



Welcome!

Dear Farmers State Bank Customer,

Welcome to The State Bank! We are so thrilled that you have become part of The State Bank family and that we have the honor to serve you and your communities. On December 1, 2021, The State Bank purchased Farmers State Bank. Since that time we, along with the faces you know and love at Farmers State Bank, have been preparing to provide you a seamless transition to The State Bank.

The merger of our two banks is grounded in the belief in community banking and commitment to serving customers and local communities. By coming together we are able to enhance product and service offerings, as well as branch access. This merger does bring some changes to your account(s), but it is our commitment to make the transition a positive one.

Locations and hours at Munith, Grass Lake, and Stockbridge will remain the same. In addition, the team that has served you there will continue to do so now as part of The State Bank team.

We have enclosed important documents and disclosures as are required by law to provide. Please take the time to review this information as well as changes to your account so we can make this as smooth as possible. Please note you may receive additional information about specific accounts and product types.

At The State Bank, our business is to grow and protect your money. But our passion is something much deeper - it's to help you find your better state. Through a relentless commitment to the families, businesses, and communities we serve, together we can help you find your better state.

If you have any questions or concerns, please contact us at (517) 985-1062.

A handwritten signature in black ink, appearing to read "Ronald L. Justice".

Ronald L. Justice

President and CEO, The State Bank

175 N Leroy St. | PO Box 725 | Fenton MI 48430

Dear Valued Customer,

As part of The State Bank's ("State Bank") acquisition of Farmers State Bank ("FSB"), your business account(s) are being converted to a State Bank product ("Account"). The terms of your Account will change.

The Terms and Conditions applicable to your account remain unchanged at this time. However, your account is being converted to a State Bank product and specific sections regarding the Fee Schedule and Your Ability to Withdraw Funds have changed. If you have a checking account with FSB, you will now have a Free Business Checking account with The State Bank. If your current FSB account required you to complete a signature card designating persons authorized to conduct transactions and/or authorized to enter into agreements for services related to that account, that signature card will continue to be effective for your Account. Documents not enclosed can be found at www.thestatebank.com or by visiting a State Bank branch.

All changed terms will be effective on March 7, 2022 ("Effective Date"). By continuing to use your Account after the Effective Date, you agree to all terms of the Account and to any subsequent amendments, changes, or modifications that may be published from time to time. You may end your contractual agreement at any time by closing your Account.

If you are an Online Banking user, you will also need to register with State Bank's online banking system. If you receive eStatements, you will continue to do so once you register with State Bank's online banking system. On your first login after the Effective Date, you will be prompted through the registration process on State Bank's system.

We are required to provide you with specific notice of some of the changed terms of your Account. The changed terms that require specific notice are set forth below. We understand that you may have questions regarding the change in your Account and we are happy to help you through the process. Please call or stop in to your local State Bank branch or visit our resources page at www.thestatebank.com for further assistance. There will be a number of resources available to help you through the transition and make it as seamless as possible.

Below are provisions of the Business Checking Account that change on the Effective Date. If you have a Business Checking Account, please review the change in terms below. We have included the Fee Schedule which, by highlighting in bold, indicates which fees have been changed. A copy of the Truth in Savings Disclosure for the Free Business Checking account is enclosed.

Business Checking is now Free Business Checking:

- » The minimum amount to open the account is now \$25.00;
- » There is no longer a monthly maintenance fee of \$5.50;
- » The activity charge has changed. Your first 150 transactions are free per month. This includes all debits, credits, and deposited items. There is a \$0.40 charge per transaction over this amount;
- » You will no longer receive a credit to offset the activity charge;
- » You will be charged \$3.00 to receive check images in your statement;
- » A \$25.00 fee will be imposed if the Account is closed within the first 90 days; and
- » If your Account has a zero balance for 30 consecutive days, it will automatically close.

(Continued on next page)

Below are provisions of the Your Ability to Withdraw Funds disclosure that change terms regarding availability of funds. Please see the Your Ability to Withdraw Funds for additional information on your ability to withdraw funds. The changes are as follows:

Your cutoff time is now 7 p.m. (was 4 p.m.) for deposits in branches to be considered the date of deposit. For determining the availability of your deposits, if you make a deposit at a State Bank Automated Teller Machines (ATM) before 5 p.m. (was 3:30 p.m.) 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 at a State Bank ATM 5 p.m. or later, 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 period(s) that are described elsewhere in this disclosure for the type of check that you deposited.

THE STATE BANK

175 N LEROY ST PO BOX 725
FENTON MI 48430-0725

Truth in Savings Disclosure

Terms following a apply only if checked.

Acct: Free Business Checking

Acct #:

Date:

The interest rate and annual percentage yield stated below are accurate as of the date printed above. If you would like more current rate and yield information please call us at (810) 629-2263

This disclosure contains the rules which govern your deposit account. Unless it would be inconsistent to do so, words and phrases used in this disclosure should be construed so that the singular includes the plural and the plural includes the singular.

FIXED RATE

The interest rate for your account is _____ % with an annual percentage yield of _____ %. We will pay this rate _____ . We will not decrease this rate unless we first give you at least 30 days notice in writing.

The interest rate and annual percentage yield for your account depend upon the applicable rate tier. We will pay these rates

We will not decrease these rates unless we first give you at least 30 days notice in writing.

VARIABLE RATE

The interest rate for your account is _____ % with an annual percentage yield of _____ .00 %. Your interest rate and annual percentage yield may change.

The interest rate and annual percentage yield for your account depend upon the applicable rate tier. The interest rate and annual percentage yield for these tiers may change.

Determination of Rate.

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

The interest rate for your account

The fixed initial rate is not determined by this rule.

The initial interest rate on your account

Subsequent rates

Frequency of Rate Change.

We may change the interest rate on your account

Your initial interest rate will not change

We may change the interest rate on your account at that time and _____ thereafter.

Limitations on Rate Changes.

The interest rate for your account will not _____ by more than _____ each

The interest rate will not be less than _____ % or more than _____ %.

The interest rate will not _____ the interest rate initially disclosed to you.

Minimum Balance Requirements

To Open the Account. You must deposit at least \$ 25.00 to open this account.

To Avoid Imposition of Fees.

To avoid the imposition of the you must meet following requirements:

A of \$ will be imposed every

if the balance in the account falls below \$ any day of the

A of \$ will be imposed every

if the average daily balance for the falls below \$

The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is

To avoid the imposition of the you must meet following requirements:

A of \$ will be imposed for

transaction (withdrawal, check paid, automatic transfer or payment out of your account) if the balance in the account falls below \$ any day of the

A of \$ will be imposed for

transaction (withdrawal, check paid, automatic transfer or payment out of your account) if the average daily balance for the falls below \$. The average daily balance is calculated

by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

The period we use is

To Obtain the Annual Percentage Yield Disclosed.

You must maintain a minimum balance of \$ in the account each day to obtain the disclosed annual percentage yield.

You must maintain a minimum average daily balance of \$ to obtain the disclosed annual percentage yield. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is

Compounding and Crediting

Frequency. Interest be compounded

Interest will be

Effect of Closing an Account. If you close your account before interest is credited, you receive the accrued interest.

Balance Computation Method

Daily Balance 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.

Average Daily Balance Method. We use the average daily balance method to calculate interest on your account. This method applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is

Accrual of Interest on Noncash Deposits

Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks).

Interest begins to accrue

you deposit noncash items (for example, checks).

Bonuses

- You will
as a bonus . You must maintain a minimum
of \$ to obtain the bonus.
- To earn the bonus,

Transaction Limitations

- The minimum amount you may deposit is \$
- The minimum amount you may withdraw is \$
- During any , you may not make more than
withdrawals or transfers to another account of yours or to a third party by means of a preauthorized or automatic transfer or telephone
order or instruction, computer transfer, or by check, draft, debit card or similar order to a third party.
- Additional fees per transaction
- \$33.00 Overdraft paid or returned item fee \$5.00 Overdraft item less than \$10.00
*** \$5.00 Overdrawn by \$1.01 - \$10.00*** *** No charge overdrawn by \$1.00 or less***
- \$15.00 Returned deposit item \$33.00 Stop payment request
\$2.00 Foreign ATM withdrawal \$5.00 Redeposited item
Continuous overdraft fee of \$5.00 per day after 7th business day
If your account is inactive for 24 months there will be a \$10.00 monthly dormant fee.
- You may only make deposits into your account each statement cycle.
- You may only make ATM your account each statement cycle.
- You may only make preauthorized transfers your account each statement cycle.

Additional Terms

** Overdraft fees apply to overdrafts created by check, in-person withdrawal, ATM withdrawal, or other electronic means.

Service Charges:

First 150 transactions are free (including all debits, credits & deposited items) \$ 0.40 charge per transaction over this amount.

\$ 3.00 Check images in statement

Check printing charge varies depending on the style and quantity of check ordered

A \$25.00 fee will be imposed if you close this account within the first 90 days.

If your account has a zero balance for 30 consecutive days, it will automatically close.

> Additional Statement	\$5
> ATM/Debit Card Reissue	\$5
> ATM Non-TSB Transaction	\$2
> Bill Payment Service	FREE
> Cashiers Checks	\$5
> Money Orders <i>(GLBR, Grass Lake, Munith, and Stockbridge customers only)</i>	\$2
> Copy of Checks	\$1/page
> Counter Checks	FREE, up to 5 \$0.50/ea, add'l
> Escheatment Fees	\$50
> Fax	\$1/pg
> Foreign Check Collection	
> Less than \$10.00	\$2
> \$10.00—\$50.00	\$5
> \$51.00—\$100.00	\$10
> Greater than \$100	\$20
> Garnishment	\$75
> Mobile Deposit	
> All Checking and Kasasa Saver Mobile Deposit <i>(up to 5/mo.)</i>	FREE
> <i>(6+/mo.)</i>	FREE
> Basic Savings Mobile Deposit <i>(up to 15/qtr.)</i>	FREE
> <i>(16+/qtr.)</i>	FREE
> Night Depository:	No Fee
> Overdrafts	
> Overdraft Paid or Returned Item Fee	\$33
> Overdraft Fee <i>(Item less than \$10)</i>	\$5

> Overdraft Fee <i>(overdrawn by \$1.01 - \$10.00)</i>	\$5
> Overdrawn <i>(by \$1.00 or less)</i>	FREE
> Continuous Overdraft Fee <i>(after the 7th business day of being overdrawn)</i>	\$5/day
> Overdraft Sweep Account	\$10 /sweep
> Photo Copies	5 free, 25¢ add'l
> Research	\$25/hr
> Returned Deposit Items	\$15
> Redeposited Items	\$5
> Safe Deposit Box Annual Rental	
> 3"x5"x21"	\$35
> 3"x10"x21"	\$50
> 5"x5"x21"	\$45
> 5"x10"x21"	\$65
> 7"x10"x21"	\$85
> 10"x10"x21"	\$125
> Stop Payment	\$33
> Telephone Transfer	FREE
> Wire, Incoming	\$15
> Wire Transfers, Domestic	\$25
> Wire Transfers, Foreign	\$45

Notice of Funds Availability

Your Ability To Withdraw Funds

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 they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit in a branch before 7 p.m. 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 in a branch after 7 p.m. 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 you make a deposit at a State Bank Automated Teller Machine (ATM) before 5 p.m. 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 at a State Bank ATM after 5 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Longer Delays May Apply

In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$225 of your deposits, however, may be available on the first business day.

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

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

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- * We believe a check you deposit will not be paid.
- * You deposit checks totaling more than \$5,525 on any one day.
- * You redeposit a check that has been returned unpaid.
- * You have overdrawn your account repeatedly in the last six months.
- * There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

Special Rules for New Accounts

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

Holds on Other Funds (Check Cashing)

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.

Holds on Other Funds (Other Account)

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 period(s) that are described elsewhere in this disclosure for the type of check that you deposited.

Deposits at Automated Teller Machines

Funds from any deposits (cash or checks) made at ATMs we do not own or operate will not be available until the fifth business day after the day of your deposit. This rule does not apply to ATMs that we own or operate.

06/24/2020