

Cash-Withdrawal Limitation

If we delay availability of your deposit, we place certain limitations on withdrawals in cash or by similar means. In general, \$100 of a deposit is available for withdrawal in cash or by similar means no later than the first business day after the day of deposit. In addition, a total of \$400 of other funds becoming available on a given day is available for withdrawal in cash or by similar means at or after 5:00 p.m. on that day. Any remaining funds will be available for withdrawal in cash or by similar means on the following business day.

Similar means include electronic payment, issuance of a cashier's or teller's check, certification of a check, or other irrevocable commitment to pay, such as a debit card transaction.

Holds on Other Funds

If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your ability to withdraw a corresponding amount of funds that you have on deposit in another account with us. In either case, we make these funds available in accordance with our policy described above for the type of check that was cashed or deposited.

Processing Withdrawals

We may forward withdrawals and other transaction requests for an account to one of our processing centers. We may use the date that the processing center receives the transaction as the effective date of the transaction.

Cashing Checks for You

Check cashing services may not be available at some banking centers. We may occasionally refuse to cash a check written to you. If we do cash such a check and it is returned to us unpaid for any reason at any time, we may deduct the amount of the check from your account, even if this causes your account to become overdrawn, and we may charge you a fee.

We may cash checks payable to any signer on your account when endorsed by any other signer.

If you ask us to cash a check or other items for you, we may apply the proceeds of the check or other item to fees, overdrafts and other amounts you owe us.

Cashing Your Checks for Others

If a person wants to cash your check in one of our banking centers, we may:

- require identification satisfactory to us,
- charge them a fee for cashing the check; and
- impose additional requirements, such as requiring their fingerprint or limiting the locations where we will pay the check in cash.

If the person with your check fails or refuses to satisfy our requirements, we may refuse to cash the check. We are not liable to you for refusing to cash the check or for charging a check-cashing fee.

Check Printed with Legends or Restrictions

Some customers order checks printed with legends, conditions or other restrictive instructions, such as "not valid after 60 days" or "not valid over \$1,000." We may also receive checks on which restrictive instructions are written. We may disregard these restrictive instructions and pay the item even if the legend, condition or other instruction has not been met. We are not liable to you for any claims, costs, losses or damages that result from the placement of these restrictive instructions on your checks, or from our failure to abide by them.

Check Stock and Ink

You agree to bear the risk of loss if you use check stock that contains defects, such as printing inaccuracies, faulty magnetic ink, faulty encoding, or duplicate serial numbers.

Checks you write may be converted into electronic images (truncated) during the check collection and return process. You also agree to bear the risk of loss if you elect to have your checks printed by a vendor that has not been approved by us; you use check stock or features (such as security features) that cause critical data to disappear or be obscured upon truncation; or you make your check out in a way (such as, using a lightly colored ink) that causes critical data to disappear or be obscured upon truncation.

Collection Items

When another financial institution submits to us for collection an item drawn on your account, we may charge the other financial institution a fee. When you do not have enough funds in your account for us to process a collection item drawn on your account, we may charge you an overdraft or returned item fee.

Converting Checks to Electronic Debits

Some businesses convert checks that you give them into electronic debits (sometimes referred to as an electronic check)

and then sends us an electronic debit for the transaction amount. When we receive the electronic debit, we charge it to your account. We may receive the electronic debit to your account immediately after the business enters the transaction, so you may have a reduced right to stop payment and you may incur an overdraft if you do not have sufficient funds in your account to cover the amount of the check at the time you write the check or authorize the transaction. Since the check is not sent to us, we do not have a copy of your check. We list these electronic debits on your account statement. If the business uses your check to initiate an electronic debit at the point of sale, the business should give you notice of the conversion and return the voided check to you. You should treat the voided check with care because someone else who obtains possession of it could use the information to initiate additional debits against your account. A business that receives your check by mail and converts it to an electronic debit may give you notice of the conversion and destroy the original check.

Examining Checks

We receive checks in great volume. This and compliance with expedited funds availability laws require us to use automated check processing procedures. Although we may visually review a sample of checks and other items from time to time, reasonable commercial standards do not require us to do so.

We select some checks for review based on certain criteria that change from time to time. This means that most checks are processed on the basis of the MICR (Magnetic Ink Character Recognition) line printed along the bottom edge of the check, and are not individually examined for dates, maker signatures, legends or endorsements. You agree that we will have exercised ordinary care if we examine only those items that we have identified according to the criteria that we may establish in our discretion for inspection.

If we do visually review any check or other item, we may disregard any restrictive instructions or notations, such as an instruction to permit withdrawals only upon more than one signature. We may return the item unpaid if, in our opinion, it does not bear a signature matching any specimen signature we have on file for your account. You agree, however, that we will not be liable to you for honoring any check or other item bearing a signature that, in our sole opinion, resembles the specimen signature on file with us.

Since we do not individually examine most checks, it is critical for you to take care of your checks, promptly review your account statement, and immediately report any suspicious or unauthorized activity to us. You agree that automated processing of your checks is reasonable and that you accept responsibility for preventing and reporting forgeries, alterations, and

other unauthorized uses of your checks or accounts. You agree that the exercise of ordinary care will not require us to detect forgeries or alterations that could not be detected by a person observing reasonable commercial standards.

Since some types of check fraud have become more difficult to detect, we may elect in some cases to make further inquiries about certain checks or other items that are presented for payment against your account. If we are unable to contact you, or take other steps, to determine with reasonable certainty that you authorized these payments, we may either pay the checks and other items or return them unpaid without any liability to you.

Items Resulting from Voluntary Disclosure

If you voluntarily disclose your account number to another person orally, electronically, in writing or by other means, you are deemed to authorize each item, including electronic debits, which result from your disclosure. We may pay these items and charge your account.

Large Cash Withdrawals

We may require reasonable advance notice for large cash withdrawals. We may also refuse to honor a request to withdraw funds in cash from your account or to cash a check (including a cashier's check or other official item) at a banking center if we believe that the amount is unreasonably large or that honoring the request would cause us an undue hardship or security risk. We may require that such withdrawals be made at one of our cash vaults by an armored courier, acceptable to us and at your sole risk and expense. We are not responsible for providing for your security in such transactions.

Paying Checks and Other Items

We may debit your account for a check or other item drawn on your account either on the day it is presented to us for payment, by electronic or other means, or on the day we receive notice that the item has been deposited for collection at another financial institution — whichever is earlier. If you do not have sufficient available funds to cover the item, we decide whether to return it or to pay it and overdraw your account.

We may determine your balance and make our decision on an insufficient funds item at any time between our receipt of the item or notice and the time we must return the item. We are required to determine your account balance only once during this time period.

When you deposit checks or other items that are drawn on another account with us, we may treat such items as presented to us for payment on the business day that they are received by our office that processes checks drawn on the other account.

Processing and Posting Orders

We may determine in our discretion the order of processing and posting deposits, fees, charges, checks, debits and other items to your account. We may credit, accept, pay, certify or return deposits, fees, charges, checks, debits and other items arriving to your account on the same day in any order at our option. We may give preference to any fees, charges, checks, debits or other items payable to us. We may change our processing and posting orders at any time without notice to you.

We may establish categories for fees, charges, checks, debits and other items and designate a posting priority for each category. A category may include more than one type of item. For example, we may treat ATM withdrawals and loan payments as one category and checks as another category and then process ATM withdrawals and loan payments before checks. Within each category, we may process and post items in any order we choose. We may use the same or different orders for different categories. We may change categories and orders within categories at any time without notice.

When you do not have enough available funds in your account to cover all of the items presented that day, some posting orders may result in more insufficient funds items and more fees than other orders. We may choose our processing and posting orders regardless of whether additional fees may result. If you want to avoid fees for insufficient funds and the possibility of returned items, you should ensure that your account contains sufficient available funds for all of your transactions.

Even if we provisionally post deposits, fees, charges, checks, debits or other items to your account during the day, we may treat them as if we received all of them at the end of the day and post them in any order we choose. We do not process and post transactions in the order in which they occurred.

In most states we process and post items within each category from the highest to lowest dollar amount. If you do not have enough available funds to cover all of your transactions on any given day, the high-to-low posting order may result in more insufficient funds items and more fees than may have resulted if we had used another posting order.

Stale-Dated and Postdated Checks

If a stale-dated check — that is, a check dated more than six months in the past — is presented for payment against your account, we may pay the check and charge it to your account. If a postdated check — a check dated in the future — is presented for payment, we may pay the check and charge it to your account even if it is presented for payment before the date stated on the check. If you do not want us to pay a stale-dated

or postdated check, you must place a stop payment order on it. See the *Stop Payment Orders and Postdating Orders* section.

Substitute Checks, Indemnified Copies, Images and Image Replacement Copies

In some cases, we may be sent an indemnified copy of your original check, an image replacement document (IRD), a substitute check or an image of your check, instead of the original item. We may act upon presentation of an IRD, indemnified copy, substitute check, or image of your check and pay these items against your account, just as if the original item had been presented.

Unpaid Items

If we decide not to pay a check or other item drawn on your account, we may return the original, an image or a copy of the item or we may send an electronic notice of return and keep either the original, an image or a copy of the item in our records. If we send an electronic notice of return, you agree that any person who receives that electronic notice may use it to make a claim against you to the same extent and with the same effect as if we had returned the original item.

Substitute Checks and Your Rights

The following provisions help explain some of the rights a consumer has under a federal law commonly referred to as Check 21. Check 21 was enacted to increase the efficiency of the U.S. check clearing system. The clearing system relies heavily on the physical transport of checks between banks. Check 21 allows banks to create substitute checks and present them to other banks instead of the original check. This reduces the transport of checks among banks and helps enable the electronic collection of checks.

What is a substitute check?

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have

when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What are my rights regarding substitute checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How do I make a claim for a refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at the telephone number listed on your account statement, or write to us at:

Bank of America
Attn: Research and Adjustments
P. O. Box 31590
Tampa, FL 33631-3590

You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include—

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check: your account number, the check number, the name of the person to whom you wrote the check, the amount of the check and the date of the check.

Insufficient Funds – Overdrafts

Overdraft Fees and Returned Item Fees

You can avoid fees for insufficient funds and the possibility of returned items by ensuring that your account contains sufficient available funds for all of your transactions. We offer tools to help you avoid overdrafts and returned items on your account. Please see *How to Get Started* in the *Introduction* and consider using our Online Banking service and our Online Alerts. Please also consider enrolling in one of the optional overdraft protection plans described below. The fees that apply to our overdraft protection plans may be less expensive than overdraft item fees and returned item fees.

When you do not have enough available funds in your account to cover a check or other item, then we consider the check or other item an insufficient funds item. If you have enrolled in one of our overdraft protection plans and have enough available coverage under the plan, we transfer funds to cover the item. Otherwise, we may, without notice to you and in our sole discretion, either pay or permit the insufficient funds item and overdraw your account or we may return, decline or reject the insufficient funds item without payment. In any case, we may charge you a fee for each insufficient funds item whether we pay, permit, return, decline or reject the item. We may also charge you an overdraft fee for overdrafts created by fees or by deposited items that are returned to us unpaid. The applicable overdraft item fee and returned item fee is listed in the *Schedule of Fees* for your account.

Whether we pay, permit, return, decline or reject an insufficient funds item depends on a number of factors, including the amount of the item and the past activity in your account. If we overdraw your account, you agree to repay us immediately, without notice or demand from us. We may use deposits you or

others make to your account to pay overdrafts, fees and other amounts you owe us. If we pay insufficient funds items by overdrawing your account on one or more occasions, we are not obligated to continue paying any future insufficient funds items. We may stop paying your insufficient funds items and decline, reject or return them unpaid without cause or notice to you.

Insufficient funds items include all orders and instructions for the payment, transfer, or withdrawal of funds from your account. As examples, an insufficient funds item includes a check, draft, demand draft, image, substitute check, image replacement document, electronic item (such as an ACH, ATM or point-of-sale instruction to withdraw funds), preauthorized payment, automatic transfer, telephone-initiated transfer, Online Banking transfer or bill payment instruction, withdrawal slip and in-person payment, transfer or withdrawal instruction.

Please note that funds in your account are not available to cover a check or other item if we determine that they are subject to a hold, dispute or legal process that prevents their withdrawal at the time the check or other item is presented to us for payment.

For some business accounts, if your account is overdrawn, we may also charge you interest on the overdraft amount up to the highest rate permitted by law.

Processing and Posting Orders When you do not have enough available funds to pay all checks and other items on a given day, we may pay or permit one or more checks or other items, and decline, reject or return others. In any order we deem appropriate. Some posting orders may result in more insufficient funds items and more fees than other orders. For information about our processing and posting orders, please see *Processing and Posting Orders* in the *Processing Withdrawals* section.

Occurrences The fee for each insufficient funds item may vary based on the number of occurrences during the current monthly statement cycle and preceding 12 monthly statement cycles and whether the check or other item is paid, permitted, declined, rejected or returned. An "occurrence" is a day during which your account has at least one insufficient funds item. Your record of insufficient funds items continues to apply to your account, even if we transfer your account to another banking center or convert it to a different type of account.

Overdraft Protection Plans

We offer one or more of the following overdraft protection plans in most states to help protect your account from overdrafts and returned items. If your account is eligible, we recommend that you consider enrolling in one of these optional plans as the fees under the plan may be less expensive than overdraft item

fees and returned item fees. If you enroll, then when you do not have enough available funds in your account to cover a check or other item but have enough available coverage under the overdraft protection plan, we can automatically transfer funds to your account to cover the check or other item. Please note that fees apply to these transfers.

You may only link one overdraft protection plan to each account. We generally make transfers under the overdraft protection plan in a minimum amount or increments of the minimum amount. This means that we may not make a transfer if you do not have at least the minimum transfer amount available under the plan.

Overdraft Protection from Your Credit Card This service links an eligible Bank of America credit card to a checking account for overdraft protection.

When you do not have enough available funds in your checking account to cover a check or other item, we may automatically advance and then transfer funds from your credit card account to your checking account in the amount and under the terms and conditions described in the credit card agreement. We do so as long as you are not in default under your credit card agreement. The funds transferred normally may not exceed the amount of available credit on your credit card and are subject to fees and finance charges under your credit card agreement. For some business accounts, we may also charge an overdraft protection transfer fee to your checking account for each transfer.

You may not link more than one checking account to a credit card account. At least one of the owners of the checking account must also be an owner of the credit card account. Certain other restrictions apply.

Overdraft Protection from Your Savings Account This service links a Bank of America Regular Savings, Student Savings or Business Savings account to a checking account for overdraft protection.

When you do not have enough available funds in your checking account to cover a check or other item, we may automatically transfer funds from the available balance in your savings account to your checking account. We transfer either the exact amount required or \$25, whichever is greater. We do not transfer funds if the transfer would reduce the balance in your savings account to less than \$25 (you must have at least \$50 in your savings account for a transfer to take place).

We may charge an overdraft protection transfer fee to your checking account for each transfer. An excess withdrawal fee may also apply to the savings account.

Each transfer counts as one of the six limited transactions you are allowed each month from your savings account. Funds you

deposit into your savings account may not be available immediately for overdraft protection. We may cancel this overdraft protection plan if you close your savings or checking account. The savings account must be located at a banking center in the same part of California as the banking center where we maintain your checking account. The owner(s) of the checking account must also be the owner(s) of the savings account. Certain other restrictions apply.

Overdraft Protection from Your Line of Credit This service is available with certain business accounts and links an eligible Bank of America line of credit to your business checking account.

When you do not have enough available funds in your checking account to cover a check or other item, we may automatically advance and then transfer funds from your line of credit to your checking account in the amount and under the terms and conditions described in the line of credit agreement. We do so as long as you are not in default under your line of credit agreement. The funds transferred normally may not exceed the amount of available credit on your line of credit and are subject to fees and finance charges under your line of credit agreement. We may also charge an overdraft protection transfer fee to your checking account for each transfer.

You may not link more than one checking account to a line of credit. The owner(s) of the checking account must also be the owner(s) of the line of credit. Certain other restrictions apply.

Notices, Statements and Other Communications

General Terms for Notices, Statements and Other Communications

Please review promptly all notices, statements and other communications we send you. In this section "communications" means all notices, statements and other communications we send you.

We may provide communications in English. Many communications will be notices of change affecting your rights and obligations. If you have questions about any of them or difficulty reading English, please call us at the number for Customer Service on your statement.

We may:

- address communications to one account owner;
- provide communications in English, even though we may have given you account opening documents and disclosures in a language other than English;

- destroy communications that are sent to you and returned to us as being undeliverable, along with any accompanying checks and other items;
- authorize the Post Office or an agent to destroy communications, along with accompanying checks and other items, that the Post Office informs us are undeliverable; and
- send communications to you at the electronic or street address we have in our records for your account; and
- stop sending communications to you until a new address is provided to us if we reasonably believe that the address we have in our records for your account is wrong. As examples, we may stop sending communications to you if one or more communications that we mail to you are returned to us as being undeliverable or if the Post Office or one of its agents informs us that the Post Office does not deliver mail to the address we have for your account.

We are not responsible for communications, or for any checks or other accompanying items, lost while not in our possession.

If we receive communications that we sent you at a banking center, they are deemed to have been delivered to you at the time that they are received at the banking center.

Notices

When we inform you of changes affecting your rights and obligations, we do so by delivering or otherwise making a notice available to you. In some cases, we may post a notice of a change in our banking offices or on our website. Otherwise, we mail the notice to you at the address we currently show for your statement or, if we have agreed on this method, we provide it to you electronically. We may provide a notice as a message on your statement or as an insert with your statement.

If a notice of a change to this Agreement is returned to us as being undeliverable or if we stop sending notices to you because notices or statements we previously sent you were returned to us as being undeliverable, you understand that the notices are available to you through our banking centers. You agree to that method of delivery and that changes covered in these notices are still effective and binding on you.

A notice sent to any one owner is deemed notice to all account owners and is effective for all account owners.

Statements

We provide you with a single statement when there is activity on your checking or savings account. We may mail the statement to you at the address we currently show for your account or, if we have agreed on this method, we provide it to you elec-

tronically. When there is no activity on your account, we may choose not to provide a statement. You may generally obtain an additional copy of your statement for a fee.

We recommend that you use our Online Banking service and receive your statements electronically.

If your statement is received at a banking center, we may mail it to you or destroy it, along with any accompanying checks and other items.

For checking and money market deposit accounts, we provide you with a monthly statement. Statement cycles generally vary from 28 to 33 days and may end on different days during the month. If you want to know the date your statement cycle ends, call us at the number for Customer Service on your statement.

For Regular Savings, Student Savings and Business Savings accounts, we provide you with a quarterly statement. If you have an electronic fund transfer (such as a direct deposit or an ATM withdrawal) to or from your account during any month, we provide a statement for that month.

For analyzed business checking accounts, you can elect to receive an additional monthly account analysis statement. This statement includes balance and float information, quantity of services used during the period, fees and charges for these services and the earnings allowance, if any.

For Business Checking Value Pack accounts, we provide an additional service charge report each month. This statement includes balance information, fees and charges, quantity of standard services used during the period, the number of transactions that exceed the monthly item allowance and the number of non-standard services you used.

For time deposits/CDs that are not in an IRA plan, we provide a statement at year-end. We may report activity for all of your CDs on a single statement. If you make a deposit to your CD, withdraw principal from your CD or renew your CD, we may send you a statement for the month during which that activity occurs. If you have a checking account with us, we may report activity for your CDs on a combined statement. If we report information about your CD on a combined statement, we do not provide a separate monthly CD statement.

For IRAs, we provide you with a consolidated statement at least quarterly for each IRA plan. We provide you with a consolidated month-end statement for your IRA plan if you have had activity in your IRA plan that month. We do not send a monthly statement if the activity in the IRA plan consists of automatic contributions, scheduled distributions or interest payments.

Combined Statement With some checking accounts, you may elect to receive a combined statement. With a combined statement, you receive one statement that reports activity for your

primary checking account and each account linked to your primary checking account, instead of separate statements for each account. In certain cases, we may automatically send you a combined statement. As an example, we may automatically link accounts that have the same owners and provide a combined statement for those accounts.

A combined statement permits each owner of any linked account to review information about all other linked accounts. As examples: If your primary checking account is a joint account and you link an individual account, then each owner of the joint account can review information about the individual account and the owner of the individual account can review information about the joint account. If an owner of one of the linked accounts is an Online Banking customer, that owner can review information about all linked accounts through Online Banking.

With a combined statement, you may usually have your checks returned on your primary checking account. All accounts linked to your primary account and included on the combined statement must use our check safekeeping service.

Combined statements may not be available for some accounts. Accounts held at banking centers in different states or in different regions within California generally may not be linked for combined statement. Certain other restrictions apply.

You can determine which accounts can be linked for combined statement and you can link accounts for this service by calling us at the number for Customer Service on your statement.

Check Image, Enclosure, and Safekeeping Services

For most accounts, we offer the following options regarding your canceled checks.

Check Image Service We provide with your statement an image of the front of each of your canceled checks that we post to your account during the statement cycle. We print images of your checks up to 10 images on a page. We do not return your canceled checks. In some states and for some business accounts we provide an image of the front and back of your canceled checks. When you use this service, checks are deemed to be made available to you at the same time your statement is made available.

We store copies of your canceled checks (usually on microfilm or as a digital image) and then destroy the checks. Copies of checks are generally available for seven years from the date the checks are paid. See *Check Copies In Other Terms and Services*.

Check Enclosure Service We return with your statement canceled checks that we received and posted to your account dur-

ing the statement cycle. We may also provide you with images of your cancelled checks.

We may not return some of your canceled checks. For example, if a check that you write is converted into an image or electronic debit during the check collection process, your check is not sent to us and, as a result, we cannot return the check to you. In some cases, we may receive a substitute check (also called an image replacement document) instead of your check. We do not return substitute checks with your statement.

Check Safekeeping Service We report on your statement information about canceled checks (check number, amount and date posted) that posted to your account during the statement cycle. You do not receive your canceled checks with your account statement. When you use this service, checks are deemed to be made available to you at the same time your statement is made available.

If your statements are returned to us, you automatically receive check safekeeping service. If you usually receive your checks with your statement but we are unable to return them because of circumstances beyond our reasonable control, we may convert your account to check safekeeping service.

If you have a combined statement, you may usually have your checks returned on your primary checking account. All accounts linked to your primary checking account and included on the combined statement automatically receive check safekeeping service.

We store copies of your canceled checks (usually on microfilm or digital image) and destroy the checks. Copies of the checks are generally available for seven years from the date the checks are paid. See *Check Copies in Other Terms and Services*.

If you use our check safekeeping service, we cannot provide a copy of a check that posted to your account, and you lose money as a result, we may cover the loss up to the amount of the check. We are not liable to you for any special, incidental or consequential loss or damage of any kind.

Your Address and Change of Address

We may send notices, statements and other communications regarding your account to you at the electronic or street address we have in our records for your account.

You agree to notify us if you change your address. If the United States Post Office or one of its agents tells us that your address has changed:

- we may change your address on our records to the address specified by the Post Office; and
- we may send notices, statements and other communications regarding your account to that new address.

Actions You Can Take to Help Protect Your Account

Your role is extremely important in helping to prevent the wrongful use of your account. Please consider the measures below to help you protect your account.

Stay Informed We offer several services you can use to help you keep track of your account on a daily basis. You can use our Online banking service to review your accounts and Online Alerts to receive notice of account balances and activity. Please see the information about these services in *How to Get Started*.

Be Cautious about Giving Out Your Personal Information We will not send you e-mails requesting personal information. If you receive an e-mail that seems to come from us and requests personal information, do not answer it. Instead, please contact us immediately at the number on your statement.

Be Cautious about Accepting Checks from Strangers You should be cautious about accepting checks from strangers, especially foreign checks. We sometimes make funds from deposited checks available to you sooner than we are able to collect the funds. From time to time, some checks are returned unpaid after we made the funds available to you. If you cashed the returned check with us or deposited it to your account, you are still responsible for the check and will have to repay the full amount of the returned check.

Review Statements and Report Suspected Problems Immediately You must promptly review the notices, statements and other communications, along with any accompanying checks and other items, we send you. You must also report problems or unauthorized transactions to us immediately, by calling the number for Customer Service on your statement. See *Reporting Problems*.

Identity Theft Identity theft occurs when someone uses your personal information without your permission to take over your existing account or to open new accounts in your name. Identity theft often begins with the loss or theft of a wallet or purse. Criminals can also obtain your personal information by stealing records from your trash or sending fraudulent e-mails to you requesting your information.

You should destroy or shred account statements, checks, deposit slips and other documents with your personal information before you throw them away.

Other Actions You Can Take

Here are some other actions you can take to help control your risk. This is by no means a complete list of preventive measures. You may want to take other or additional actions.

- Do not share your passwords, user numbers or Personal Identification Number (PIN) for Online Banking or your ATM or Check card.
- Call us if your new check order or debit card does not arrive within 14 business days.
- Be cautious about giving someone your account number. If you give your account number to a third person and authorize that third person to initiate one or more transactions on your account, you may be liable for all transactions initiated by the third person even if you did not intend to authorize a particular transaction.
- Do not give anyone a pre-signed blank check. Do not give anyone permission to sign your name on a check.
- Do not preprint your driver's license or Social Security Number on your checks.
- Write checks in a dark colored permanent ink and fill in all lines. Make sure the written and numeric amounts match, are readable and begin on the far left of the line so additional numbers or words cannot be added.
- Write and sign your checks clearly, because illegible checks are easier to forge.
- Use tamper resistant checks. If you do not order checks through us, ask your check vendor about tamper resistant checks.
- Store blank checks, deposit slips and statements in a safe place and audit your check stock frequently. When discarding, destroy them by shredding or other means so they cannot be copied or used. Call us immediately if any of these items are lost, stolen or missing.
- Use the same precautions that apply to your checks to your endorsement and signature stamps.
- Do not leave outgoing mail in an unlocked collection box or in your residence mailbox. Deposit outgoing mail in a locked Postal Service mail deposit box.
- Keep accurate records of your transactions and reconcile your statements as soon as they are made available to you. Pick up your mail everyday. When reviewing your statements, watch for:
 - Checks cashed out of sequence or made payable to cash
 - Use of a check number from a previously cleared item
 - Balance discrepancies or unexpected fluctuations
- Reconcile your account yourself. If you have authorized someone else to transact on your account and you do not reconcile your account yourself, someone other than an authorized signer should reconcile your accounts.
- Business customers should assign to different individuals responsibilities for: opening mail, reconciling bank statements, endorsing incoming checks, making deposits, reconciling accounts payable checks with vendor invoices, reconciling incoming checks against outstanding receivables and issuing checks. •

Reporting Problems

If you find that your records and ours disagree, if you suspect any problem or unauthorized transaction on your account or you do not receive a statement when expected, call us immediately at the number for Customer Service on your statement. If you fail to notify us in a timely manner, your rights may be limited.

This section does not apply to electronic fund transfers that are subject to Regulation E. If we have a specific agreement with you for a service or this Agreement has specific provisions for a service (such as the *Funds Transfer Services* section), these provisions supplement the specific agreement and provisions to the extent they are not inconsistent.

Your Responsibility

You must exercise reasonable control over your statements, checks, deposit slips, endorsement and signature stamps, Check and ATM Cards, Personal Identification Numbers and other access devices. It is your responsibility to keep them safe and secure and to promptly discover and report if any of them are missing in time to prevent misuse. You assume full responsibility for monitoring and reviewing the activity of your account and the work of your employees, agents and accountants.

We may deny a claim for losses due to forged, altered or unauthorized transactions, items or signatures if you do not guard against improper access to your checks, statements, deposit slips, endorsement and signature stamps, and account information.

What Are Problems and Unauthorized Transactions

Problems and unauthorized transactions include suspected fraud; missing deposits; unauthorized electronic transfers; missing, stolen, or unauthorized checks or other withdrawal orders; checks or other withdrawal orders bearing an unauthorized signature, endorsement or alteration; illegible images; encoding errors made by you or us; and counterfeit checks. This is not a complete list.

Reviewing your Account Statements

Your review of your statements, checks and other items is one of the best ways to help prevent the wrongful use of your account. You agree:

- to review your statements, checks and other items and reconcile them as soon as they are made available to you;
- that our statements provide sufficient information to determine the identification and authenticity of any transaction including without limit, whether any are forged, altered or unauthorized if the statement includes the item number, amount and the date the item posted to your account;
- to report any problems or unauthorized transactions as soon as possible; and
- that 60 days after we send a statement and any accompanying items (or otherwise make them available) is the maximum reasonable amount of time for you to review your statement or items and report any problem or unauthorized transaction related to a matter shown on the statement or items. There are exceptions to this 60-day period. For forged, unauthorized or missing endorsements, you must notify us within the period specified by the state law applicable to your account. For substitute checks, you must notify us within 40 days to qualify for an expedited credit. See section titled *Substitute Checks and Your Rights*.

We Are Not Liable If You Fail To Report Promptly

Except as otherwise expressly provided elsewhere in this agreement, if you fail to notify us in writing of suspected problems or unauthorized transactions within 60 days after we make your statement or items available to you, you agree that:

- you may not make a claim against us relating to the unreported problems or unauthorized transactions, regardless of the care or lack of care we may have exercised in handling your account; and
- you may not bring any legal proceeding or action against us to recover any amount alleged to have been improperly paid out of your account.

Except as otherwise expressly provided elsewhere in this agreement, we are not liable to you for subsequent unauthorized transactions on your account by the same person if you fail to report an unauthorized transaction on your account within 30 days (or such lesser period as is specified in the state law applicable to your account) following the closing date of the statement containing information about the first unauthorized transaction.

Written Confirmation and Other Assistance

If you report to us that an unauthorized transaction has occurred on your account, we may require you to confirm your report in writing. We may also require that you give us a statement, under penalty of perjury, about the facts and circumstances relating to your report and provide such other information and proof as we may reasonably request.

If you assert a claim regarding a problem, you must cooperate with us in the investigation and prosecution of your claim and any attempt to recover funds. You also agree to assist us in identifying and in seeking criminal and civil penalties against the person responsible. You must file reports and complaints with appropriate law enforcement authorities.

If you fail or refuse to do these things, we will consider your failure or refusal to be your ratification of the defect in the statement or item, unauthorized transaction or other problem and your agreement that we can charge the full amount to your account.

Our Investigation and Maximum Liability

We may take a reasonable period of time to investigate the facts and circumstances surrounding any claimed loss. We do not have to provisionally credit your account while we investigate.

Our maximum liability is the lesser of your actual damages proved or the amount of the missing deposit or the forgery, alteration or other unauthorized withdrawal, reduced in all cases by the amount of the loss that could have been avoided by your use of ordinary care.

We are not liable to you for special or consequential losses or damages of any kind, including loss of profits and opportunity or for attorneys' fees incurred by you.

Business Insurance

If your claim relates to a business account, you agree to pursue all rights you may have under any insurance coverage you maintain before making a claim against us in connection with any transaction involving your accounts. You will provide us with all reasonable information about your coverage, including the name of your insurance carrier, policy number, policy limits and applicable deductibles. Our liability is reduced by the amount of all insurance proceeds you receive or are entitled to receive. At our request, you agree to assign to us your rights under your insurance policy.

Opening a New Account

If you or we suspect that your account is or may be compromised, we may recommend that you close your account and open a new account. If there are any unauthorized transactions on your account, we recommend that you close your account and open a new one. If we recommend that you close your account and you do not do so, we are not liable to you for subsequent losses or damages on the account due to unauthorized transactions. When you open a new account, you are responsible for notifying any third parties that need to know your new account number.

Foreign Items and Foreign Currency

A foreign item is a check or other item in any currency (including United States dollars) that is drawn on a bank or branch of a bank located outside of the United States. Some foreign items are payable in United States dollars. Some are payable in a foreign currency. A foreign currency is any currency other than United States dollars.

Currency Exchange Rates

We may determine that it is appropriate to convert a transaction from a foreign currency to United States dollars or from United States dollars to a foreign currency (for example, a wire denominated in a foreign currency for credit to your account). If we determine that it is appropriate to make a currency conversion, we may determine in our discretion a currency exchange rate and then assign it to your transaction without notice to you. You agree to this procedure and accept our determination of the currency exchange rate.

We may consider many factors in setting our currency exchange rates, including without limitation exchange rates charged by other parties, desired rates of return, market risk and credit risk. You acknowledge that:

- exchange rates for retail and commercial transactions, and for transactions effected after regular business hours and on weekends, are different from the exchange rates for large inter-bank transactions effected during the business day, as reported in *The Wall Street Journal* or elsewhere;
- exchange rates offered by other dealers, or shown at other sources (including online sources) may be different from our rates; and
- currency exchange rates can be highly volatile.

We are not liable to you if our rates are different from rates offered or reported by third parties, or offered by us at a different time, at a different location, for a different transaction amount, or involving a different payment media (such as bank notes, checks and wire transfers). You assume all risks relating to or arising from fluctuations in the exchange rates between currencies involved in each of these transactions.

Foreign Currency Checks Not Allowed

You may not write checks or other withdrawal orders on your account, which order payment in a foreign currency.

Processing and Collecting Foreign Items

You should be cautious about accepting foreign items. The processing and collection of foreign items are not subject to United States laws or regulations. A foreign item may be returned unpaid much later (sometimes months later) than items that are drawn on banks located in the United States. You are responsible for the item if there is a subsequent problem with it.

We may refuse to accept a foreign item for deposit or collection. If we accept a foreign item for deposit or collection, you bear all the risks associated with: the collection process, a late return and changes in currency exchange rates (exchange rate risk).

We may decide not to credit a foreign item to your account until we receive the proceeds in cleared funds from the paying bank. If we do provide credit, such credit is provisional and we may reverse the credit at any time.

If you deposit an item which we later determine to be a foreign item, we may decide that it needs to be sent for collection. If so, we may reverse any provisional credit given for the item at our then current exchange rate and mail the foreign item to you at the address we have for your account statement. You may then ask us to send the item for collection.

You understand that foreign items sent for collection are sent solely for you and at your risk and that we are not liable for any event in the collection process which is beyond our control including a default by any banks or agents involved in the collection process or the loss of the foreign item in transit. We may:

- send the foreign items directly or through a correspondent to any bank, including the payor;
- deduct both our fees and the charges assessed by the payor bank and any agents involved in the collection process from the amount collected or from your account;
- we may mail the foreign item to you at the address we have for your account statement if the collection is returned unpaid;

- charge your account for the item at our then current exchange rate and for a collection fee together with other charges assessed by the payor bank.

If you request, we will try to determine the status of a collection. You agree to pay charges incurred for such a request. We may refuse your request if less than 30 business days have passed since we first processed the collection.

If a foreign item is returned to us unpaid for any reason at any time or is initially paid but then subsequently returned unpaid, we may:

- charge your account for the full value of the foreign item, including any applicable fees, even if we previously made the funds available to you, and
- use our then current exchange rate to determine the full value of the foreign item, which may result in a currency exchange loss to you.

Other Terms and Services

Account Changes

You must notify us of any change to your name or address. If you do not provide notice of change of address, we may send notices, statements and other correspondence to you at the address maintained on our records for your account and you agree to indemnify us and hold us harmless for doing so.

You agree to notify us in writing of any change in ownership or authorized signers of your account or if an owner or authorized signer on the account dies or is adjudicated incompetent.

If there is more than one owner and/or authorized signer on the account, any one account holder or authorized signer may request the account be closed without consent of any other account holder or authorized signer. Further, any one account holder may request, and we may, at our option, permit removal of any account holder or authorized signer without consent of any other account holder or authorized signer on the account.

You acknowledge that we may, but need not, require a new signature card to be completed before any change in ownership or authorized signers becomes effective and each time you open a new account, we may require a Taxpayer Identification Number certification(s). You also acknowledge that we may require you to close your account in the event of any change in ownership or change in the authorized signers.

Automatic Transfer Service

You may have funds transferred automatically from most Bank of America checking or savings accounts; to another Bank of America checking or savings account or IRA; to pay a Bank of America loan or credit card account; or to pay a safe deposit rental fee.

Federal regulation and this Agreement place limits on the number of automated transfers you may make from savings accounts each month. Please see "Limits on Withdrawals and Transfers from Savings Accounts". Certain other restrictions apply.

You must schedule transfers to pay a Bank of America loan for the due date each month. In most other cases, you may schedule transfers periodically on the dates and for the amounts that you specify. Transfers can only be made on a business day. If a scheduled transfer date falls on a weekend or bank holiday, we may make the transfer on the next business day. If we are unable to complete a transfer because you do not have enough available funds in your account, we may cancel this service.

Check and Deposit Slip Forms

We offer checks, withdrawal forms and deposit slips in a number of styles and at various prices. We recommend that you use checks and other forms that we provide.

You are responsible for verifying the accuracy of all information on your checks and other forms, whether obtained through others or us. Our liability, if any, for any printing errors on checks or other forms obtained through us is limited to the cost of replacing the forms. We are not liable for any claims, costs, losses or damages you may incur when you use checks or other forms not obtained through us.

We may refuse to accept checks or other forms that you create or someone else provides that do not meet our then current specifications, even if they met our specifications at the time they were initially drawn. You may obtain a copy of our printing specifications by calling the telephone number on your statement or asking your account representative. These specifications include the magnetically encoded numbers, the size of the check and the weight, color and type of paper. If you create or obtain checks or other forms from someone else and our automated check processing systems are unable to read or process them, we may refuse to accept them and we may charge you a fee for each check or other item that we are unable to read or process through our automated systems.

Check Copies

We generally keep a copy of each check we post to your account for seven years from the date the check posts to your account. We have no obligation to retain the original check. We typically keep the copies on microfilm or as a digital image.

If a copy is unavailable or of poor quality, we are not liable to you for any claim, cost, loss or damage of any kind. After seven years, we may destroy the copies.

Requesting Copies You may request a copy of a canceled check by calling us at the number for Customer Service on your statement. To produce a copy, we need the account number, check number, exact amount of the check, and date the check was paid. This information is on your statement. Generally, we mail or make a copy available within seven business days. If we need more time, we will tell you. A fee may apply to each check copy. Please see the *Schedule of Fees* for your account.

If a check that you wrote was converted to an electronic debit, then the check was not sent to us for processing so we do not have a copy. We list these electronic debits on your account statement.

Compliance

You agree to comply with applicable laws and regulations. You may not use your account or related services for any illegal transactions or activity. You agree to indemnify us from every action, proceeding, claim, loss, cost and expense (including attorney's fees) suffered or incurred by us due to any U.S. or foreign government entity seizing, freezing or otherwise asserting or causing us to assert control over any account or funds in an account of yours (or ours) when purportedly caused by, or arising out of, your action or inaction. This will apply whether or not such action is ultimately determined to be authorized under the laws of the U.S. or its territories, or of any foreign jurisdiction. We are not required to inquire or determine the authority of any action taken by the U.S. or foreign government entity prior to acceding to any legal process initiated by it.

Please note that your agreement to comply with applicable laws and regulations includes United States economic sanctions laws and regulations, including regulations issued by the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury, and Executive Orders issued by the President of the United States.

Conflicting Demands and Disputes

We are not required to make payment from an account to a signer, a payee, a beneficiary of a trust account or Payable on Death (POD) account, or to any other person claiming an interest in any funds in the account:

- if we have actual knowledge of, or otherwise believe in good faith that there may be a bona fide dispute between the signers, beneficiaries, payees, or other persons concerning their rights to the account proceeds or
- if we are otherwise uncertain as to who is entitled to the account funds.

We may notify all signers, beneficiaries, payees, and other persons claiming an interest in the account of the dispute or uncertainty without liability to you.

We also may, at our option and without liability to you, take one or more of these actions:

- continue to rely on current signature cards and other account documents;
- honor the competing claim upon receipt of evidence we deem satisfactory to justify such claim;
- freeze all or part of the funds until the dispute is resolved to our satisfaction;
- close the account and send a check for the balance in the account, payable to you or to you and each claimant;
- pay the funds into an appropriate court for resolution; or
- refuse to disburse any funds in the account to any person until such time as: all persons claiming an interest in the account consent in writing to a resolution of the dispute; or a court of proper jurisdiction authorizes or directs the payment; or the person with a conflicting claim withdraws his or her claim in writing.

You are liable for all expenses and fees we incur, including attorneys' fees, and we may charge them to your account.

Converting an Account

We may convert your account to another type of account, revoke privileges or close your account:

- if you make frequent transactions on a savings account;
- if your account frequently has debits against uncollected funds;
- if your account has excessive deposit activity;
- if you use a personal account for business purposes; or
- when we consider it appropriate or necessary to do so.

If we discontinue your type of account, we may convert your account to another type of account. We may also convert your account to another type of account based on our evaluation how you use the account. If we convert your account, we will send you information about your new account.

Cutoff Time for Receipt of Orders

Our cutoff time for receipt at a banking center of an order relating to your account is 10:00 a.m. local time or, if later, one hour after the banking center opens each business day. Orders include a stop payment order or postdating order, resubmitting

order, writ of attachment or execution, levy, garnishment and any similar order.

The cutoff time relates to our obligation to pay or return checks and other items. If we receive an order before this cutoff time, we may review items presented for payment against your account on the previous business day to determine whether we need to return any of them to comply with the order. If we receive the order after the cutoff time, we may not review items presented on the previous business day.

For example, if you give us a stop payment order after our cutoff time and the item you want to stop was previously presented for payment or otherwise before we have the opportunity to act on your order, your order comes too late to stop payment on the item. Or, if we receive a levy before the cutoff time and you do not have enough funds in your account to cover both the levy and all items presented against your account the previous business day, we may return one or more items and apply the funds to the levy.

Death or Incompetence

You agree to notify us promptly if any owner or authorized signer on your account dies or is declared incompetent by a court. Until we receive a notice of death or incompetency, we may act with respect to any account or service as if all owners, signers or other persons are alive and competent and we will not be liable for any actions or inactions taken on that basis.

If you give us instructions regarding your account, and you or another owner of the account subsequently dies or is declared incompetent, we may act on the instructions unless we receive written notice of death or incompetency prior to honoring such instructions.

When we receive a notice that an owner has died or been declared incompetent, we may place a hold on your account and refuse to accept deposits or permit withdrawals. We may hold any funds in your account until we know the identity of the successor.

If a deposit — including salary, pension, Social Security and Supplemental Security Income (SSI) — payable to the deceased owner is credited to the account after the date the deceased owner died, we may debit the account for the deposit and return it to the payer.

Facsimile Signature

A facsimile signature can be a convenient method for signing or endorsing documents and other items. If you use a facsimile signature, you are responsible for any withdrawal from your account that bears or appears to us to bear a facsimile signature that resembles or purports to be the signature of a person

authorized to withdraw funds. We will not be liable to you if use of the facsimile device (or similar device utilized to affix your signature) was unauthorized. You are responsible even if the size, or color of the facsimile signature is different from that of any signature previously presented to us. We may pay the withdrawal and may charge your account for it. You agree to reimburse us (and we may charge your account) for all claims, costs, losses and damages, including attorneys' fees, that result from our payment of a withdrawal bearing either a facsimile that resembles or purports to bear your signature or a facsimile that we believe you authorized.

FDIC Assessments for Business Accounts

For some business accounts, we may charge a Federal Deposit Insurance Corporation ("FDIC") assessment based on the rate the FDIC charges us. The FDIC assessment may include deposit insurance charges, financing corporation (FICO) bond interest and other charges provided by law. This charge is variable. We may change it at any time without notice. Please see the *Schedule of Fees* for your account.

Fingerprint

If a person to whom you gave your check asks us to cash the check, we may require them to place their fingerprint on the check. If they refuse to provide their fingerprint, we may refuse to cash the check. We have no liability to you for refusing to cash the check.

"Freezing" Your Account

If we decide to close your account, we may freeze it. If we do this, we may in our discretion either accept or return deposits, checks and other items that we receive after we freeze your account without being liable to you.

If at any time we believe that your account may be subject to irregular, unauthorized, fraudulent or illegal activity, we may, in our discretion, freeze the funds in the account and in other accounts you maintain with us, without any liability to you, until such time as we are able to complete our investigation of the account and transactions. If we do freeze your account funds, we will provide notice to you as soon as reasonably possible. We may not provide this notice to you prior to freezing the account if we believe that such notice could result in a security risk to us or to the owner of the funds in the account.

Indemnification and Limitation of Liability

You agree to reimburse us for all claims, costs, losses and damages (including fees paid for collection) we may incur with respect to overdrafts or returned deposits in connection with your account.

We are not liable to you for errors that do not result in a financial loss to you. We may take any action authorized or permitted by this Agreement without being liable to you, even if such action causes you to incur fees, expenses or damages.

We are not liable to you for any claim, cost, loss or damage caused by an event that is beyond our reasonable control. In particular, we are not liable to you if circumstances beyond our reasonable control prevent us from, or delay us in, performing our obligations for a service, including acting on a payment order, crediting a funds transfer to your account, processing a transaction or crediting your account. Circumstances beyond our reasonable control include: a natural disaster; emergency conditions, such as fire, theft or labor dispute; a legal constraint or governmental action or inaction; the breakdown or failure of our equipment for any reason, including a loss of electric power; the breakdown of any private or common carrier communication or transmission facilities, any time-sharing supplier or any mail or courier service; the potential violation of any guideline, rule or regulation of any government authority; suspension of payments by another bank; or your act, omission, negligence or fault.

Except as limited by applicable law, we are not liable for special, incidental, exemplary, punitive or consequential losses or damages of any kind.

Our liability for a claim will be limited to the face value of an item or transaction improperly dishonored or paid or the actual value of any deposits not properly credited or withdrawals not properly debited.

You agree that the amount of any claim you have against us in connection with any account or transaction with us, whether brought as a warranty, negligence, wrongful dishonor or other action, is subject to reduction to the extent that: 1) negligence or failure to use reasonable care on your part, or on the part of any of our agents or employees, contributed to the loss which is the basis of your claim; and 2) damages could not be avoided by our use of ordinary care.

Any loss recovery you obtain from third parties on a particular claim will reduce the amount of any obligations we may have to you on that claim and you will immediately notify us of any such recovery. You agree to pursue all rights you may have under any insurance policy you maintain in connection with any loss and to provide us information regarding coverage. Our liability will be reduced by the amount of any insurance proceeds you receive or are entitled to receive in connection with the loss. If we reimburse you for a loss covered by insurance, you agree to assign us your rights under the insurance to the extent of your reimbursement.

Legal Process – Subpoena and Levy

We may accept and comply with any legal process that we believe to be valid and binding without any liability by us to you. We may accept and comply with the legal process whether served in person, by mail, by facsimile transmission, or by other means, at locations other than the banking center or office at which the account, property or records are held or if served in a state other than the state where the account, property or records are held. You direct us not to contest the legal process. We generally give you notice of the legal process but we are not required to give you notice and will not do so if prohibited by law.

"Legal process" includes a writ of attachment, execution, garnishment, tax withholding order, levy, restraining order, subpoena, warrant, injunction, government agency request for information, search warrant, forfeiture or other similar order.

We will hold and turn over funds or other property to the court or creditor as directed by the legal process. Any legal process directing us to hold or turn over funds is subject to our right of setoff and any security interest we have in the account. We are not liable to you for not paying items or refusing withdrawals as a result of holding or turning over funds. We do not pay interest on the funds during the period we hold them. If we use funds from a time deposit account, we may impose an early withdrawal penalty.

We may charge your account a legal process fee for each order. You agree to pay our fees and expenses for research and copying of documents and all other expenses, including administrative expenses, that we incur in responding to any legal process related to your account. These may include attorneys' fees. We may deduct these fees and expenses from any of your accounts without prior notice to you.

If a subpoena or other legal process directs us to release information about an account that is reported on a combined statement, we may release the entire combined statement, even if other accounts on the combined statement are not covered by the legal process. If the legal process requests information about one account owner or signer, we may release information about other co-owners or signers on the account, even if the other co-owners or signers are not covered by the legal process.

We may produce documents or provide access to property that is located in any of our other facilities, including facilities owned and operated by third parties maintaining such records on our behalf, even if such facility is not designated as the place to be searched in the search warrant or legal process.

Multiple Signatures Not Required

We may act on the oral or written instructions of any one signer on the account. Each signer may make withdrawals, write checks, transfer funds, stop payments, obtain ancillary services (e.g., electronic fund transfer services or wire transfers), and otherwise give us instructions regarding your account. We may require written authorization for some actions.

We do not assume a duty to enforce multiple signature requirements that you may agree upon among yourselves. If you indicate on your checks or signature card or other account documents that more than one signature is required for withdrawal, this indication is for your own internal procedures and is not binding on us.

We may disregard any instructions to permit withdrawals only upon more than one signature with respect to checks, electronic fund transfers or other debit/withdrawal requests. We may pay out funds from your account if the check, item, or other withdrawal or transfer instruction is signed or approved by any one of the persons authorized to sign on the account. We are not liable to you if we do this.

Notice of Withdrawal

Federal regulations require us to retain the right to require all savings and interest-bearing checking account depositors to give seven days' written notice before making a withdrawal. It is unlikely, however, that we would require this notice.

Powers of Attorney/Appointment and Payment to Agents

You may decide to appoint someone to act for you as your agent or attorney-in-fact ("agent") under a power of attorney. Please note that the form must be satisfactory to us in our discretion and unless prohibited by law, we may refuse, with or without cause, to honor powers of attorney that you grant to others.

We ask that you complete our power of attorney form, which is available at many of our Banking Centers. If your state has a statutory form power of attorney, we also generally accept that form. We may, however, accept any form that we believe was executed by you and act on instructions we receive under that form without any liability to you. You agree to reimburse us for all claims, costs, losses and damages that we incur in accepting and acting on any power of attorney form that we believe you executed.

We may pay any funds deposited in your account to your agent or upon the order of your agent. When we accept a power, we may continue to recognize the authority of your agent to act on

your behalf without question until we receive written notice of revocation from you or notice of your death or incapacity and have had a reasonable time to act upon it. We will not be liable for action in accordance with the most current documentation if we have not received such notice.

We may require a separate form for each agent and for each account for which you want to grant power of attorney. We may require your agent to present the original form and refuse to act on a copy. In some cases, we may require that your agent confirm in an affidavit that the power has not been revoked or terminated or that you register the power with the appropriate recording authorities. We may restrict the types or sizes of transactions we permit your agent to conduct.

The authority of your agent to receive payments, transact on or otherwise make changes to your account generally terminates with your death or incapacity, unless the document creating such agency provides, in accordance with applicable law, that the agent's powers continue in spite of your incapacity.

Records

We may in our discretion retain records in any form including, without limit, paper, film, fiche, digitalized or other electronic medium. If we are not able to produce the original or a copy of your signature card or any other document relating to your account or service, our records (including our electronic records) will be deemed conclusive. If there is a discrepancy between your records and our records, our records will be deemed conclusive.

Right of Setoff

We may recover amounts you owe us from any account you maintain with us or with our affiliates without notice to you at any time, without regard to the origin of deposits to the account or beneficial ownership of the funds. This provision does not apply to any consumer credit covered by the federal Truth in Lending law.

If you are a sole proprietor, we may charge any of your personal or business accounts. We may use funds held in your joint accounts to repay the debts on which any one of you is liable, whether jointly with another or individually.

We may use funds held in your individual accounts to repay your debts, whether owed by you individually or jointly with another. Your debts include: those owed by you arising out of another joint account of which you are a joint owner, even if they are not directly incurred by you; those on which you are secondarily liable; or any amounts for which we become liable to any governmental agency or department or any company as

a result of recurring payments credited to any of your accounts after the death, legal incapacity or other termination of entitlement of the intended recipient of such funds.

If we use funds from a time deposit account, the funds withdrawn are subject to the early withdrawal penalty.

We are not liable to you for dishonoring items where withdrawals described in this section result in insufficient funds in your account.

Sample of Your Signature

To determine the authenticity of your signature, we may refer to the signature card or to a check or other document upon which your signature appears. We may use an automated process to reproduce and retain your signature from a check upon which your signature appears.

If you create your own checks, or obtain them from someone else, and we cannot accurately verify your signature on a check by comparing it with a check that posted to your account, you are responsible for any losses that may result from our inability to use that check to verify your signature.

Stop Payment Orders and Postdating Orders

Stop Payment Orders If we have not already paid a check or other item drawn on your account, then at your request and risk we may accept a stop payment order on it. You may not stop payment on a check if you use as identification for the check your Bank of America ATM Card or Check Card. You may not stop payment on a point of sale transaction or an ATM withdrawal or transfer.

Postdating Orders If you write and postdate a check (that is — you put a future date on the check), you may ask us not to pay the check before its date by giving us a stop payment order. Otherwise, we may pay it and charge it to your account even if it is presented for payment before its date.

If we receive a postdated check that is subject to a stop payment order, we may return the check with the designation "payment stopped" or "refer to maker."

Placing Stop Payment Orders We may accept a written or oral stop payment order from any person who has a right to withdraw funds from the account. We may require you to complete a form authorizing the order. You must give us sufficient notice so that we have a reasonable opportunity both to verify that the item is unpaid and to act on your request. We may charge you a fee for each stop payment order and each renewal of the order.

We use a computer system to identify items. Therefore, to place a stop payment order, we need the account number, the item number and the exact amount of the item — in dollars

and cents. If you give us the wrong amount (even one penny off) or the wrong item number, we may pay the item. We may also require the date of the item, the name of the person who signed or authorized the item, and the name of the party to whom the item was made payable. We may use only a portion of the required information to identify an item.

In some cases, we may pay an item even if an order is in effect. For example, if one of our banking centers, without notice of your request, pays a check that you have asked us to stop, we may still pay the check.

A stop payment order generally expires after six months. However, we may, in our sole discretion, elect to honor a stop payment order for a longer period of time without notice to you. If you want the order to continue after six months, you must ask us to renew the order. Each renewal is treated as a new order. If you want the order to expire in less than six months, you must cancel the order on or after the date you want it to expire. We may accept a written or oral instruction to cancel the order. Your request to cancel the order is not effective until we have a reasonable opportunity to act on it. We cancel the order automatically when the account on which the item is drawn is closed.

If the item is presented to us for payment after the order expires, we may pay the item.

If we pay an item subject to a valid and timely stop payment order, we may be liable to you if you had a legal right to stop payment and you establish that you suffered a loss because of the payment. Our liability, if any, is limited to the actual loss suffered, up to the amount of the item. You must prove the loss to our satisfaction. We are not liable to you for any special, incidental or consequential loss or damage of any kind.

Additional Information about Automated Clearing House (ACH) Stop Payment Orders If we have not already paid an ACH debit from your account, then at your request and risk we may accept a stop payment order on it. The stop payment order takes effect within three business days. If you give us oral instructions, we may require you to confirm them in writing. If you do not, we may remove the stop payment after 14 days. Otherwise, your order will be effective for six months.

To place a stop payment order on an ACH debit, we may require you to provide your name and telephone number, the type of account (checking or savings), the company name and company identification number used by the sender of the ACH debit, and the other information listed above under *Placing Stop Payment Orders*. You can obtain the company name and company identification number used by your sender from your statement by looking at a prior ACH debit from this sender that posted to your account.

If you do not know the amount of the ACH debit, we may still be able to place the stop payment order based on the company name and company identification number of the sender, but this may stop all ACH items from this sender. If you give us the wrong company identification number or if the sender changes the company identification number, we may pay the item.

You are responsible for notifying the sender of the ACH debit that you have revoked your previous authorization for ACH debits.

For more information on stopping a preauthorized payment on a personal account, see *Preauthorized Payments* in the section titled *Electronic Banking Services*.

Sub-Accounts

For regulatory accounting purposes, we may classify checking accounts as two sub-accounts: a checking sub-account and a savings sub-account. For interest-bearing checking accounts, we calculate and pay interest at the same rate and in the same way on both sub-accounts. For non-interest bearing checking accounts, we do not pay interest on either sub-account. We may transfer funds between these sub-accounts. We record the sub-accounts and any transfers between them on our internal accounting records only. Otherwise, the sub-accounts are subject to the same terms as the checking and savings accounts described in this Agreement.

Unclaimed Property – Accounts Presumed Abandoned or Inactive

State and federal law and our policy govern when accounts are considered abandoned. The applicable state law is generally the state listed in the address for your account statement.

Your account is usually considered abandoned if you have not performed at least one of the following activities for the period of time specified in the applicable state's unclaimed property law: made a deposit or withdrawal, written to us about the account, or otherwise shown an interest in the account, such as asking us to keep the account active. You usually need to perform the activity. Therefore, bank charges and interest payments, and automatic deposits and withdrawals, are usually not considered activity.

We are required by the unclaimed property laws to turn over accounts considered abandoned to the applicable state. Before we turn over an abandoned account, we may send a notice to the address we currently show for the account statement. We may not send this notice if mail we previously sent to this address was returned. Unless prohibited by the applicable state law, we may charge to the account our costs and expenses of any notice, advertisement, payment and delivery of the account to the applicable state agency.

After we turn the funds over to the state, we have no further liability to you for the funds and you must apply to the appropriate state agency to reclaim your funds.

If we consider your account inactive, then (unless prohibited by federal law or the law of the state where we maintain your account) we may:

- charge dormant account fees on the account in addition to regular monthly service charges and other fees,
- stop sending statements,
- if the account received interest, stop paying interest on the account; and
- refuse to pay items drawn on or payable out of the account.

If you re-establish contact with us, we do not have to reimburse you for these fees and we are not liable to you for any interest that would otherwise have accrued on your account.

Verification of Transactions and Right to Reverse Transactions

All transactions, including those for which we provide a receipt, are subject to subsequent verification and correction within our discretion. We do not verify a deposit at the teller window so the receipt that you receive at the time of your deposit is not evidence that your deposit has been verified. We may reverse or otherwise adjust any transaction (both credit and debit) that we believe we erroneously made to your account at any time without prior notice to you.

Waiver, Severability, and Change of Law by Agreement

Waiver We may delay or waive the enforcement of any of our rights under this Agreement without losing that right or any other right. No delay in enforcing our rights will affect your obligation to pay us fees and other amounts you owe us under this Agreement. If we waive a provision of this Agreement, the waiver applies only in the specific instance in which we decide to waive the provision and not to future situations or other provisions regardless of how similar they may be.

Severability A determination that any part of this Agreement is invalid or unenforceable will not affect the remainder of this Agreement.

Change of Law by Agreement If any part of this Agreement is inconsistent with any applicable law, then to the extent the law can be amended or waived by contract, you and we agree that this Agreement governs and that the law is amended or waived by this Agreement.

Electronic Banking Services

Some General Rules

We usually give you an ATM Card, Check Card or other device or code to access your account. Please review the agreement that comes with the card or code carefully.

You agree to use the card or code only in the manner and for the purposes described in the applicable agreement. If you attempt to use the card or code in any other manner or for any other purpose, we may reject the transaction, or at our discretion we may complete it without incurring any obligation to honor the same type of transaction on future occasions. We may occasionally decide not to issue a card or code to a customer. We may terminate a card or code at any time without cause or notice.

Online Banking and Bill Payment Services

You may use our Online Banking services to help you manage your account and keep track of your finances. The *How to Get Started* paragraph in the *Introduction* lists some of the things you can do with Online Banking. When you subscribe to these services, we provide you with the agreement for the service and link your eligible accounts.

Electronic Banking Disclosures

The following provisions apply to electronic fund transfers to or from consumer deposit accounts that are governed by Regulation E of the U.S. Federal Reserve Board. A consumer deposit account is an account that is owned by a natural person and that is used primarily for personal, family, or household purposes. Electronic fund transfers generally include transfers made using an ATM Card or Check Card, direct deposits and some types of preauthorized and telephone transfers.

Types of Transfers

Account Access You may use your ATM Card or Check Card to make the types of transfers described in the applicable card agreement. You may use our Online Banking service to make the types of transfers described in agreement for that service. You may authorize someone to make direct deposits to your account.

Electronic Check Conversion You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or to pay bills.

Consumer's Liability for Unauthorized Transfers Tell us AT ONCE if you believe your Bank of America ATM card, Check Card, Access ID, Personal Identification Number (PIN) or similar card or code has been lost, stolen or learned by an unauthorized person. Also, tell us AT ONCE if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down.

Your losses could include all of the money in your account plus, if you have an overdraft protection plan linked to your account, any transfers from another account or any advances on a credit line.

If you tell us within two business days after you learn of the loss or theft, you can lose no more than \$50 for an unauthorized electronic funds transfer or a series of related unauthorized transfers should someone use your card or code without your permission.

If you do NOT tell us within two business days after you learn of the loss or theft of your card or code and we can prove we could have stopped someone from using your card or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us in writing within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods. Remember, do not write your PIN on your card or carry the PIN with you. This reduces the possibility of someone using your card without your permission if it is lost or stolen.

Note: these liability rules are established by Regulation E. Our liability policy regarding unauthorized Check Card or ATM Card transactions on consumer deposit accounts may give you more protection, provided you report the transactions promptly. Please see the agreement you receive with your ATM or Check Card. In addition, the state law applicable to your account may give you more time to report an unauthorized transaction or may give you more protection.

Please note that if you give, or make reasonably available, your PIN or other access device or code to anyone, you may be liable for any use made of such until you advise us that such person is not authorized to use them.

Contact In Event of Unauthorized Transfer; and Lost or Stolen Card, PIN or Access Code

If you believe your card is lost or stolen, your PIN or access code has been learned by an unauthorized person, or that someone has transferred or may transfer money from your account without your permission, notify us immediately by calling the number listed below.

Telephone: Within the U.S. call the number on your statement or 1.800.622.8731. Outside of the U.S. call 1.813.882.2000.

You can also write to us at: Bank of America, P.O. Box 53137, #7405, Phoenix, AZ 85072-3137

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

If unauthorized activity occurs, you agree to cooperate during the investigation and to complete a Lost/Stolen Card and Fraud Claims Report or similar affidavit.

Business Days For purposes of these electronic banking disclosures, our business days are Monday through Friday. Weekends and bank holidays are not included.

Documentation of Transfers

ATM Transfers You can usually get a receipt at the time you make any transfer to or from your account at an ATM or point-of-sale terminal. You may not get a receipt if the amount of the transfer is \$15 or less. However, this receipt is not final since each transaction is subject to verification by us. If the receipt and our records conflict, our records will control.

Preauthorized Credits If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 1.800.622.8731 to find out whether or not the deposit has been made.

Periodic Statements We send you a monthly account statement unless there are no transfers in a particular month. In any case, we send you a statement at least quarterly.

Preauthorized Payments

Right to Stop Payment and Procedure for Doing So If you have told us in advance to make regular payments out of your account or you have authorized someone to debit your account through the ACH system, you can stop any of these payments.

Here's how: Call us at 1.800.622.8731 or write to us at Bank of America, Electronic Payment Services #1282, P.O. Box 37025, San Francisco, CA 94137.

You must notify us in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request

in writing and get it to us within 14 days after your call. You must tell us the exact amount of the payment you have stopped, as well as other identifying information which we will request. We may charge you a fee for each stop payment order you give. See *Stop Payment Orders and Postdating Orders* in the *Other Terms and Services* section for more information about ACH Stop Payment Orders. If we require written confirmation and do not receive it, we may remove the stop payment order after 14 days.

Notice of Varying Amounts If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

Liability for Failure to Stop Payment If you order us to stop a preauthorized payment three business days or more before the transfer is scheduled, and you have given us all of the information we requested, and we do not stop the payment, we will be liable for your damages directly caused by our failure to stop the payment.

Liability for Failure to Make Transfers

If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, you do not have enough money in your account to make the transfer.
- If the transfer would go over the credit limit on your overdraft line.
- If the ATM where you are making the transfer does not have enough cash.
- If the ATM, terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as power outages, equipment failures, fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- If the funds are subject to legal process or other encumbrance restricting the transfer.
- If an account becomes dormant, in which case we may terminate card or code access to that account.
- If your card or code has been revoked due to inactivity or at our discretion.

There may be other exceptions stated in our agreement with you or permitted by law.

Confidentiality - Account Information Disclosure We will disclose information to third parties about your account or transfers you make as stated in the *Information about You and Your Account* section near the front of this Agreement.

ATM Fees When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer. We may also charge you fees.

Error Resolution Procedure In case of errors or questions about your electronic transfers, call us at 1.800.622.8731 or write us at Bank of America, P. O. Box 53137, #7405, Phoenix, AZ 85072-3137.

Call or write as soon as you can if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we have sent you the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and account number.
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or a transaction initiated outside a state, territory or possession of the United States, we may take up to 90 days (instead of 45) to investigate your complaint or question. For new accounts we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of any documents that we used in our investigation.

NOTICE: As part of the security system to help protect your card and PIN, we may use hidden cameras and other security devices to determine who is using a card at an ATM. You consent to this.

UNLESS OTHERWISE PROVIDED IN OUR ELECTRONIC BANKING AGREEMENT, YOU MAY NOT STOP PAYMENT OF ELECTRONIC FUND TRANSFERS. THEREFORE, YOU SHOULD NOT EMPLOY ELECTRONIC ACCESS FOR PURCHASES OR SERVICES UNLESS YOU ARE SATISFIED THAT YOU WILL NOT NEED TO STOP PAYMENT.

ATM Safety Tips

The suggestions that follow offer some simple tips on protecting your card and PIN and on exercising care when using an ATM. Please review them carefully.

Protect Your ATM Card and Personal Identification Number (PIN)

- Always protect your card by keeping it in a safe place. If your card is lost or stolen, contact us immediately.
- Always protect your PIN. You should never give your PIN to anyone and you should never write your PIN anywhere, especially on your card. If you choose your own PIN, avoid using obvious numbers such as telephone numbers, addresses, or birth dates.
- Never give information about your card or PIN over the telephone. If someone is asking for this information, refuse and immediately contact us.

Be Aware of Your Surroundings at ATMs

- Look around when you walk up to the ATM or exit the ATM. If you notice anyone or anything suspicious or that you deem unsafe, such as the lighting around the ATM not working, use another ATM or return later.
- When you enter or exit an ATM in an enclosed area, be sure you close the entry door completely. Do not open locked ATM vestibule doors for others or allow any unknown persons to enter the ATM area when you are making your transaction. Authorized customers should have their own access.
- When you use a drive-up ATM, be sure your passenger windows are closed and your doors are locked.
- If you must use an ATM at night, consider taking someone with you.
- The activity around Bank of America ATMs may be monitored or recorded by surveillance cameras.

Protect Your Privacy

- While at the ATM, enter your PIN discreetly, shield the keypad with your hand or body. After completing your transaction, be sure to put away your card, cash and transaction record before exiting the ATM area. Count the cash later in the safety of your locked car or home.
- Do not leave your transaction record at the ATM. Keep your transaction record in a safe place, so you can compare it to your statement.

Request Emergency Assistance

- If you need emergency assistance, call 911 from the nearest telephone. If you have a complaint about the security of a Bank of America ATM, call our Corporate Security Department at 1.800.222.7511.
- Report all crimes immediately to law enforcement officials and your local banking center.

Funds Transfer Services

The following provisions apply to funds transfers you send or receive through us, but do not apply to electronic fund transfers governed by Regulation E of the U.S. Federal Reserve Board. If you have a specific agreement with us for these services, these provisions supplement that agreement to the extent these provisions are not inconsistent with the specific agreement.

The Uniform Commercial Code includes provisions relating to funds transfers. These provisions define the following terms: funds transfer, payment order and beneficiary. These terms are used here as they are defined in Article 4A of the Uniform Commercial Code – Funds Transfers as adopted by the state whose law applies to the account for which the funds transfer service is provided. In general: A funds transfer is the process of carrying out payment orders that lead to paying a beneficiary. The payment order is the set of instructions given to us to transfer funds. The beneficiary is the person or business who receives the payment.

We may charge fees for sending or receiving a funds transfer. We may deduct our fees from your account or from the amount of the transfer. For current fees, call us at the number for Customer Service on your statement or ask a banking center representative.

Fedwire

Fedwire is the electronic funds transfer system of the U.S. Federal Reserve Banks. When you send a payment order or receive a funds transfer, we or other banks involved in the

funds transfer may use Fedwire. If any part of a funds transfer is carried out by Fedwire, your rights and obligations are governed by Regulation J of the U.S. Federal Reserve Board.

Sending Funds Transfers

You may subscribe to certain services we offer or you may give us other instructions to pay money or have another bank pay money to a beneficiary. This *Sending Funds Transfers* section applies to wire transfers and transfers we make between Bank of America accounts. It does not apply to automated clearing house (ACH) system funds transfer services.

You may give us payment orders for ACH system funds transfers only if you have a separate agreement with us for those services.

Cutoff Times for Payment Orders We have cutoff times for processing payment orders. Cutoff times vary depending on the particular office of our bank and the type of payment order. We may treat payment orders we receive after a cutoff time as if received the next business day. We tell you our cutoff times upon request.

Amending or Canceling Payment Orders You may not amend or cancel a payment order after we receive it. If you ask us to do this, we may make a reasonable effort to act on your request. But we are not liable to you if, for any reason, a payment order is not amended or canceled. You agree to reimburse us for any costs, losses or damages that we incur in connection with your request to amend or cancel a payment order.

Inconsistency of Name or Number The beneficiary's bank may make payment to the beneficiary based solely on the account or other identifying number, even if the name on the payment order differs from the name on the account. We or an intermediary bank may send a payment order to an intermediary bank or beneficiary's bank based solely on the bank identifying number, even if the payment order indicates a different bank name.

Sending Payment Orders We may select any intermediary bank, funds transfer system or means of transmittal to send your payment orders. Our selection may differ from that indicated in your instructions.

Notice of Rejection We may reject payment orders. We notify you of any rejection orally, electronically or in writing. If we send written notices by mail, we do so by the end of the next business day.

We are not liable to you for the rejection or obligated to pay you interest for the period before you receive timely notice of rejection.

Errors or Questions About Your Payment Orders We notify you about funds transfers by listing them on your account statement. In some cases, we also may notify you electronically, in

writing or by a report produced through one of our information reporting services.

You must notify us at once if you think a funds transfer shown on your statement or notice is incorrect. You must send us written notice, including a statement of relevant facts, no later than 14 days after the date you receive the first notice or statement on which the problem or error appears.

If you fail to notify us within this 14-day period, we are not liable for any loss of interest because of an unauthorized or erroneous debit or because your statement or notice is incorrect. We are not required to compensate you, and we are not required to credit or adjust your account for any loss of interest or interest equivalent.

Calculations If we are obligated to pay for loss of interest that results from our error or delay regarding your payment order, we calculate compensation as follows. With an analyzed checking account, we credit the account to reflect the applicable value date or otherwise adjust the account under our account analysis procedure, to recalculate earnings credits for the period involved. With a non-analyzed, non-interest bearing account, we use a rate equal to the average of the Federal Funds rates set by the Federal Reserve Bank of New York, less a reserve factor. With a non-analyzed, interest-bearing account, we use the rate applicable to the account. If we have a separate agreement with you specifying a different calculation method, we use that method instead.

Receiving Funds Transfers

We may receive instructions to pay funds to your account. We may receive funds transfers directly from the sender, through a funds transfer system or through some other communications system. This includes wire transfers, ACH transfers that may be sent through an ACH system or processed directly to an account with us, and transfers between Bank of America accounts.

ACH Provisional Payment Rule Under ACH rules, funds transfers sent through an ACH are provisional and may be revoked prior to final settlement. You agree to these rules. If the funds transfer is revoked before final settlement, we may charge your account for the amount credited. The person who sent the payment order is considered not to have paid you. If this happens, we do not send a separate notice; we report the information on your account statement.

Notice of Funds Transfer We notify you that we have received funds transfers by listing them on your account statement. We send statements by mail. If you use one of our information reporting services, you may receive notice through that service.

We are not obligated to send you a separate notice of each incoming funds transfer. While we generally do not provide such separate notices, we may do so on occasion, in which case we send the notice within two business days after we credit your account.

We are not obligated to pay you interest for the period before you receive notice.

If you are expecting a funds transfer and want to find out if it has been credited to your account, call us at the number for Customer Service on your statement.

Posting Your Customers' Payments We credit to your account electronic payments (such as bill payments) that we receive from your customers. If you do not apply a payment to an account of your customer, you must promptly return the payment to us.

ACH Debits and Credits

From time to time, originators that you authorize may send automated clearing house (ACH) credits or debits for your account. For each ACH transaction, you agree that the transaction is subject to the National Automated Clearing House Association (NACHA) Operating Rules and any local ACH operating rules then in effect. You agree that we may rely on the representations and warranties contained in these operating rules and either credit or debit your account, as instructed by the originator of the ACH transaction.

You should be careful about giving someone your account number to help prevent unauthorized transactions on your account. You must notify us immediately of unauthorized activity.

For information about stopping payment of an ACH transaction, see *Stop Payment Orders and Postdating Orders* in the *Other Terms and Services* section.

Tax Information

In most instances we are required to report annually to you and to the Internal Revenue Service (IRS) interest payments that total \$10 or more during the year on your deposit account with us. We may also be required to report this information to the appropriate state revenue authority.

When you open an account, we are required to obtain — and each U.S. citizen or resident alien must give us — a certified U.S. Taxpayer Identification Number (TIN) and information regarding your backup withholding status. When you apply for an account, you certify that you have provided the correct TIN for the account holder and the correct backup withholding status.

For Individual accounts, the TIN is your Social Security Number (SSN). For Individual accounts with more than one owner, we report taxpayer information for the person listed first in our records. Resident aliens who do not qualify for Social Security should provide their Individual Taxpayer Identification Number (ITIN). For other accounts, the TIN is the owner's Employer Identification Number (EIN). If you do not give us a certified name and TIN, if the IRS notifies us that the name and TIN you gave us is incorrect, or if the IRS notifies us that you failed to report all your interest and dividends on your tax return, we are required to backup withhold at the current rate on interest earned on your account and pay it to the IRS. Backup withholding is not an additional tax. You should claim amounts withheld and paid to the IRS as a credit on your federal income tax return.

If you are a nonresident alien individual or entity, you are generally exempt from information reporting and backup withholding, with some exceptions (including Canadian residents and interest income effectively connected with the conduct of a trade or business in the United States). As an exempt foreign person or entity, you must provide the address of your permanent foreign residence or the entity's principal foreign office on the Form W-8 that you give to us. For accounts with multiple owners, all owners must certify their status as foreign persons.

You must renew your status as an exempt foreign person or entity prior to the end of the third calendar year following the year in which you last certified your status. If you fail to renew your status by the last day of the fourth calendar year, your interest payments are subject to backup withholding. Some limited exemptions from this renewal process exist. If you become a U.S. citizen or resident after opening your account, you must notify us within 30 days and provide us with your certified name and TIN.

For more information or to determine how this information applies to you, consult your U.S. tax advisor.

Resolving Disputes

PLEASE READ THIS DISPUTE RESOLUTION PROVISION CAREFULLY.

Subject to the provisions of the *Limitation and Non-Severability* section below, you have the right to compel us at your option, and we have the right to compel you at our option, to determine any individual claim with a value of less than \$1 million by arbitration. All other claims will be resolved in court by a judge without a jury, except those brought in California state court, in which case such claims will be determined by general reference to a referee under California Code of Civil Procedure

(C.C.P.) Section 638. The arbitration, judicial reference or trial by a judge will take place on an individual basis without resort to any form of class or representative action.

SUBJECT TO THE PROVISIONS OF THE LIMITATION AND NON-SEVERABILITY SECTION BELOW, WHETHER THE CLAIM IS DECIDED BY ARBITRATION, BY JUDICIAL REFERENCE, OR BY TRIAL BY A JUDGE, YOU AND WE AGREE AND UNDERSTAND: (I) THAT YOU AND WE ARE BOTH GIVING UP THE RIGHT TO TRIAL BY JURY, AND (II) THAT THIS SECTION PRECLUDES YOU AND US FROM PARTICIPATING IN OR BEING REPRESENTED IN ANY CLASS OR REPRESENTATIVE ACTION OR JOINING OR CONSOLIDATING THE CLAIMS OF OTHER PERSONS (HEREINAFTER REFERRED TO AS THE "CLASS ACTION WAIVER").

"Claim" means any claim, dispute or controversy between you and us that in any way arises from or relates to this Agreement and your deposit relationship with us (including any renewals, extensions or modifications), except provisional or ancillary remedies from a court of competent jurisdiction, the exercise of which will not waive the right to arbitration or reference. Claim does not include any action that is brought in a small claims court or an equivalent court, provided that Claim does include any such action that is transferred, removed or appealed to a different court.

Arbitration and Judicial Reference

Arbitration is a method of resolving disputes in front of one or more neutral individuals, instead of having a trial in court in front of a judge and/or jury. A case sent to judicial reference is also heard by a neutral individual (a "judicial referee"), but remains in the court system subject to the same rules of procedure, discovery and evidence and appeal as any court case. The arbitrator or judicial referee, sitting alone without a jury, will decide all questions of law and fact. The arbitrator or judicial referee will be an active or retired judge or attorney with more than 10 years of experience, chosen by mutual agreement of you and us. If you and we are unable to agree, then you must choose one of the following Administrators within 10 days of our written notice that an agreement cannot be reached. In which case the arbitrator or referee will be selected in accordance with the Administrators' rules:

- American Arbitration Association ("AAA"),
335 Madison Avenue
New York, NY 10017
www.adr.org, (800) 778-7879
- National Arbitration Forum ("NAF"),
P.O. Box 50191
Minneapolis, MN 55405
www.arb-forum.com, (800) 474-2371

If you do not choose the Administrator on a timely basis, we will select the Administrator. In the event an Administrator refuses to or cannot hear any arbitration, then the arbitration will be handled by the alternative Administrator.

Limitation and Non-Severability

Regardless of anything else in this *Resolving Disputes* section, the validity and effect of the Class Action Waiver may be determined only by a court or judicial referee and not by an arbitrator. You and we both acknowledge that the Class Action Waiver is material and essential to the arbitration of any disputes between the parties and is non-severable from the agreement to arbitrate Claims. If the Class Action Waiver is limited, voided or found unenforceable, then this agreement to arbitrate (except for this sentence) will be null and void with respect to such proceeding, subject to the right to appeal the limitation or invalidation of the Class Action Waiver. You and we acknowledge and agree that under no circumstances will a class action be arbitrated.

Governing Law for Arbitration

Subject to the provisions of the *Limitation and Non-Severability* section above, the arbitration of any matter involves interstate commerce and is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. (the "FAA"). Subject to the provisions of the *Limitation and Non-Severability* section above, the arbitrator will follow applicable substantive law to the extent consistent with the FAA. The arbitrator will give effect to the applicable statutes of limitation and may dismiss barred claims.

Arbitrations will be governed by the rules of the Administrator to the extent those rules do not conflict with this Agreement. In addition, either party may submit a written request to the arbitrator to expand the scope of discovery normally allowable.

Subject to the provisions of the *Limitation and Non-Severability* section above, the arbitrator will award all remedies available in an individual lawsuit under applicable substantive law. At the timely request of either you or us, the arbitrator must provide a brief written explanation of the basis for the award.

Judgment upon the award given by the arbitrator may be entered in any court having jurisdiction. The arbitrator's decision is final and binding, except for any right of appeal provided by the FAA.

Governing Law for Judicial Reference

Judicial reference will be governed by C.C.P. Section 638 et seq. and the judicial referee will determine all issues in accordance with California law and the California rules of evidence. The referee will be empowered to enter equitable as well as legal relief, provide all temporary or provisional remedies, and rule on any motion which would be authorized in a trial, includ-

ing without limitation motions for summary judgment or summary adjudication. The award that results from the decision of the referee will be entered as a judgment in the court that appointed the referee, in accordance with the provisions of C.C.P. Sections 644(a) and 645. You and we both reserve the right to seek appellate review of any judgment or order to the same extent permitted in a court of law.

Trial by a Judge Without a Jury

A Claim that is not submitted to arbitration or judicial reference will be decided by a judge without a jury as permitted by law.

Rules of Interpretation

Except as provided in the *Limitation and Non-Severability* section above, if any portion of this *Resolving Disputes* section is determined to be invalid or unenforceable, it will not invalidate the remaining portions of this section. In the event of a conflict or inconsistency between this *Resolving Disputes* section and other terms of the Agreement or the applicable rules of the Administrator, this *Resolving Disputes* section will govern. If there is any conflict between this *Resolving Disputes* section and any other dispute provision (whether it be for arbitration, reference or any other form of dispute resolution), this *Resolving Disputes* section will prevail for Claims arising out of this Agreement or the transaction(s) contemplated by this Agreement.

Jurisdiction and Venue

Any action or proceeding regarding your account or this Agreement must be brought in the state in which the Banking Center that maintains your account is located. You submit to the personal jurisdiction of that state, unless a Claim is submitted to arbitration and that location is not reasonably convenient for you, in which case you and we will attempt to agree on a location, and if unable to do so, then the location will be determined by the Administrator or arbitrator.