

The First National Bank of Livingston Discretionary Overdraft Privilege Policy

It is the policy of *First National Bank* to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Deposit Account Agreement and Disclosure provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the Authorized Signatories and *First National Bank* with regard to your checking account. The Deposit Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Overdraft Privilege Policy and the Deposit Account Agreement and Disclosure. A copy of the Deposit Account Agreement and Disclosure is available to you on request from a *First National Bank* account representative.

Overdraft privilege is not a line of credit. However, if you inadvertently overdraw your account, we will have the discretion to pay the overdraft, subject to the limit of your overdraft privilege and the amount of the overdraft item fee. *First National Bank* is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by *First National Bank* of an overdraft check (or items, such as ATM withdrawals, debit card transactions, preauthorized transfers) does not obligate *First National Bank* to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

The following paragraph applies to consumer accounts only.

We will not charge a fee for ATM or one-time debit card transactions that cause an overdraft on an account unless we have given notice required by Regulation E (12 CFR 205) and received a written confirmation that the customer consents to the fees and our service. The customer may revoke his or her consent at any time. (Please refer to the “WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES” disclosure provided under separate cover or at account opening).

Pursuant to *First National Bank's* commitment to always provide you with the best level of service, now and in the future, if your consumer account (primarily used for personal and household purposes) has been open for at least thirty (30) days, or if your commercial account has been open for at least sixty (60) days, and thereafter you maintain your account in good standing, which includes at least:

- A) Bringing your account balance to a positive balance within every thirty (30) day period for a minimum period of 24 hours;
- B) Not being in default on any loan or other obligation to *First National Bank* and
- C) Not being subject to any legal or administrative order or levy

First National Bank will have the discretion to pay overdrafts within the overdraft privilege limits. This privilege for consumer checking will generally be limited to a maximum of \$500 overdraft (negative) balance. This privilege for commercial accounts will generally be limited to a maximum of \$750 overdraft (negative) balance. Of course, any and all fees and charges, including without limitation the overdraft item fees and unpaid item fees (as set forth in our fee schedules and deposit account agreement and disclosure), will be included as part of this maximum amount.

The total of the discretionary overdraft privilege (negative) balance, including any overdraft item fees and unpaid item fees and any other applicable fees and charges, is due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Deposit Account Agreement and Disclosure with a maximum repayment period of 30 days.

Again, while *First National Bank* will have the discretion to pay overdrafts on accounts in good standing (as described above), any such payment is a discretionary courtesy, and not a right of the customer or an obligation of *First National Bank* and *First National Bank* in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

December 2010