

CUSTOMER REPURCHASE SERVICE TERMS AND CONDITIONS

These Terms and Conditions describe the Service you have selected and set forth provisions governing your use of this Service. These Terms and Conditions are incorporated into and part of the Cash Management Services Master Agreement. By using this Service, you agree to be legally bound by these Terms and Conditions and the Cash Management Services Master Agreement.

ARTICLE I. TERMS AND CONDITIONS

1.1 Transactions.

- (a) In each repurchase transaction, we shall issue a transaction confirmation slip (the “Confirmation Slip”), which shall confirm the terms of the specific Customer Repurchase Service transaction and which shall mean that you have purchased from us, for the “invested amount” as specified, an undivided beneficial interest in the security (or securities) issued or guaranteed by the United States Government or an agency thereof as specified (the “Underlying Security”) to the extent of the “invested amount,” and that we have agreed to repurchase and you have agreed to sell such beneficial interest at the “maturity date” as specified, for the “invested amount” plus the “interest earned” amount as specified.
- (b) In the absence of default, custody of the Underlying Security shall not be transferred to you, and if the Underlying Security is a registered security, it shall remain registered in our name or in the name of a third party custodian. We shall act as your agent with respect to the Underlying Security unless and until such time as custody of the Underlying Security is effectively transferred to you. The Underlying Security shall be held by a third party custodian (or in the case of book entry securities, shall be registered in the name of a third party custodian) and, to the extent practical, shall remain segregated from our general assets.
- (c) We shall receive all income on the Underlying Security unless and until a default occurs and custody of the Underlying Security is transferred to you.
- (d) The terms of each Confirmation Slip, include the “invested amount,” “maturity date,” “repo rate” and “interest earned” and the identification, rate and maturity date of the Underlying Security, are for all purposes incorporated by reference in these Terms and Conditions.

1.2 Security Interest.

- (a) For each separate Customer Repurchase Service transaction in order to secure our repurchase obligation, we hereby grant you a security interest in the Underlying Security.
- (b) This security interest is in addition to your undivided beneficial interest.
- (c) We shall be deemed to be in default in the event we fail to pay you on the “maturity date” the “invested amount” plus the “interest earned” amount or in the event we otherwise fail to perform or keep any of our covenants or obligations under these Terms and Conditions. In the event of default on or before the “maturity date,” you shall have all of the remedies of a secured party under applicable law, including the right to take custody or control of the Underlying Security, provided that if we shall have sold other undivided beneficial interests in the same Underlying Security, the rights upon default may be exercised by you only in

conjunction with the other owners of undivided beneficial interests in the same security, through an agent appointed by power of attorney executed by all such persons and delivered to us. We covenant that we shall, in the event of default, upon your written request, advise you in writing (1) whether there are such other owners and, if so, of their identity; and (2) of the identity of the third party custodian holding the Underlying Security.

(d) In the event of default, at the expiration of one week after receipt from you of a written demand, accompanied by the documents hereinafter specified, you shall have the right to direct us, as your agent, to instruct the third party custodian to either: (1) deliver the Underlying Security to you or to the agent appointed by power of attorney if other persons possess an interest in the Underlying Security (or in the case of book entry securities, shall transfer the registration); or (2) sell the Underlying Security and deliver the proceeds from such sale, but not more than the “invested amount” plus the “interest earned” amount, to you, or to the agent appointed by power of attorney if other persons possess an interest in the Underlying Security, in satisfaction of our repurchase obligation under the Agreement. Such demand must be accompanied by your affidavit stating that we are in default hereunder, stating the facts constituting such default, and stating that copies of such demand and affidavit have been served on us, and shall also be accompanied by our written statement concerning whether any other persons possess an interest in the Underlying Security. In the event other persons possess such an interest, the demand and affidavit must be signed by all such persons, and the Underlying Security shall be delivered to the agent appointed by power of attorney, and an executed copy of the power of attorney shall also accompany the demand.

(e) Upon repurchase of your beneficial interest by us, your security interest in the Underlying Security shall be deemed released and terminated.

1.3 REPURCHASE AGREEMENTS ARE NOT DEPOSITS AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION. REPURCHASE AGREEMENTS ARE NOT OBLIGATIONS OF, AND ARE NOT GUARANTEED BY, THE U.S. GOVERNMENT OR ANY AGENCY THEREOF. A repurchase agreement is a purchase by you from us of an undivided beneficial interest in a security or securities issued or guaranteed by the United States Government or an agency thereof, with a corresponding promise by us to repurchase your interest in the Underlying Security at a maturity date specified in a transaction confirmation slip.

1.4 You hereby certify that you have reviewed the Disclosure Statement accompanying these Terms and Conditions.

ARTICLE II. DISCLOSURE STATEMENT FOR
CUSTOMER REPURCHASE SERVICE

- 2.1 *Nature of Transaction.* The Customer Repurchase Service involves a purchase by you from us of an undivided beneficial interest in a security or securities issued or guaranteed by the United States Government or an agency thereof (“Underlying Security”), with a corresponding promise by us to repurchase your interest in the Underlying Security at a maturity date specified in a transaction confirmation slip (“Confirmation Slip”). Although all Customer Repurchase Service Terms and Conditions are matched to a specific Underlying Security identified in the Confirmation Slip, legal title to the Underlying Security remains in us and the Underlying Security is usually held by a third party custodian. We shall act as your agent with respect to the Underlying Security unless and until such time as custody of the Underlying Security is effectively transferred to you. The amount that you will realize upon repurchase by us is fixed on the Confirmation Slip and will not fluctuate to reflect either increase or decrease in the market price of the Underlying Security as of the maturity date of the Customer Repurchase Service Terms and Conditions.

The Customer Repurchase Service Terms and Conditions is solely our obligation for which the Underlying Security serves as collateral. **THE CUSTOMER REPURCHASE TERMS AND CONDITIONS ARE NOT GUARANTEED BY THE U.S. GOVERNMENT OR ANY AGENCY THEREOF, IS NOT A DEPOSIT AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION.** You have no rights to the Underlying Security beyond your security interest therein, other than to require the repurchase of your beneficial interest by us on the maturity date of the Customer Repurchase Service Terms and Conditions.

Your beneficial interest in the Underlying Security normally covers only a fraction of the Underlying Security’s full principal amount. In the event that your beneficial interest is in the full principal amount of the Underlying Security, the Confirmation Slip will so indicate.

Interest rates applicable to Customer Repurchase Service Terms and Conditions are established at the sole discretion of Fulton Financial Corporation and are set forth on the Confirmation Slip. We reserve the right not to redeem Customer Repurchase Service Terms and Conditions before maturity.

- 2.2 *Accrual of Interest on Customer Repurchase Service Terms and Conditions.* At maturity, we will repurchase your beneficial interest in the Underlying Security by paying you the principal amount paid by you to us and designated by us in the Confirmation Slip. The interest rate on the Customer Repurchase Service Terms and Conditions bears no relation to the interest rate of the Underlying Security. Interest on the Customer Repurchase Service Terms and Conditions is simple interest, with the rate fixed for the term of the Customer Repurchase Service Terms and Conditions, computed on the basis of a 365 day year. Interest on the Customer Repurchase Service Terms and Conditions is subject to federal, state and, if applicable, local taxes.
- 2.3 *Collateral: Underlying Security.* The Underlying Security subject to the Customer Repurchase Service Terms and Conditions includes obligations issued or guaranteed by the U.S. Government or an agency thereof. At the time of issuance of the Customer Repurchase Service Terms and Conditions, the market value of the Underlying Security will equal or exceed the principal amount of the Customer Repurchase Service Terms and Conditions. Under normal circumstances, our repurchase obligation under the Customer Repurchase Service Terms and Conditions will be satisfied from our general assets, not from the sale of the Underlying Security.
- 2.4 *Your Remedies.* In the event that we fail to meet our repurchase obligation under these Customer Repurchase Service Terms and Conditions at the maturity date thereof, you would have the right to

pursue legal remedies against us for breach of contract and would, in addition, possess certain rights with respect to the Underlying Security. With respect to your beneficial interest in the Underlying Security, upon our failure to meet our repurchase obligation under these Customer Repurchase Service Terms and Conditions at the maturity date thereof, you shall have the right to direct us, as your agent, to instruct the third party custodian to either: (1) deliver the Underlying Security to you or to the agent appointed by power of attorney if other persons possess an interest in the Underlying Security (or in the case of book entry securities, shall transfer the registration); or (2) sell the Underlying Security and deliver the proceeds from such sale, but not more than the “invested amount” plus the “interest earned” amount set forth on the Confirmation Slip, to you, or to the agent appointed by power of attorney if other persons possess an interest in the Underlying Security, in satisfaction of our repurchase obligation under the Customer Repurchase Service Terms and Conditions.

In addition to the beneficial interest, you are granted a security interest in the Underlying Security. However, we are unable to insure, and do not warrant, that your security interest in the Underlying Security is perfected against third parties.

Your ability to realize amounts due to you out of your interest in the Underlying Security will depend upon (a) the market value of the Underlying Security on the date of disposition, (b) your ability along with other Customer Repurchase Service customers, to effect a prompt disposition of the Underlying Security on favorable terms and (c) collateral attacks by third parties, such as other creditors. To the extent that your security interest in the Underlying Security is unperfected, you may be treated as our unsecured general creditor, and may be able to look only to our general assets for satisfaction of our repurchase obligation, rather than to proceeds of the Underlying Security. Similarly, to the extent that the market value of the Underlying Security falls below the amount invested by you, you may also become an unsecured creditor.

- 2.5 *Financial Information.* Our most recent annual disclosure statement setting forth our financial condition as of December 31 may be obtained by you upon request.