

Terms and Conditions Overdraft Addendum

Understanding Overdraft and Returned Item Charges:

Generally. This Addendum is part of the Terms and Conditions of Your Account. The information in this Addendum is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and returned items is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to overdrafts and returned item transactions. An overdrawn account will typically result in you being charged an overdraft fee or a returned item charge. 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. A transaction in which there is a returned item is slightly different. A returned item occurs when there is not enough money in your account to pay for a transaction (e.g. check, ACH), the transaction is rejected and the item or requested payment is returned. In either situation, we can charge you a fee.

Returned Item. 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 in your account, and we decide not to pay the item or transaction, you agree that we can charge you an returned item charge (returned check/ACH) for returning the payment. Be aware that such an item or payment may be presented multiple times 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 a returned item charge each time a payment is presented if the amount of money in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented.

Overdraft Protection (ODP). An overdraft occurs on your account when you do not have enough funds available in your account to cover a transaction but we pay it anyway. We treat all other transactions for which there is not enough money in your account as a nonsufficient funds transaction, regardless of whether we cover the transaction or the transaction is rejected. Overdrafts can be created by a check, in-person withdrawal, ATM withdrawal, Automatic Loan Payments or other electronic means. For consumer accounts, we do not authorize and pay ATM and everyday debit card transactions that over draw the account unless you ask us to by completing the Reg E Opt-in form titled Overdraft Services Disclosure and Consent Form.

When you are enrolled in ODP, the Bank will normally pay overdrafts and apply the appropriate charges, subject to your ODP limit, disclosed in your account *Truth in Savings Disclosure*. However, payment by the Bank is a discretionary courtesy and not a right or obligation. The Bank in its sole and absolute discretion can cease paying overdrafts at any time without prior notice, reason or cause. ODP is not a line of credit. Any discretionary overdraft payment (or other negotiation or processing) by the Bank does not obligate the Bank to pay any additional such item(s) or to provide prior notice of its decision to refuse to pay any additional item(s) noted above. For example, we typically do not pay overdrafts if your account is not in good standing. Pursuant to the Bank's commitment to always provide you with the best level of account holder service, maintaining your account in good standing includes at least:

- Depositing an amount equal or greater to your designated overdraft protection limit in your account each thirty (30) day period and bringing your account balance to a positive balance within every thirty (30) day period.
- You are not in default on any loan or other obligation to Guaranty Bank & Trust.
- You are not subject to any legal or administrative order or levy.

Overdraft protection is subject to approval and can be removed at any time. Termination of your account can result if the account remains in overdraft status for a period of 45 consecutive days, and may lead to the account being charged off after 60 consecutive days. Notice of said actions for debt owed to Bank will be reported to the appropriate credit reporting agencies.

ODP Enrollment and Opt-Out. Refer to your account *Truth in Savings Disclosure* for ODP eligibility. Any account owner may opt-out the overdraft protection service at any time either by contacting the Bank by phone at (888) 572- 9881 or by notifying the Bank in writing at: Guaranty Bank & Trust, N.A., PO Box 1158, Mount Pleasant, TX 75456-1158, Attn: Deposit Services.

Payment Order of Items. Transactions may not be processed in the order in which they occurred, and the order they are received by the bank can affect the total amount of overdraft fees incurred. To assist you in managing your account, we are providing you with the following information regarding how we process those items. 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. Guaranty Bank & Trust posts all items as received in the following order: 1) deposits and other credits; 2) point-of-sale and ATM debits; 3) internet banking transfer debits; 4) cash based debits; 5) paper check in number order; 6) ACH and other electronic items.

Determining Your Account Balance. We use your "current balance" to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction.

Your account's current balance (sometimes called the ledger balance) is updated at the end of each business day after transactions (deposits and payments) settle and post to your account. The current 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 current balance for your account as of the statement date.

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 locations.

Fees. There are fees associated with the payment of overdrafts as well as for any items we may return. Fees charged for covering overdrafts will be subtracted from the ODP limit.

For consumer accounts that have ODP:

- The bank will not charge a fee if the item(s) that are paid results in your account being overdrawn between \$0.01 and \$10.00 at the end of the business day.
- The bank will charge a fee of \$14.50 each time we pay an item drawn against non-sufficient funds when the amount of the item is less than \$20.00 and is paid within your designated overdraft limit.
- The bank will charge you a fee of \$29.00 for all other items paid or returned when drawn against non-sufficient funds.
- The maximum daily amount of fees the bank will charge you for overdrawing your account is \$145.00.

For consumers accounts that do not have ODP:

- The bank will not charge a fee if the item(s) that are paid results in your account being overdrawn \$0.01 and \$10.00 at the end of the business day.
- The bank will charge a fee of \$29.00 for all other items paid or returned when drawn against non-sufficient funds.
- The maximum daily amount of fees the bank will charge you for overdrawing your account is \$145.00.

For business accounts:

- The bank will charge a fee of \$29.00 for all items paid or returned when drawn against non-sufficient funds.

Guaranty Bank & Trust also offers other services to you to avoid overdraft fees such as setting up an automatic transfer of funds from another account to the account that needs the funds to prevent overdraft. There may be other fees associated with that service. Automatic Loan Payments can be scheduled through Online Banking which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.