lobby by Appt. only	8:30 a.m. to 12:00 p.m.

Archbold Branch Banking Hours

	<u>Lobby</u>	<u>Drive-Up</u>
Monday - Thursday	9:00 a.m. - 4:00 p.m. By Appt after 4 p.m.	8:30 a.m. to 5:00 p.m.
Friday	9:00 a.m. - 5:00 p.m.	8:30 a.m. to 5:00 p.m.
Saturday	Lobby by Appt. only	8:30 a.m. to 12:00 p.m.

Defiance Banking Hours

	<u>Lobby</u>	<u>Drive-Up</u>
Monday - Thursday	9:00 a.m. - 4:00 p.m. By Appt. after 4 p.m.	8:30 a.m. to 5:00 p.m.
Friday	9:00 a.m. - 5:00 p.m.	8:30 a.m. to 5:00 p.m.
Saturday	Lobby by Appt. only	8:30 a.m. to 12:00 p.m.

Fayette Banking Hours

	<u>Lobby</u>	<u>Drive-Up</u>
Monday - Thursday	9:00 a.m. - 4:00 p.m. By Appt. after 4 p.m.	8:30 a.m. to 5:00 p.m.
Friday	9:00 a.m. - 5:00 p.m.	8:30 a.m. to 5:00 p.m.
Saturday	Lobby by Appt. only	8:30 a.m. to 12:00 p.m.

E-Mail: info@sherwood.bank

ATMs available at the following locations:

Sherwood 105 N Harrison Street Sherwood, Ohio	Defiance 400 Third Street Defiance, Ohio	Archbold Branch 202 Stryker St. Archbold, OH 43502
	Fayette 121 W. Main Street Fayette, Ohio	

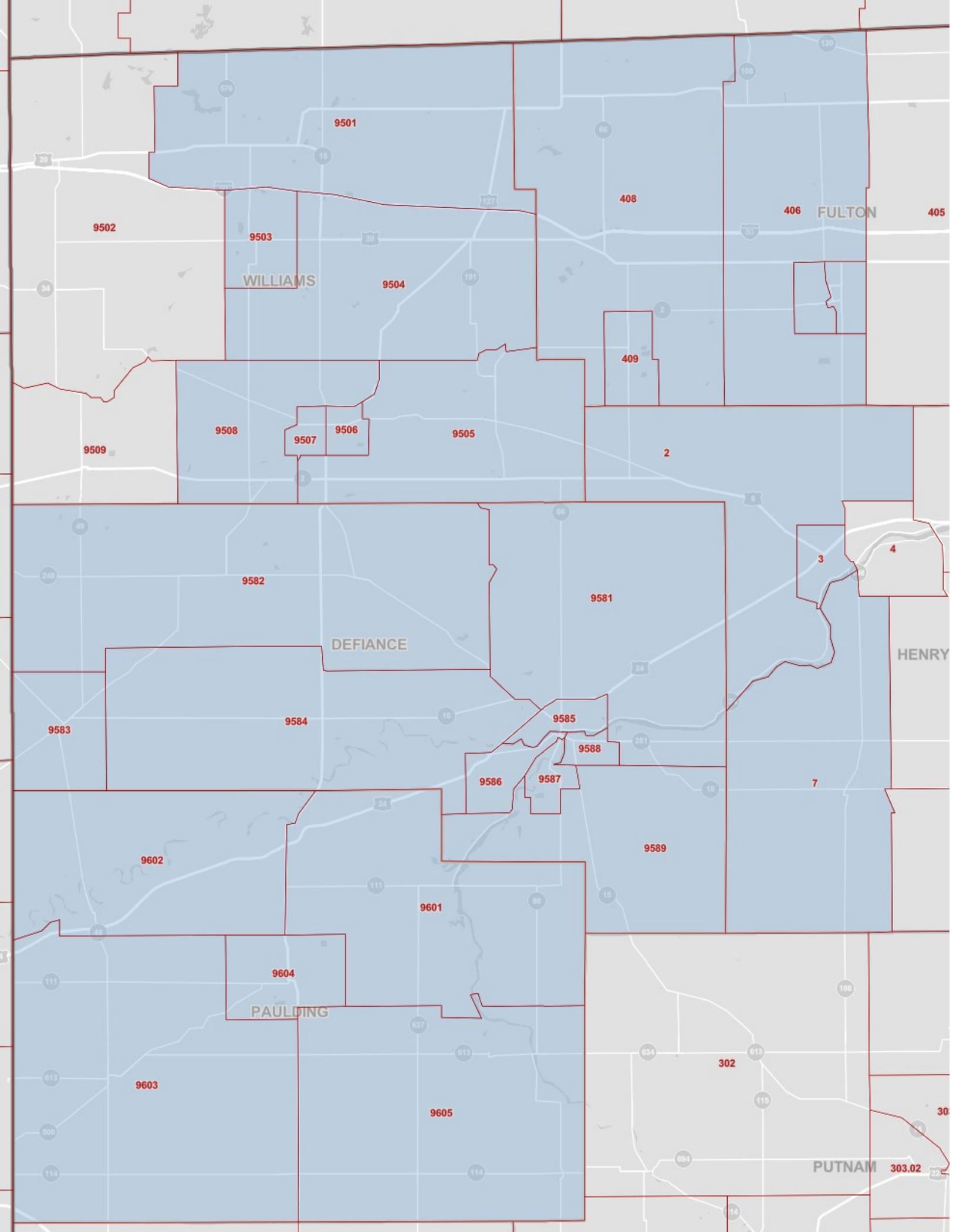
Additional list of ATMs available upon request.

www.sherwood.bank



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LAR Request Notice

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and application; ethnicity, race, sex, and income of applicants and borrowers; and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau's Web site (www.consumerfinance.gov/hmda). HMDA data for many other financial institutions are also available at this website.

Exhibit “C”

**CRA Annual Audit
For Period Ending December 31, 2025**

Loan to Deposit Ratio

The Sherwood State Bank’s Loan to Deposit ratios and respective gross loans outstanding for the previous four (4) quarters were as follows:

- March 31, 2025 88.48% \$75,342,826/\$84,125,916
- June 30, 2025 89.99% \$76,378,113/\$83,848,821
- September 30, 2025 90.57% \$78,194,795/\$85,310,686
- December 31, 2025 90.28% \$78,936,413/\$86,389,538

Percentage of Loans and Other Lending Related Activities Located in the Assessment Area

The Sherwood State Bank has branches in Sherwood, Defiance, Archbold, and Fayette, Ohio. The assessment area includes Defiance, Paulding, Williams, Henry, and Fulton counties.

A review of all 187 new loans generated from January 1, 2025 through December 31, 2025, showed that 161 or 86.10% of loans were within our delineated market area as defined below. This does not necessarily include loans inside secondary area defined within Twenty (20) mile radius of each location as also stated below.

In the allocation of resources available for loans, primary consideration is given to existing or potential customers within our delineated lending area.

Geographic Limitations

This is a community bank; it was established to support the community it serves. Good loans will be aggressively sought from within the market area; all sound business from within the Bank’s primary territory will be accepted (as follows):

County	Census Tract
Defiance	9581, 9582, 9583, 9584, 9585, 9586, 9587, 9588, 9589
Fulton	406, 407, 408, 409
Henry	0002.00, 0003.00, 0007.00
Paulding	9601, 9602, 9603, 9604, 9605
Williams	9501, 9503, 9504, 9505, 9506, 9507, 9508

This area is defined as being our delineated lending area or primary Assessment Area for CRA. A secondary area is more generally defined as any area within a twenty (20) mile radius from each office location.

The President, Chief Risk Officer, Chief Lending Officer, or Board of Directors will approve all loans extended beyond these areas.

Distribution of Lending Among Borrowers of Different Income Levels as Well as Farms/Businesses of Different Sizes

Our internal analysis of bank records indicates a pattern of lending across all income levels to farms and businesses of various sizes.

A review of all 153 consumer loans originated from January 1, 2025 through December 31, 2025 showed that 52 loans or 33.99% were below 80% of the represented county's "Adjusted Median Income" of \$73,040 for 1-2 persons. Income limits are based on Mortgage Revenue Bond and Welcome Home Income Limits for Ohio as recently published by the Federal Home Loan Bank of Cincinnati.

The Sherwood State Bank originated 35 new commercial loans and 21 line of credit renewals in 2025. From the total commercial loans made, 49 loans, representing 87.50% of the total, were originated to small businesses with gross annual revenue of one (1) million or less.

Distribution of Lending Among Geographies of Different Income Levels

The random sample has also indicated loans are distributed throughout the rural assessment areas. However, due to their geographical extremities and lack of diversity, it may be difficult to appropriately measure or ascertain the distribution of lending within the market areas.

Record of Action, if Warranted, in Response to Written Complaints about CRA Performance

No filed complaints were received in 2025.

Investments and Services

Electronic Products and Services

- Investment in internet banking has resulted in convenience and greater customer coverage. Internet Banking and other electronic products and services users as of 12/31/2025 are as follows:
 - I-Banking – 3,516
 - E Docs – 1,984
 - Bill Pay – 525
 - Mobile Banking – 1,037
 - Teleconnect – 39
 - Consumer Debit Cards – 2,038
 - Business Debit Cards – 266
 - ATM Cards – 233
 - Mobile Deposit – 83
 - Mobile Wallet – 582
- The Sherwood State Bank contracts with a larger "Money Pass" ATM network to allow larger customer coverage, with no fees charged. This application gives our customers another method of access and convenience 24/7 for their accounts to satisfy the needs of the underserved.
- Wallet pay was implemented in 2019 to promote contactless payment methods using your cell phone.
- Mobile Deposit was implemented in 2019 for check deposit capabilities using your mobile phone.
- In 2020, the Versatiles Mobile theme was added to our Classic Mobile theme giving customers 2 options of use on their mobile/desktop.

- In 2024, SSB changed the online banking platform to the Maverick theme to expand functionality and increase convenience of the system.

Other Investments and Services

- The Bank purchases bonds that are of state issue with a preference for those in our delineated area.
- The Sherwood State Bank has participated in the Welcome Home Program since 2003 by the Federal Home Loan Bank of Cincinnati for established set-aside down payment assistance to help create ownership of owner-occupied primary residences for low- and moderate-income buyers. The Sherwood State Bank participated in 2025 as follows:
 - Five (5) grant recipients for a total of \$100,000 resulting in \$592,500 in loans
 The following were granted previously:
 - Six (6) grant recipients for a total of \$120,000 resulting in \$595,700 in loans
 - Three (3) grant recipients in 2023 for a total of \$30,000.00 resulting in \$290,800 in loans
 - Two (2) grant recipients in 2022 for a total of \$10,000.00 resulting in \$187,500 in loans
 - Two (2) grant recipients in 2021 for a total of \$12,500.00 resulting in \$142,000.00 in loans
 - None in 2020 (pandemic)
 - Five (5) grant recipients in 2019 for total of \$25,000 resulting in \$237,254.22 in loans,
- The Sherwood State Bank employees continue to reach out to local schools for participation in summer camps, career days, and economic classes for student personal improvement opportunities.
- The Sherwood State Bank participates with Farm Service Agency and First time Farmer or Socially disadvantaged land purchases requiring 5% down payments and low interest rate financing on 45% of the purchase.
- Sherwood State Bank has participated with Defiance County Residential Housing Inc. in financing Residential Real Estate for the purpose of placement of socially disadvantaged residents. Candidates are charged rents based on income and significant loan pay down are achieved through grants from the State of Ohio. Sherwood State Bank has been represented on the local residential board.

DELINQUENCY

Delinquencies increased slightly in 2025 and is above the bank's strategic target of 2.75% delinquent loans to total loans. This increase was likely due to general economic uncertainty.

It has been (and continues to be) the practice of the Bank to provide rate and payment modifications to customers experiencing financial hardship to reduce delinquency and maintain residency for the customer as well as ultimately reducing loss to the bank.

The Sherwood State Bank offered a Seasonal Skip-a-Pay for consumer installment loans only for payments due the month of December to help relieve financial burdens such as taxes and holiday expenditures.

Overview

The Sherwood State Bank's CRA performance standards have met diligent objectives based on the assessment factors reviewed. For the resources, personnel, and communities in which we operate, The Sherwood State Bank provides exceptional community reinvestment.

Areas for improvement lie primarily in demographics, documentation, and administration, typical of financial institutions of similar size and rural locations.