



Revised October 2022

**MNB**  
— **BANK** —

[www.MNB.Bank](http://www.MNB.Bank)

**McCook, NE**  
220 Norris Ave  
PO Box 1208  
McCook, NE 69001

**Doniphan, NE**  
118 W Plum St  
PO Box 270  
Doniphan, NE 68832

**Stratton, NE**  
403 Bailey  
PO Box 367  
Stratton, NE 69043

**Hastings, NE**  
800 N Burlington Ave  
PO Box 2088  
Hastings, NE 68901

**Burlington, CO**  
17999 Hwy 385  
PO Box 159  
Burlington, CO 80807

**Grand Island, NE**  
1010 N Diers Ave, Ste 6  
Grand Island, NE 68803

**MNB**

**MASTER DEPOSIT  
AGREEMENT**

MNB BANK

MASTER DEPOSIT AGREEMENT PART 1  
GENERAL PROVISIONS

**1.1 Legal Effect of Provisions in this Booklet.** We have attempted to write this Master Deposit Agreement (Agreement) in plain English so that You can understand its terms clearly. Throughout, MNB will be referred to as “the Bank” and any references to “our” or “us” also refer to MNB Bank. You, the depositor, whether an individual, a business, or multiple individuals on a joint account, will be referred to as “You” or “your.” When You open a deposit account with the Bank by signing a Signature Card, and receive a copy of this Agreement or summarized version of this Agreement, You are agreeing to the terms of this Agreement. It is a legally binding contract. Please note that the contract can only be modified as provided in this Agreement. Please READ and RETAIN this Agreement so that You can refer to it whenever you have a question about your account. If You have any questions after reading this Agreement, the Bank will be happy to answer or clarify them.

**1.2 Organization of Agreement.** Part 1 of this Agreement sets forth the general terms applicable to all deposit accounts subject to this Agreement. The rules governing ownership of deposit accounts in different capacities are described in Part 2 of this Agreement. The general rules governing deposit accounts are set forth in detail in Part 3. Special rules applicable to interest-bearing accounts are set forth in Part 4. You should read all of these rules carefully.

**1.3 Subject of Agreement - Deposit Products.** The Bank offers a great variety of financial services to meet your needs. It provides many different types of deposit accounts. Except for the special accounts listed below, this Agreement covers all types of deposit accounts offered by the Bank, now or in the future, including demand deposit accounts, money market deposit accounts, and savings accounts. These deposit products are described in detail in separate brochures available at the Bank. This Agreement does not cover products such as loans, safe-deposit boxes, Visa, and discount brokerage. In addition, some deposit accounts involve special rules that are not set forth in this Agreement; these accounts include IRAs, and certificates of deposit. While this Agreement is generally applicable to these accounts, these accounts are also subject to additional rules designed to take their unique characteristics into account. Further information is available at the Bank on any of these special financial services.

**1.4 Effect of State and Federal Laws and Regulations.** The deposit relationship between You and the Bank is governed primarily by this Agreement. It is also governed by the laws of the State of Nebraska and other applicable states; the laws of the United States; the rules and regulations of the Board of Governors of the Federal Reserve System and operating letters of the various Federal Reserve Banks; and the rules and regulations of other proper bank supervisory authorities. If any terms of this Agreement come into conflict with applicable law, those terms will be nullified to the extent that they are inconsistent with the law, and the applicable law will govern. If any provision of this Agreement is declared to be invalid, unenforceable, or illegal, that part will not affect the validity of the other provisions.

**1.5 Notification to Customer.** If the depository bank receives a returned check or notice of nonpayment, it shall send or give notice to its customer of the facts by midnight of the banking day following the banking day on which it received the returned check or notice, or within a longer reasonable time.

**1.6 Waiver of Rights by the Bank.** The Bank reserves the right to waive the enforcement of any of the terms of this Agreement with You with respect to any transaction or series of transactions. Any such waiver will not affect the right of the Bank to enforce any of its rights with respect to other customers or to enforce any of its rights with respect to later transactions with You and is not sufficient to modify the terms and conditions of this Agreement.

Telephone Numbers:  
(308) 345-4240 McCook  
(308) 276-2166 Stratton  
(719) 346-5217 Burlington  
(402) 462-6595 Hastings  
(402) 845-6565 Doniphan  
(308) 381-6565 Grand Island

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any transactions between You and the Bank will not be disclosed to third parties except in strict accordance with the law.

**3.24 Illegal Activity.** The Bank prohibits the use of this account for any illegal activity, or in support of any illegal activities. Any suspected illegal activity will be investigated by the Bank and may result in the refusal to process transactions, the closing of the account, and/or the notification of law enforcement. Specifically, any credits, funds, instruments, or other proceeds from another person in connection with unlawful internet gambling will be prohibited from being processed through this account.

#### PART 4 SPECIAL RULES FOR INTEREST-BEARING ACCOUNTS

Interest-bearing accounts are subject to the general rules governing deposit accounts set forth in Part 3 of this Agreement. These accounts are also subject to the following special rules.

**4.1 Interest Rates.** The rate of interest paid on all interest-bearing accounts is subject to change from time to time at the Bank's discretion. Information concerning the computation and rate of interest paid on each type of interest-bearing account offered by the Bank and changes in those rates of interest is set forth in a separate Schedule of Charges. The current rate of interest being paid on each type of account is posted at the Bank's offices and can also be obtained by calling the Customer Service Department. Any change in interest rates becomes effective on the day the new rates are posted at the Bank's offices.

**4.2 Interest Accrual and Crediting.** Interest begins to accrue no later than the business day when the Bank receives credit for the deposit. Accrued interest will be credited to your account and become available for withdrawal on the interest payment date specified in the Bank's Schedule of Accounts for your type of account. If your account is closed prior to an interest payment date, all interest that has accrued since the last interest payment date will be forfeited.

**4.3 Prior Notice of Withdrawal.** The Bank reserves the right to require You to give seven days prior written notice of any intended withdrawal from an interest-bearing account other than a time demand deposit. However, the Bank does not currently require such a notice, and any decision to require such a notice will be made in a nondiscriminatory manner and in accordance with applicable regulations.

**4.4 Limits on Telephone and Preauthorized Transfers.** Under applicable Federal regulations, there are limits on the number of preauthorized transfers we may process on certain interest bearing accounts. No more than six preauthorized, automatic, or telephonic transfers may be made from your savings account or money market deposit account to another account at the Bank or to a third party in any calendar month. If You exceed or attempt to exceed these transfer limits, the excess transfer requests may be refused or reversed, a fee may be imposed on the excess transfer requests, and the Bank may reclassify or close your account.

#### PART 5 CONCLUSION

MNB appreciates your banking business. Our purpose is to keep our customers informed of the deposit options available at the Bank, as well as the Bank's and the customer's responsibilities in guaranteeing a high level of personal and professional service on your accounts.

For further information regarding your account or other available services at the Bank, please contact any staff member for assistance. Thank you.

**1.7 Modification of Agreement by the Bank.** The Bank reserves the right to modify the contract terms in this Agreement at any time. Unless otherwise required by law, the bank may modify this Agreement by providing to You, in your statement or through the method you receive your statement, a written notice of the modification.

**1.8 Termination of Contract.** This Agreement between You and the Bank, as it relates to the accounts offered by the Bank, can be terminated by either You or the Bank at any time by a notice in writing. Such a termination will not release You from (1) any fees or other obligations incurred before the termination; (2) those fees You incur in the process of closing out your account; or (3) your liability on outstanding items. You agree that notice of termination of this Agreement by the Bank will be reasonable if it is mailed to your statement mailing address at least 10 days prior to the date of the termination.

**1.9 Notices.** Any written notice the Bank gives to You is effective when it is:

- Deposited in the mail, postage prepaid and addressed to You at your statement mailing address.
- Sent to the current e-mail address You have provided to the Bank, if you have elected to receive your notices electronically.

#### PART 2 OWNERSHIP OF ACCOUNTS

**2.1 Signature Card Designation.** The classification of your account as a personal account or a business account, and the form of ownership for your account, are designated on the Signature Card You sign when You open the account. The following provisions describe the rules applicable to the various classifications and forms of ownership available. Only the provisions relating to the classification and form of ownership designated on the Signature Card apply to your account.

**2.2 Individual Accounts.** By opening an account that is designated as an individual account on the Signature Card, you are considered by the Bank as the sole owner of the account. You may designate another person to write checks on the account by granting him/her a limited power of attorney (POA) on a form acceptable to the Bank without granting him/her any ownership interest in your account. Otherwise, You will be the only person authorized to use the account.

**2.3 Joint Accounts.** A personal account opened by two or more persons is treated as a "joint account." The Bank offers two types of joint accounts: (1) a joint account with survivorship, and (2) a joint account without survivorship. The type of joint account is designated on the Signature Card. Two or more persons opening an account that is designated as a joint account with survivorship on the Signature Card, will be treated by the Bank as joint tenants with right of survivorship and not as tenants in common. Upon the death of a joint tenant when survivorship has been selected, the surviving owner has the right to all the funds in the account, subject to the Bank's right of setoff and security interest in the account. If more than one joint tenant survives, they will own the account as joint tenants with right of survivorship and not as tenants in common. Two or more persons opening an account that is designated as a joint account without survivorship on the Signature Card will be treated as tenants in common with no right of survivorship. Upon the death of a joint tenant, the surviving owner does not automatically have a right to all the funds in the account. Unless You notify the Bank in writing to the contrary, the Bank will assume that each tenant in common contributed an equal percentage of the funds in the account. Therefore, You should notify the Bank in writing if this is not the case. Unequal ownership percentages do not affect the number of authorized signatures required on a check or other item drawn against the joint account. Some of the other special rules that govern joint accounts are described in Part 3, Paragraph 13 of this Agreement. Those special rules apply equally to both types of joint accounts.

**2.4 Business Accounts.** Business Accounts are those established by any partnership, limited liability company, corporation, association, or other entity operated on a for-profit basis; all corporations and associations operated

on a not-for-profit basis; all governmental units; and any individual who intends to use the account for carrying on a trade or business. The classification and form of ownership of a business account are as designated on the Signature Card.

In a partnership account, the partners agree with each other, and the Bank that any one partner whose name is written or typed on the Signature Card has complete authority to bind the partnership and all other partners in all transactions involving the account. In a limited liability company or corporation account, each person who signs the Signature Card represents to the Bank that the corporation is duly authorized to transact business and that each person whose name is written or typed on the Signature Card is duly authorized and has complete authority to bind the corporation in all transactions involving the account. The partnership, corporation, or other legal entity agrees to notify the Bank promptly in writing of any change in authority. The Bank also reserves the right to require a partnership, corporation, or other legal entity to give separate written authorization telling the Bank who is authorized to act on its behalf. The Bank is authorized to follow the directions of a person designated as having authority to act on the entity's behalf until the Bank receives written notice that the authority has been terminated and has had a reasonable time to act upon that notice.

**2.5 Agency and Fiduciary Accounts.** Any individual acting as an Agent, Guardian, Trustee, Personal Representative, Custodian, or in some other fiduciary capacity must be designated to the Bank as such on the Signature Card. It will otherwise be assumed that You own the account in an individual capacity. The Bank is authorized to follow the directions of your Agent regarding your account until it receives written notice that the agency has been terminated and has had reasonable time to act upon that notice. The Bank is not liable for the misapplication of funds from your account by your Agent. The terms of any Agency Agreement, Trust Agreement, Court Order, or other document in which the account is opened will govern the account, and the Bank has the right to review such a document.

**2.6 Accounts Under the Uniform Gifts to Minors Act.** With regard to all custodial accounts set up under the Nebraska Uniform Gifts to Minors Act, or under the corresponding law of any other state, a custodian controls the account on behalf of the minor, who is the "owner" of the funds. You, as the custodian, agree that You will abide by all applicable laws, including use of the funds and notification of the Bank in writing immediately upon the death of the minor or at the time the minor attains the age of maturity. After notifying the Bank of either of these events, your authority over the account continues only to the extent allowed by law. Before it receives such notice, the Bank may honor any checks or drafts written on the account without incurring any liability to the minor or to any third party, and You will be liable to the Bank for any loss or expense it incurs because of failure to give prompt notice.

**2.7 Payable-on-Death Account (POD).** The Bank will, to the extent authorized by law, accept accounts designated on the Signature Card as payable-on-death accounts. These accounts use a statutory procedure to pay the funds in your account upon your death to the surviving beneficiaries designated on the Signature Card, in equal shares, subject to our right of setoff. You may change the type of account, close the account, and change the beneficiaries during your lifetime. Requests for further information concerning payable-on death directions should be made to a New Accounts Representative.

**2.8 Less Common Types of Ownership.** The Bank will establish deposit accounts with other types of ownership so long as it is legally and ethically possible to do so. If You have questions regarding special ownership arrangements, please inquire at the Bank's offices.

### PART 3

#### GENERAL RULES GOVERNING DEPOSIT ACCOUNTS

**3.1 Definition of Item.** For purposes of this Agreement, the term "item" shall apply to any instruction for an amount of money to be added or subtracted from your account, regardless of whether the Bank honors the trans-

refuse to pay out any money from your account if it has received notice of an actual or potential claim, the Bank is not required to recognize any adverse claim unless (1) the claimant provides the Bank with an acceptable bond indemnifying the Bank against any and all liabilities, losses, damages, costs, and expenses that might be incurred by the Bank in connection with payment of the adverse claim and any resulting dishonored checks or other items; (2) the claimant has obtained an order from a court of competent jurisdiction in a case in which You are made a party and served with a summons; or (3) You act as a fiduciary for the claimant and the claimant gives the Bank an affidavit setting forth the nature of your fiduciary relationship and the facts upon which the claimant has reasonable cause to believe that You are about to misappropriate the funds.

**3.18 Death or Incompetence.** Neither a customer's death nor a legal adjudication of incompetence revokes the Bank's authority to accept, pay, or collect items until the Bank knows of the fact of death or of an adjudication of incompetence and has a reasonable opportunity to act on it. Even with knowledge, the Bank may, for 10 days after the date of death, pay checks drawn on or before the date of death unless ordered to stop payment by a person claiming an interest in the account.

**3.19 Dormant Accounts and Escheat Laws.** The Bank will deem your account to be dormant if You do not make any deposits to or withdrawals from the account for the period of time listed on your truth in savings disclosure. A dormant account remains subject to service charges and may be assessed a dormant account fee. Under certain circumstances, funds in dormant accounts may also be turned over to the state of Nebraska as abandoned property. In the event You die without leaving a will, have no surviving heirs, and no legal claim is otherwise made to your account, the funds in your account may be turned over to the state where the Bank is located, under applicable law.

**3.20 Transfer of Ownership.** Although checks drawn on your account are negotiable, the account itself is not. Accounts are not transferable except on the Bank's books and records. In order to transfer title or to pledge the account as collateral for a loan from someone other than the Bank, a written request must be provided on a form approved by the Bank. If ownership is to be transferred, the Bank may require that the account be closed and a new account opened. Any pledge of the account to a third party remains subject to the Bank's right of setoff and security interest.

**3.21 Service Fees.** You agree to pay any service fees that apply to your account. Service fees may include, but are not limited to, charges for check printing, check writing, stop payment orders, notices of postdated items, cashier's checks, overdrafts, and insufficient funds checks. These fees, which the Bank will always make reasonable in amount, help the Bank to cover the cost of transactions in your account. Any fees may be deducted from your account without prior notice to You. The Bank will not be liable for dishonoring checks or other withdrawal orders because of insufficient funds resulting from proper deduction of fees. A schedule of the Bank's current fees is given to You when You open an account and is available at our banking offices. Service fees are subject to change from time to time at the Bank's discretion. Notice of any changes will be sent to You at the address shown on the Bank's records. A reasonable period of time will be given before any changes become effective.

**3.22 Disputes Involving the Account.** You agree to be liable to the Bank for any loss, costs, or expenses, including reasonable attorney fees, to the extent permitted by law, that the Bank incurs as a result of any dispute involving your account, and You authorize the Bank to deduct any such loss, costs, or expenses from your account without prior notice to You. This obligation includes disputes between You and the Bank involving the account and situations where the Bank becomes involved in disputes between You and an authorized signor, another joint owner, or a third party claiming an interest in the account. It also includes situations where You, an authorized signor, another joint owner, or a third party take action with respect to the account that causes the Bank, in good faith, to seek the advice of counsel, whether or not the Bank actually becomes involved in a dispute.

**3.23 Disclosure of Information.** The Bank respects your right of privacy. Information about your accounts or

**3.13 Statements.** Statements will either be mailed by the Bank to the last address You have given in writing or delivered to you electronically through our Internet banking system. You should carefully examine the statement and imaged checks when You receive them. If You feel there is an error on the statement or that some unauthorized person has withdrawn funds from the account, the Bank should be notified immediately. The statement is considered correct unless You notify the Bank promptly after any error is discovered. Moreover, because You are in the best position to discover an unauthorized signature, or material alterations, You agree that the Bank will not be liable for paying such items if (1) You did not exercise reasonable care in examining the statement and check images or You have not reported forgeries or alterations to the Bank within 30 days of the statement date of the earliest statement containing these items or (2) these items were forged or altered so cleverly (as by unauthorized use of a facsimile machine or otherwise) that the forgery or alteration could not be detected by a reasonable person. You will not receive images of the backs of your checks; however, if You request a copy of the back of a check, a legible copy will be provided to You within a reasonable time frame.

**3.14 Joint Accounts.** Each joint owner on an account may withdraw, by any means the Bank makes available, any or all of the funds on deposit, close the account, enter into special agreements regarding the account, and stop payment on any check drawn on the account. Each joint owner guarantees the signatures of the other joint owners and authorizes the others to indorse checks for deposit if they are payable to any of the joint owners. Each joint owner also authorizes the Bank to exercise setoff and enforce its security interest in the entire joint account, even though only one of the joint owners is the debtor; these rights exist irrespectively of who contributed funds to the joint account. Similarly, the Bank can enforce overdraft liability in the joint account against any or all joint owners, jointly and severally. Garnishments against either or both joint owners are subject to the Bank's right of setoff and security interest. Notice provided by the Bank to any one joint owner is notice to all joint owners.

**3.15 Setoff and Security Interest.** If You ever owe the Bank money as a borrower, guarantor, or otherwise, and it becomes due, the Bank has the right under the law (called setoff) and under this Agreement (by which You grant the Bank a security interest in your deposit account) to use the money from your account to pay the debt. The Bank may use the money to pay the debt even if withdrawal results in an interest penalty or dishonor of checks. In the case of a partnership or joint account, each partner or joint owner agrees that the Bank may use the money in the account to satisfy any one of their individual obligations. Similarly, each partner or joint owner agrees that the Bank may use the money in his individual account to satisfy obligations in the joint account or partnership account. The security interest granted by this Agreement is consensual and is in addition to the Bank's right of setoff. However, the right of setoff and security interest may not apply to your account if: (1) it is an IRA; (2) the debt is created by a consumer credit transaction under a credit card plan; or (3) the debtor's right of withdrawal arises only in a representative capacity.

**3.16 Legal Process Against Account.** If legal action, such as a tax levy, attachment, garnishment, execution, or the like, is brought against your account, the Bank may hold or pay out funds from your account in compliance with the legal process. If your account is attached, garnished, or otherwise subject to levy by lawful legal action, the Bank will not be liable to You for any sums it may be required to pay because of such attachment, garnishment, or other levy, even if paying the money from your account leaves insufficient funds to pay a check You have written or other items such as electronic debits, ATM withdrawals, telephonic or in-person withdrawals. If we receive legal process related to Your account, the Bank may also charge You a garnishment or legal processing fee which may be charged to your account. If the Bank incurs any expenses or other costs including, without limitation, reasonable attorney fees in responding to an attachment, garnishment, or other levy that is not otherwise reimbursed, it may charge such expenses to your account without prior notice to You. Any garnishment or other levy against your account is subject to the Bank's right of setoff and security interest.

**3.17 Other Adverse Claims.** If the Bank receives notice of an actual or potential adverse claim to your account or the funds in your account, it may at its discretion refuse to pay out any money from your account for a reasonable period of time after receipt of notice of the actual or potential claim. Although the Bank reserves the right to

action. Any reference to an item or items includes checks, ATM deposits or withdrawals, debit card transactions, in-person or telephonic transfers, ACH transactions, online banking transactions, wire transfers, or fees.

**3.2 Deposit of Items.** You may make deposits in person, by mail, or by any other method the Bank makes available. You are encouraged to use your personalized deposit slips in order to help the Bank credit deposits to your account as soon as possible. The Bank is not responsible for deposits made by mail or through a depository not staffed by the Bank's personnel until the Bank actually receives them. If You fail to indorse an item that You submit for deposit, the Bank has the right, but is not obligated, to supply the missing indorsement. The Bank may require that certain government checks, insurance company items, or other special types of checks be personally indorsed by each of the payees. You agree to reimburse the Bank for any loss or expense it incurs because You fail to indorse an item exactly as it is drawn.

**3.3 Collection of Items.** In receiving items for deposit or collection, the Bank acts as your collection agent and assumes no responsibility beyond the exercise of due care. Special instructions for handling an item will be effective only if made in writing and given to the Bank along with the item in question. The Bank will not be liable for default or negligence of its correspondents or for loss in transit, and each correspondent will only be liable for its own negligence. Items and their proceeds may be handled in accordance with applicable Federal Reserve and Clearing House rules. All items are credited subject to final payment and receipt of proceeds by the Bank. Without prior notice to You, the Bank may charge back any item at any time before final payment, whether returned or not, and may also charge back any item drawn on it if, within the normal handling period for such item, the item cannot be honored against the drawer's account. The Bank is authorized to pursue collection of previously dishonored items, and in so doing, it may permit the payor bank to hold an item beyond the midnight deadline.

**3.4 Return of Direct Deposits.** If the Bank is required to reimburse the U.S. government for all or any portion of any benefit payments deposited into your account through a direct deposit plan for any reason, You agree that the Bank may, without prior notice to You, deduct the amount returned to the U.S. government from your account or from any other account You have with the Bank, unless the deduction is prohibited by law. This right is in addition to any other rights the Bank has under this Agreement, including its right of setoff and its security interest in your account.

**3.5 Authorized Signature.** Your signature on the Signature Card is your authorized signature. For the payment of funds and for other purposes relating to any account You have with the Bank, the Bank is authorized to recognize your signature, but it will not be liable to You for refusing to honor your checks or other signed instructions if it believes in good faith that the signature appearing on such checks or instructions is not genuine. Additionally, You may authorize the use of a facsimile signature device by designation on the Signature Card or in a separate resolution. If You have authorized the use of a facsimile signature device, the Bank may honor any check or other signed instruction that bears or appears to bear your facsimile signature even if it was made by an unauthorized person or with a counterfeit facsimile device. Therefore, You should maintain close control over your facsimile signature device and promptly review your statements and canceled checks for unauthorized use of the device. When your account is established, You may require more than one authorized signature on a check or other item drawn against the account by designating a specific number of required signatures on the Signature Card. In the absence of a designation on the Signature Card, the Bank may honor any check or other item drawn against the account so long as it contains at least one authorized signature.

Except where the Bank fails to use ordinary care in paying checks or drafts with forged signatures, the depositor shall hold the Bank harmless for forgeries that cannot be detected by the Bank through normal banking procedures, including but not limited to facsimile signatures, desktop publishing or other computer generated or aided signatures, positive pay arrangements where presentment is made through computer modem, checks and drafts truncated at another collecting institution, and situations where the Bank, consistent with the practice of other banks in the industry, does not scrutinize depositor's signatures.

**3.6 Checks and Other Withdrawals.** The Bank may refuse any check or other item drawn against your account or used to withdraw funds from your account if it is not on a form approved by the Bank. The Bank also reserves the right to refuse any check or other item drawn against your account or used to withdraw funds from your account if made in a manner not specifically authorized for your account, if made more frequently or in a greater number than specifically permitted for your account, or if made in an amount less than the minimum withdrawal or transfer specifically permitted for your account. The Bank may pay checks or other items drawn on your account in any order determined by the Bank, even if paying a particular check or item results in an insufficient balance in your account to pay one or more other items that otherwise could have been paid out of your account.

**3.7 Telephone Transfers.** A transfer of funds from one of your accounts to another of your accounts at the Bank may be made by telephonic instructions given by the same persons and under the same conditions that a written transfer request could be made.

**3.8 Insufficient Funds and Corresponding Fees.** The Bank may determine whether your account contains sufficient funds to pay a check or other item at any time between the time the check or other item is received by the Bank and the Bank's return deadline, and only one determination of the account balance is required. If that determination reveals insufficient funds to pay the check or other item, the Bank will not be required to honor the check or other item and may return it. Alternatively, the Bank may honor the check or other item and create an overdraft. The honoring of one or more overdrafts does not obligate the Bank to honor any future overdrafts, and You should not rely on the Bank to honor an overdraft. Moreover, the Bank is not required to send You notice of checks or other items returned for insufficient funds.

Any time an item is presented to the Bank for payment and it exceeds the balance in your account, whether returned by the Bank or honored (and therefore creating an overdraft), the Bank may charge You a service fee and a daily overdraft fee in the amount set forth in the Bank's then-current schedule of charges. These service fees apply to returned items and overdrafts created by check, in-person withdrawal, telephonic transfer, ATM withdrawal, debit card transaction, or any other electronic means. The fee amount will be charged against your account, which may further overdraw your account. Subsequent checks, in-person withdrawals, telephonic transfers, ATM withdrawals, debit card transactions, or requests to withdraw from your account made by any other electronic means and drawn against insufficient funds in your account may also be subject to the service fee set forth in that schedule.

Items re-presented by a payee or a merchant after having initially been returned due to insufficient funds will follow the same decisioning and fee process, which may result in multiple fees being assessed in connection with a single transaction. There is no maximum number of fees charged by the Bank relating to a single transaction, and there is no limit on the frequency with which such fees may be assessed as it is dependent upon when the check or other item is re-presented to the Bank. You agree to deposit sufficient funds to cover the overdraft and any service fees upon notice of the overdraft, and to reimburse the Bank for any costs it incurs in collecting the overdraft from You including, without limitation, reasonable attorney fees and the costs of litigation, to the extent permitted by law.

You may avoid the service fees relating to overdrafts and returned items discussed in this section by the use of an overdraft protection or common sense ready reserve account.

**3.9 Stop Payment Order.** You have the right to stop payment on any check drawn on your account that has not been paid or certified. An oral stop order lapses after 14 calendar days unless it is confirmed in writing within that period; a written stop order is effective for six months or a longer period if stated in the Bank's written confirmation to You. Renewals must be in writing and may be made from time to time. A written stop order, renewal or revocation will be valid upon delivery to the Bank. In order to place a stop payment order, You must inform the

Bank of (1) the name of the person who signed the check, (2) the name of the payee, (3) the date and exact amount of the item, (4) the number of the check, and (5) the number of the account on which the item was drawn. The Bank will not be responsible if the information You give is not correct or if You fail to give any other reasonable information regarding the item and the stop payment cannot be completed. The Bank is entitled to a reasonable period of time after You give a stop order, to notify its employees. If the Bank recredits your account after paying a check over a valid and timely stop order, You agree to transfer to the Bank all of your rights against the payee or other holder of the check and to assist the Bank in legal action taken against that person later on. A release or cancellation of a stop order may be given by any person who is authorized to draw checks against the account. Although an oral stop order lapses after 14 calendar days unless it is confirmed in writing within that period, the cancellation of that oral stop order must be given to the Bank if You wish to have the check paid, even after the 14-day period. The Bank will not be responsible if You have given an oral or written stop order to the Bank and its effective time lapses and the Bank refuses to pay the check upon receipt, unless You have given the Bank a release or cancellation of the stop order. Stop payment orders on cashiers checks or money orders are not permitted.

**3.10 Stale and Postdated Items.** The Bank maintains the option to either pay or dishonor any stale check (i.e., more than six months old) upon presentation to the Bank. It is not recommended that You issue a postdated check (i.e., a check bearing a date later than the actual calendar date) as a means of withdrawal. You agree that the Bank will not be liable to You for charging your account before the indicated date on a properly payable but postdated check unless You notify the Bank that You have issued a postdated check. Oral notice concerning a postdated check lapses after 14 calendar days unless it is confirmed in writing within that period; written notice concerning a postdated check is effective for six months. Renewals must be in writing and may be made from time to time. A written notice concerning a postdated check, renewal, or revocation will be valid upon delivery to the Bank. Your notice must inform the Bank of the exact amount and date of the item, the name of the payee, the number of the check, and the number of the account. The Bank will not be responsible if the information You give is not correct or if You fail to give any other reasonable information regarding the item and it is paid prior to the indicated date. The Bank is entitled to a reasonable period of time after You give it notice concerning a postdated check to notify its employees. If the Bank recredits your account after paying a postdated check over a valid and timely notice, You agree to transfer to the Bank all of your rights against the payee or other holder of the check, and to assist the Bank in legal action taken against that person later on.

**3.11 Responsibility for the Back of Checks.** You agree that the Bank will not be liable to You because an item You deposit in your account is returned after the time set by applicable law if the delay in returning the item is caused by markings on the item in the space reserved for the depository bank's indorsement that were made by You or a prior indorser. Similarly, You will be liable to the Bank for any loss or expense, including without limitation reasonable attorney fees, it incurs because it is unable to properly return an item drawn on your account within the time set by applicable law where the delay in properly returning the item is caused by markings on the item in the space reserved for the depository bank's indorsement that existed at the time You issued the item.

**3.12 Automated Processing of Items.** You recognize that the Bank has adopted automated collection and payment procedures so that it can process the greatest volume of items at the lowest possible cost to all customers. These automated procedures rely primarily on information encoded onto each item in magnetic ink. In recognition of this fact, You agree that in paying or taking an item for collection, the Bank may disregard all information on the item other than the drawer's signature, the identity of the drawee bank, the amount of the item, and any other information encoded onto the item in magnetic ink according to general banking standards, whether or not that information is consistent with other information on the item. You agree to reimburse the Bank for any loss or expense it incurs because You issue or deposit an item containing such extra information. Furthermore, You agree that the Bank does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for the sight examination of items with a face amount below an amount specified by the Bank from time to time.