

EXHIBIT C

Deposit Agreement and Disclosures

Effective February 1, 2008

California

Bank of America



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Welcome to Bank of America

Welcome to Bank of America and thank you for opening and maintaining an account with us.

Please read this entire agreement carefully so you understand your rights and obligations for your deposit account relationship with us. Please retain this agreement and all changes to it for future reference.

In this agreement, "Bank of America", "Bank", "we", "us" and "our" means Bank of America, NA. "You" and "Your" means each and every owner of the account and anyone else with authority to deposit, withdraw or exercise control over the funds in the account.

This agreement discloses terms of our deposit accounts and important deposit policies. It also summarizes certain laws and regulations that apply to common transactions, provides disclosures for deposit accounts required by federal regulations, and establishes Bank terms to cover many transactions or events that the law either does not regulate or permits us to vary by agreement.

Our accounts and services are generally available through our banking centers, our telephone banking channel and our Online Banking channel. Please note, however, that some accounts and services may not be available at all of our banking centers, at some times, or through all channels. We also have additional agreements for some services that we provide to you when you sign up for one of those services.

How to Get Started

You can use the following optional services to help you manage your checking and savings accounts.

- Use your **Check Card** for purchases at merchants that accept debit cards, to make deposits at most Bank of America ATMs and to withdraw cash from ATMs. Please see the separate check card agreement for information about these services.
- Use **Direct Deposit** to get your paycheck, retirement benefits, or other source of income deposited electronically into your checking or savings account. Check with your employer about the availability of direct deposit.
- Use **Online Banking** to help manage your account and keep better track of your finances. Here are some of the things you can do using Online Banking:

- Check your account balances and transaction history.
- Transfer funds between your accounts or to other Bank of America customers' accounts.
- Receive your statements and posted checks online, then view or print them at your convenience.
- Reorder checks.
- Change your address.
- Pay your bills with **Online Bill Pay service within Online Banking**.
- Use our **Online Alerts** to get notice about account activity to help you manage your account. You receive the information via email or text message to your mobile device.
- Use **Scheduled Savings Transfers** to help simplify savings by automatically transferring money from your checking account to your savings account.
- Use **Keep the Change™** to help you grow your savings. This service is available with personal accounts and automatically transfers funds from your checking to your savings with each eligible check card purchase.
- Sign-up for **Overdraft Protection Service** from your savings or credit card account to help avoid overdrafts and bouncing checks by automatically moving available funds from your savings or credit card account to your checking account.

How to Access Your Account

You can access your account and get information about your account:

- At our **Banking Centers** and at **Bank of America ATMs**. You can locate the nearest Banking Center or ATM on our website at www.bankofamerica.com.
- Through our **Online Banking Service** at www.bankofamerica.com
- Through our **telephone customer service** at the number on your account statement.

The Agreement for Your Account

Binding Contract

This *Deposit Agreement and Disclosures*, the applicable *Schedule of Fees*, the signature card and other account opening documents for your account are part of the binding contract between you and us (this "Agreement") for your deposit relationship with us. They contain the terms of our agreement with you

for your account and other important information about your account. You can find the accounts we offer and the fees applicable to them in the *Schedule of Fees*. Please read all of the documents carefully.

By signing our signature card, requesting an account, or keeping an account open, you acknowledge that you have reviewed and understand the terms of this Agreement and you agree to be governed by these terms. You understand that these terms, as we may amend them periodically, are a binding contract between you and us for your deposit relationship.

This Agreement and the deposit relationship do not create a fiduciary, quasi-fiduciary or special relationship between us. We owe you only a duty of ordinary care. Our deposit relationship with you is that of debtor and creditor. Our internal policies and procedures are solely for our own purposes and do not impose on us a higher standard of care than otherwise would apply by law without such policies or procedures.

We give this Agreement to you when we open your account. You may obtain additional copies of this Agreement at a Banking Center or by calling the number on your statement.

Changes to This Agreement

We may change this Agreement at any time. We may add new terms and conditions and we may delete or amend existing terms and conditions. We may add new accounts and services and discontinue existing accounts or services. We may convert your existing accounts and services into new accounts and services.

We generally send you advance notice of an adverse change. However, we may change this Agreement without prior notice unless otherwise required by law. We do not have to notify you of changes that we believe are beneficial to you or of changes that we make for security reasons.

If we change this Agreement, the then-current version of this Agreement supersedes all prior versions and contains the terms governing your account.

If you continue to use your account or keep it open, you are deemed to accept and agree to the change and are bound by the change. If you do not agree with a change, you may close your account as provided in this Agreement.

See the *Notices, Statements and Other Communications* section for information about how we provide notices of changes to this Agreement.

Closing an Account

You or we may close your checking or savings account at any time without advance notice, except that we may require you to give us seven days advance notice when you intend to close

your savings or interest-bearing checking account by withdrawing your funds. (See *Notice of Withdrawal* in the *Other Terms and Services* section.) You or we may close your time deposit account at maturity without advance notice.

If your account reaches a zero balance, or you apply for an account but never make a deposit to fund it, we may either keep the account open or close the account without notice.

If we close your account, we may at our option:

- return deposits, checks and other items that we receive after your account is closed or we may reopen the account and accept the deposit or debit for you, even if doing so overdraws your account and causes you to incur overdraft fees, without being liable to you;
- hold the balance for your pick up;
- deposit the balance in another of your accounts with us; or
- mail the balance to any of you by check at the address in our records for the account.

After we close your account, your funds will not earn interest unless we deposit them in another interest bearing account you have with us. If we close your account and mail the balance to you by check, then your funds will not earn interest even if the check is returned to us or is not cashed for any reason.

We may, but are not required to, allow you to leave on deposit sufficient funds to cover outstanding items to be paid from your account. If we do, the terms and condition of this Agreement continue to apply. If we do not allow you to leave funds on deposit, we will not be liable for any losses or damage that may result from dishonoring any items or transactions that are presented or otherwise received after your account is closed.

If your account is overdrawn when we close it, you agree to pay immediately all amounts you owe us.

This Agreement continues to govern matters related to your account even after your account closes.

Governing Law

This Agreement, and your and our rights and obligations under this Agreement, are governed by and interpreted according to federal law and the law of the state of California. We generally maintain your account at the Banking Center where we open your account. However, we may transfer your account to another Banking Center in California or in a different state. If we transfer your account to a Banking Center in a different state, then federal law and the law of the state in which the Banking Center that maintains your account is located govern. If state and federal law are inconsistent, or if the state law is preempted by federal law, federal law governs.

Signature Card – the Master Agreement

Personal Accounts

The Master Agreement – also called a signature card – that you sign when you open a personal deposit account, states the following:

“You begin or continue a deposit account relationship with us by giving us information about yourself and by signing below. The written information we give you is part of your agreement with us and tells you the current terms for each account you open with us. We may change the agreement at anytime. We inform you of changes that affect your rights and obligations.

“You acknowledge receipt of the agreement. The agreement includes a provision for alternative dispute resolution.”

“Each person who signs below may operate each account opened under this master agreement. This includes authority to sign checks and other items and to give us other instructions to withdraw funds, to endorse and deposit checks and other items that are payable or belong to any signer, to add new services, and to transact other business relating to each account.”

“For most accounts, we give a Bank of America Check Card or a Bank of America ATM Card. You may use your card with our electronic banking services if you request a personal identification number (PIN).”

“If more than one person signs below, all accounts are held in joint tenancy with right of survivorship unless you specify another ownership type in the account name(s) below or in any separate applications we give you for the account.”

Business Accounts

The Master Agreement – also called a signature card – that you sign when you open a business deposit account, states the following:

“You begin or continue a deposit account relationship with us by giving us information about your business and by signing below. The written information we give you is part of your agreement with us and tells you the current terms of our deposit accounts. We may change the agreement at any time. We inform you of the changes that affect your rights and obligations.

“You acknowledge receipt of the deposit agreement. The agreement includes a provision for alternative dispute resolution.

“You authorize each person who has signed on the reverse to operate each account opened under this master agreement. The authority to operate each account includes authority to sign checks and other items and to give us other instructions to withdraw funds, to endorse and deposit checks and other items that are payable or belong to you, and to transact other business relating to each account. We may rely on this authorization for each account until we receive written notice revoking the authorization at the office where we maintain the account.

“By signing below, each of you certifies under penalty of perjury that the tax reporting information set forth below is true, correct and complete. The Internal Revenue Service does not require your consent to any provisions of this document other than the certifications required to avoid backup withholding.”

Opening Additional Accounts

We may open additional accounts under the same Master Agreement on the instructions of any signer. For each additional account, the Taxpayer Identification Number (TIN) must be the same as the one on the Master Agreement. The same signer(s) must sign on the new account and only those signers designated on the Master Agreement may withdraw funds from the account. If you want different signers on the new account, you must complete and sign a new Master Agreement.

You authorize us to use the TIN that you give us on the Master Agreement on any new account any signer subsequently opens on the same Master Agreement.

Glossary of Terms

Definitions

The following are some important terms that appear in this Agreement.

Annual Percentage Yield (APY) is a percentage rate reflecting the total amount of interest paid on the account, based on the interest rate and frequency of compounding.

We calculate the **Average combined balance** for an account by adding the beginning-of-day ledger balance for each linked account for each day in the statement period and dividing by the number of days in the statement period.

We calculate the **Average balance** in an account by adding the end-of-day ledger balances for each day in the statement period and dividing by the number of days in the statement period.

Bank of America, Bank, we, us and our mean Bank of America, N.A.

Banking Center means a branch of Bank of America.

Business days are Monday through Friday, excluding bank holidays. We may switch from one business day to the next business day before the end of the calendar day. Hours of the business day for an ATM or banking center are available at the ATM or banking center.

Collected balance is the ledger balance minus that portion of deposited funds for which we have not received credit based on the availability schedule we apply to the account. We may apply the availability schedule provided to us by the Federal Reserve Bank to determine the time that we receive credit for deposited funds.

Item includes a check, substitute check, purported substitute check, electronic transaction (including an ACH transaction, ATM withdrawal or transfer, or point-of-sale transaction), draft, demand draft, remotely created check, remotely created consumer check, image replacement document, indemnified copy, preauthorized draft, preauthorized payment, automatic transfer, telephone-initiated transfer, Online Banking transfer or bill payment instruction, withdrawal slip, in-person transfer or withdrawal, cash ticket, deposit adjustment, or other order or instruction for the payment, transfer, or withdrawal of funds, or an image, a digital image or a photocopy of any of the foregoing. **Item** also includes any written document created or authorized in your name that would be a check or draft but for the fact that it has not been signed. An **Item** may also include a cash-in ticket, a deposit adjustment, or a deposited item that was returned unpaid.

Ledger balance is the beginning balance in the account each day.

Minimum balance is the lowest end-of-day balance in the account during a statement period. The end-of-day balance is the amount of funds on deposit in the account after we finish processing that day's transactions.

Minimum combined balance for an account is the lowest beginning-of-day total of the minimum daily balances in all linked accounts during a statement period.

You and your means each and every owner of the account and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account.

Headings and Interpretation

The section and paragraph headings in this Agreement are for convenience or reference only and are not to be used to define or interpret the provisions of this Agreement.

Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

Information About You and Your Account

Information You Give Us

When you open a deposit account with us, you give us information about yourself and confirm that it is correct. We enter the information into our records. We may rely on that information until you notify us of a change and we have had a reasonable time to act on the new information.

Identification

Federal law, including the USA PATRIOT Act, requires all financial institutions to obtain, verify and record information that identifies each customer who opens an account with that financial institution.

When you apply for an account, we will ask for your legal name, address, date of birth and your Tax Identification Number (TIN). We may require one or more forms of unexpired photo identification. We may validate the information you provide to us to ensure we have a reasonable assurance of your identity. We may contact you for additional information. If your account is funded before we verify your information, you may not have access to your funds. If we are not able to verify your identity to our satisfaction, we will not open your account or we may close the account if it was previously funded.

Bank of America's Privacy Policy for Consumers

Our privacy policy for consumers is described in our publication, *Privacy Policy for Consumers*. We provide our privacy policy to consumers who open a personal account with us. The privacy policy describes our policy on handling customer information and describes the situations when we may disclose information, including some examples.

You can also review our privacy practices on our website at www.bankofamerica.com/privacy.

Sharing Information with Affiliates

Accounts Held by Consumers We may share information that we have about you and your accounts among the Bank of America family of companies. Please refer to our publication, *Privacy Policy for Consumers*, for information about the categories of information we may share among the Bank of America family of companies and how you may tell us not to share certain types of information among our family of companies.

Accounts Held by Businesses We may share information about our experiences with you with Bank of America Corporation and its subsidiaries and affiliated companies ("Bank of America

Affiliates”) and selected third parties. We may also share information that you have provided to us on applications or that we receive from outside sources among the Bank of America Affiliates. However, individuals may tell us not to share information about them from applications or outside sources compiled for purposes of determining eligibility for credit, insurance or other services by either calling us at 1.888.341.5000 or by notifying us at www.bankofamerica.com/privacy.

Credit Reports and Other Inquiries

We may make any inquiries that we consider appropriate to help us verify your identity and determine if we should open, maintain, collect or close your account. This may include verification of employment and credit reports or other reports from account information services and credit reporting agencies.

If you ask, we will tell you whether we requested a credit report and, if we did request a report, we will tell you the name, address and telephone number of the reporting agency.

Disclosing Information About You and Your Account

This section applies to both business and personal accounts. We may disclose information about your accounts to credit reporting agencies and to other persons or agencies who, in our judgment, have a legitimate purpose for obtaining information.

From time to time, subject to any applicable financial privacy laws or other laws or regulations, we may provide information on you and your accounts:

- where it is necessary for completing transactions;
- to account information services, such as ChexSystems, Inc.;
- to anyone who we reasonably believe is conducting a legitimate credit inquiry, including inquiries to verify the existence or condition of an account for a third party such as a lender, merchant or credit bureau;
- in response to any subpoena, summons, court or administrative order, or other legal process which we believe requires our compliance;
- in connection with collection of indebtedness or to report losses incurred by us;
- in compliance with any agreement between us and a professional, regulatory or disciplinary body;
- in connection with potential sales of businesses;
- to service providers who help us meet your needs by assisting us in providing or offering our products or services; and

- to other third parties as is described in our publication *Privacy Policy for Consumers* or as required under applicable law or regulation.

In the event of a conflict between the terms of this section and the terms of our *Privacy Policy for Consumers*, the terms of our *Privacy Policy for Consumers* governs.

Account Information Services If we close your account because of your unsatisfactory handling, we generally report to account information services such as ChexSystems, Inc. your name, address, Taxpayer Identification Number (TIN), driver's license number and the date and reason we closed the account. The account information service may supply this information to others. This may adversely impact your ability to establish an account at any financial institution for up to five years from the date of the report.

Recording and Monitoring Telephone Calls

We may record or monitor telephone calls and electronic communications between you and us. We need not remind you of our recording or monitoring before each call unless required to do so by law. You consent in advance to these actions.

Release of Information

You can obtain information about your account by many methods, including at a banking center, by telephone, by mail and through Online Banking. We believe we have adopted reasonable security measures for each method, but we cannot ensure against unauthorized inquiries or intrusions. You agree that we are not responsible for the release of information to anyone who has gained possession of your ATM card, Check Card or other code or access device or who has learned your identifying characteristics such as personal identification number (PIN), account number or social security number, even if you have not authorized them to obtain the information.

Account Ownership

General Terms About Account Ownership

We may determine the type of account and ownership of an account from the information in our records.

When you open an account, you may choose one of several types of ownership. We may rely on information you give us. Changes you ask us to make to your account are not effective until we have had a reasonable time to act on the new information.

We may open an account without regard to whether the depositor is married and without regard to whether the funds on deposit are the community or separate property of the depositor.

tor. If you establish a joint account without the signature of the other account holders, you agree to hold us harmless for reliance on your designation of the other account holder(s) listed in our records. We may require you to close the account in order to terminate a joint ownership or to change to a pay-on-death or trust designation.

We may open an account in the names of two or more people, but later determine that one or more of them have not signed or otherwise completed the account opening documentation. In this case we may in our discretion for all purposes and circumstances (including determining ownership of the account following the death of any person in whose name the account was opened) either treat the account as being owned solely by the persons who have signed the appropriate account opening documentation or treat the account as being owned by all persons in whose names the account was opened. If we treat the account as owned by all persons whose names appear on the account, we may permit the non-signing person to deposit and withdraw funds or take other action pertaining to the account. We may or may not require the non-signing person to complete and sign a signature card or other account opening documentation acceptable to us.

In accepting a deposit to an account or a making payment from an account, we may rely conclusively and entirely upon the form of the account and the terms of this Agreement at the time the deposit is received or the payment is made. We are not required to inquire as to the source, ownership or pro-rata interest of any funds we receive for deposit to an account or the proposed application of any payments made from an account. All payments we make from an account at the request of any signer, or the agent of any signer, in accordance with the terms of this Agreement will constitute a complete release and discharge of the Bank from all claims regarding the amounts so paid.

Joint Accounts

If more than one person's name appears in the title of an account (without a fiduciary, beneficiary or other designation), then the account is a joint account and all persons whose names appear on a joint account are co-owners of the account, regardless of whose money is deposited in the account or who makes the deposits.

Each co-owner acts as the agent of each other co-owner. Each co-owner is jointly and severally liable to us for: all fees and charges assessed against the account; all amounts owed to us on the account; and all costs, losses or liabilities related to this Agreement or the account. Each co-owner authorizes each other co-owner to operate the account without the consent of any other co-owner. As examples, this includes authority to:

- add additional persons as co-owners;
- deposit funds and withdraw or transfer funds from the account;
- endorse for deposit to the joint account on behalf of any other co-owner an item payable to another co-owner;
- instruct us to stop payment on any item drawn on the account by any co-owner;
- obtain an ATM Card or a Check Card;
- draw upon any overdraft or other line of credit connected to the account;
- obtain information about the account, including transactions conducted by other co-owners;
- pledge the account as security for any debts; and
- close the account.

We may rely on the instructions of any co-owner without liability to any other co-owner. We may pay the remaining funds to any of the surviving co-owners, regardless of who actually owns the funds, without the consent of the others.

All joint accounts are presumed to be joint accounts with the right of survivorship unless the applicable state law does not permit this presumption or we have otherwise agreed with you in writing that the account is owned in another capacity. **Right of survivorship means that when a co-owner dies, the balance in the account belongs to the surviving co-owner(s), subject to our right to charge the account for any amount the deceased co-owner or a surviving co-owner owes us.** If there is more than one surviving depositor, the rights of survivorship will continue between the surviving depositors. The applicable state law may impose requirements that must be met to create a joint account with right of survivorship. You are solely responsible for meeting these requirements.

"Payable on Death" Accounts

You may designate your individual or joint account to be payable on your death to one or more payable on death ("POD") beneficiaries by listing each POD beneficiary on the account. Regardless of how the account is designated, an account which is payable on your death (or the death of the last surviving co-owner) to one or more named POD beneficiaries is a POD account. A POD account may be alternatively described in the account documentation as "payable on death," "POD," "In trust for," "ITF," "as trustee for," "ATF," "transfer on death," "TOD," a "Totten Trust," or otherwise.

During your lifetime, a POD account belongs to you. You may close the account, remove or add one or more POD beneficiaries, change the account type or account ownership, and with-

draw all or part of the account balance. Upon the death of the owner or, if there are co-owners, upon the death of the last surviving co-owner, we may pay any funds remaining on deposit to the then-surviving (if any) POD beneficiary(ies), subject to our right to charge the account for any amount a deceased owner, co-owner or POD beneficiary owes us. A POD beneficiary will acquire an interest in the account only after the death of all account owners and then only if the POD beneficiary is alive.

The applicable state law may impose requirements that must be met to create a POD account. As an example, some state laws may require you to include certain words in the account title to create a POD account. You are solely responsible for meeting the requirements for establishing your account as a POD account. If the applicable requirements are not met, we may treat your account as though the POD beneficiary(ies) have no interest in the account.

Business and Other Non-personal Accounts

If the account owner is a corporation, unincorporated association, limited liability company, limited liability partnership, fiduciary, partnership, sole proprietorship or other entity holding an account in any capacity other than an individual capacity, each person signing the signature card or other account opening documentation represents and agrees that they:

- are fully authorized to execute all documents in their stated capacity;
- have furnished all documents necessary to demonstrate that authority; and
- will furnish any other documents in such form as we may request from time to time.

We may refuse to recognize any resolution affecting the account that is not on our form or that appears to us to be incomplete or improperly executed.

Transferring Ownership

Your account is for your use only. It is non-transferable and non-negotiable. Ownership of your account is transferable only on our records with our consent.

- You may not grant, transfer or assign any of your rights to an account without our written consent.
- Even if we consent, we may require that you close the account and that the new account holder open a new account in their name.
- We may refuse to acknowledge or accept your attempted pledge or assignment of your account or any interest in it, including a notice of security interest.

Checking and Savings Accounts

Types of Accounts

We offer several different types of checking and savings accounts for personal and business customers.

- The *Personal Schedule of Fees* describes our personal accounts and lists applicable fees.
- The *Business Schedule of Fees* describes our business accounts (other than Commercial accounts) and lists applicable fees. The *Business Schedule of Fees* does not apply to Commercial accounts.

Eligibility for Interest Checking

Federal regulation restricts eligibility for interest checking accounts to:

- individuals (including sole proprietors),
- certain nonprofit organizations,
- federal, state or local governmental entities, and
- fiduciaries (such as a bank trust department) where one or more individuals hold the entire beneficial interest in the funds.

You may not use a checking account that earns interest for business purposes. We may either close an interest checking account or convert it to an account that does not earn interest if we believe that the account holder is not eligible to hold an interest checking account or that the account holder is using the account for business purposes.

How We Calculate Interest on Interest-Bearing Checking and Savings Accounts

If you have an interest-bearing checking or savings account, then please note the following.

- Your funds earn a variable rate. Your interest rate and annual percentage yield ("APY") may change. At our discretion, we may change the interest rate for your account at any time without notice or limit.
- We compound interest daily.
- We use the daily-balance method to calculate the interest on your account. The daily rate is $1/365$ — or in a leap year we may use $1/366$ — of the interest rate.
- For personal checking and savings accounts and Business Savings accounts, the daily-balance method applies a daily periodic rate to the principal in the account each day and to any interest you have earned that has not been credited to your account.

- For business checking accounts and other business savings accounts, the daily-balance method applies a daily periodic rate to the collected balance in the account each day (less an amount that we determine applies for reserves applicable generally to transaction accounts under the rules of the Federal Reserve).
- For Regular Savings, Student Savings and Business Savings accounts, when you deposit a non-cash item (such as a check) to the account, interest begins to accrue on the non-cash item on the business day the non-cash item is received. For all other accounts, when you deposit a non-cash item (such as a check) to the account, interest begins to accrue on the non-cash item no later than the business day on which we receive credit for the non-cash item. Note that deposits you give us on a weekend or bank holiday, or after the cut-off time for a business day, are treated as received the next business day.
- For Regular Savings and Student Savings accounts, we credit interest to your account after the close of business on the last day of each calendar month. For all other accounts, we credit interest to your account after the close of business on the last day of each statement period for your account.
- For Regular Savings and Student Savings accounts, if you close your account before we credit accrued interest, you receive accrued interest up to the business day prior to the date that you close your account. For all other accounts, if you close your account before we credit accrued interest, you do not receive accrued interest.

We may set interest rates based on a specific account or customer, or based on the location or channel through which we open the account. This means that the interest rate and APY we offer on the same type of account may be higher or lower based on the specific customer, location or method of account opening. For example, an account opened through our Online Banking channel may earn a different rate (either higher or lower) than the same type of account opened in a Banking Center or by mail. Special promotional offers may not apply to all customers, locations or methods of account opening.

Please note that some types of checking and savings accounts do not earn interest. The types of checking and savings accounts that earn interest are described in the *Schedule of Fees* as interest-bearing accounts. Other types of checking and savings accounts do not earn interest.

You may obtain current rates by calling us at the number for Customer Service on your statement or by asking a Banking Center representative.

Balance Tiers A tier is a range of account balances. The rate we pay on some accounts depends on the tier into which the end-of-day balance in the account falls. If you have one of these accounts, your balance earns the interest rate and APY in effect for the balance tier associated with your end-of-day balance. We may set interest rates for various tiers in any amount, including the same amount as any other tier. The interest rate for one tier may also be either higher or lower than the interest rate for a lower tier. We may change the tiers that apply to an account at any time without notice. Different tiers may apply to different types of accounts.

Combined Balance Service

Some types of checking accounts are eligible for combined balance service. This service allows you to designate your checking account as your primary checking account and then link up to 24 of your Bank of America savings and CD accounts to your primary checking account. If the primary checking account is a Business Advantage account, you may also link certain other checking accounts. Otherwise, you may not link other checking accounts. We use the principal balance in your primary checking account plus the principal balances in your linked accounts to calculate a combined balance for each statement period for your primary checking account. We waive the monthly service charge on the primary checking account for each statement period in which the combined balance meets or exceeds the required combined balance for the primary checking account. The *Schedule of Fees* lists the required combined balance for each checking account to which the service applies and the types of accounts that can be linked.

You still need to meet the balance requirements, if applicable, on each linked account to avoid the monthly service charge on those accounts.

When we calculate the combined balance, we may ignore accrued interest and the period of time that we use as the basis for calculating the balance in each linked account or the day that we use to determine the balance in a linked account may be different from the statement period for the primary checking account.

Linked Accounts Shown on Checking Statement We report on the statement for your primary checking account all accounts linked for combined balance service.

Limits on Linking Accounts Some restrictions apply to linking accounts for combined balance service, including:

- For individual accounts, the owner on the primary checking account must be an owner of each linked account.
- For accounts with more than one owner, at least one of the owners on the primary checking account must be an owner of each linked account.

- A personal account may not be linked to a business account.
- Individual Retirement Accounts, holiday accounts and some fiduciary accounts may not be linked for this service.
- An account may only be linked to one primary checking account at a time.
- An account held at a banking center in one state may not be linked to an account held at a banking center in a different state. An account held in one region of California may not be linked to an account held in another region of California.

Limits on Withdrawals and Transfers from Savings Accounts

This Agreement and federal regulation impose limits on the number of withdrawals and transfers you can make each month from a savings account. You can make no more than six transactions each monthly statement period (or each month if you have a quarterly statement period) from among the following:

- Preauthorized transfers from your savings account (including transfers for overdraft protection).
- Telephone transfers from your savings account. Telephone transfers include instructions to transfer funds sent to us by facsimile or other electronic transmission.
- Online banking transfers or bill payment transfers from your savings account.
- If checks, drafts or debit cards are allowed on your savings account, no more than three of the six transactions may be checks, drafts or point-of-sale transactions.

We count a transaction on the date that we post it to your savings account. This date may be different from the date you authorize, transfer or write the transaction, which means a transaction made during one statement period may not be counted until a later statement period.

If you exceed the transaction limits on more than an occasional basis, we may revoke your privileges on that account or we may convert your savings account to another type of account, such as a checking account. Your funds may no longer earn interest after we convert your account.

These transaction limits do not apply to deposits. They also do not apply when you make the withdrawal or transfer at one of our banking centers, by mail or at an ATM.

Note: A fee may apply to some withdrawals or transfers. Please see the *Schedule of Fees* for your account.

Time Deposit or CD Account

When you open a time deposit account, you agree to leave your funds in the account until the maturity date of the account. We often refer to a time deposit account as a "CD" or a "Certificate of Deposit", even though we do not issue a "certificate".

This Agreement applies to CDs you open under your Individual Retirement Account (IRA) plan. Please see the *Traditional/Roth Individual Retirement Custodial Accounts and Disclosure Statement* for additional terms of this plan.

A time deposit account is neither transferable nor negotiable.

Types of CDs

We offer several different types of CDs for personal and business customers.

The *Personal Schedule of Fees* describes our personal CDs.

The *Business Schedule of Fees* describes our business CDs.

How We Calculate Interest on CDs

Your funds earn interest during the term of the time deposit account. We calculate interest as follows:

- Time deposits earn interest at a fixed rate except for Opt-Up™ CDs and IRA Variable Rate Accumulation Accounts. Fixed rate means that the interest rate that we apply to your account on the day we open it will not change for the term of the account.
- For an Opt-Up CD, your interest rate and annual percentage yield may change. The interest rate that we apply to it on the day that we open your Opt-Up CD remains fixed throughout the term of your Opt-Up CD unless you exercise your one time option to reset the interest rate. This reset option is described in the *Schedule of Fees*.
- For an IRA Variable Rate Accumulation Account, your funds earn a variable rate. Your interest rate and annual percentage yield may change. At our discretion, we may change the interest rate for your account at any time without notice or limit.
- We compound interest daily. We credit interest to your account at maturity or disburse it to you according to the interest disbursement option you select.
- We use the daily-balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day and to any interest you have earned that has not been credited to your account. The daily rate is $1/365$ — or in a leap year we may use $1/366$ — of the interest rate.

- When you deposit a non-cash item (such as a check), interest begins to accrue on the non-cash item on the business day the deposit is received. Note that deposits you give us on a weekend or bank holiday, or after the cut-off time for a business day, are treated as received the next business day.
- The annual percentage yield for your account assumes that interest will remain on deposit until maturity. A withdrawal will reduce earnings.

We generally set interest rates for new time deposit accounts based on the type of CD, the amount you deposit, and the term you select. Rates for new accounts may change daily.

We may also set interest rates based on a specific account or customer, or based on the location or channel through which we open the account. This means that the interest rate and APY we offer on the same type of CD may be higher or lower based on the specific customer, location or method of account opening. For example, a CD opened through our Online Banking channel, may earn a different rate (either higher or lower) than the same type of CD opened in a Banking Center or by mail. Special promotional offers may not apply to all customers, locations or methods of account opening.

You may obtain current rates by calling us at the number for Customer Service on your statement or by asking a Banking Center representative.

Disbursing Interest

You may choose to have us credit your interest to your account. With this option, we reinvest the interest in your account at maturity for account terms of one year or less or at year-end and at maturity for terms over one year.

Alternatively, you may have us regularly disburse the interest from your account by having us credit the interest to a Bank of America checking or savings account or, for accounts with terms of more than 30 days, by having us mail a check for the interest.

Depending on the term of your account, disbursement options include monthly, quarterly, year-end, annuity, and at maturity. The "at maturity" option is only available if the term of the CD is one year or less. We generally make the disbursement after the end of the last business day of the period selected.

With any of the disbursement options, you may arrange for a partial or total disbursement of interest. With a partial disbursement, you may select either a fixed amount or a percentage of the interest and we reinvest any undisbursed interest at year-end and at maturity.

Note re IRAs: For CDs in an IRA plan, the only disbursement options are monthly, quarterly or year-end. If you have interest

disbursed from your account before you are 59 and 1/2, federal tax (and possibly additional state and local taxes) for early distributions may apply.

CDs That Automatically Renew

Unless your account information states that your time deposit does not automatically renew, we automatically renew your account by reinvesting your funds. We reinvest both principal and interest, unless you elected to have your interest disbursed. (See *Disbursing Interest* in this chapter.)

The term for this reinvested deposit is the same length as the previous term of your account. For time deposits with a fixed interest rate, the interest rate and APY for any renewal term is based on the rate we offer on the first day of the new term for the type of CD, amount and term of the reinvested deposit. Unless specifically stated otherwise, any bonus or special promotion we are offering will not apply to automatically renewing accounts.

If at the time of renewal we no longer offer time deposit accounts of the same term and type, we may reinvest your funds in a time deposit that we believe offers similar features.

CDs That Do Not Automatically Renew

Some time deposit accounts do not automatically renew. If your account information states that your time deposit does not automatically renew, then your account does not earn interest after its maturity date.

Grace Period

The grace period begins on the first day after the term ends. For terms of less than 30 days, the grace period is two business days. For terms of 30 days through 89 days, the grace period is five calendar days. For terms of 90 days or more, the grace period is seven calendar days. You may make a deposit or withdrawal, or change the length of the term, once during the grace period and, if you take one of these actions, the grace period ends on that day and we reinvest your account. If the last day of the grace period is a non-business day (a weekend or bank holiday), then the grace period ends on the last business day before that non-business day. We may pay interest during the grace period based on the rate we offer on the first day of the new term for the type of CD, amount, and term of the deposit.

Note re IRAs: If you have a CD in an IRA plan, you may make more than one withdrawal during the grace period. A withdrawal from a CD in an IRA plan during the grace period does not cause the grace period for that CD to end.

Deposits to a CD

You may make an additional deposit to your account during its grace period. Otherwise, for all CDs except Variable Rate IRAs you may not make deposits during the term of the CD.

You may not make a deposit to a time deposit account by wire or automated clearinghouse (ACH) transfer.

Early Withdrawals

You have contracted to keep your funds on deposit for the stated term. You may not withdraw all or part of a time deposit account except as provided in this Agreement.

At our discretion, we may allow you to withdraw all or part of your funds at times other than the grace period. We withdraw interest before principal. Each time we permit you to make an early withdrawal of principal, we may charge you an early withdrawal penalty. If your account has not earned enough interest to cover an early withdrawal penalty, we deduct any interest first and take the remainder of the penalty from your principal.

We calculate the standard early withdrawal penalty and the compensating early withdrawal penalty on the principal amount withdrawn, and charge you whichever penalty amount is greater.

We add to the applicable early withdrawal penalty the amount of any cash bonuses we paid you when you opened or reinvested the account.

If we are required to pay an amount from your CD (e.g. levy or garnishment), we may charge you an early withdrawal penalty, calculated on the amount we withdraw from the CD.

Standard Early Withdrawal Penalty We calculate the standard early withdrawal penalty using the interest rate in effect on the account on the withdrawal date. Please note that the term of the CD is the specified period of time you agreed to leave your funds on deposit – not the time remaining until maturity of your CD. The standard early withdrawal penalty is:

- For CDs with terms of 90 days or less, the penalty is an amount equal to one month's interest on the principal amount withdrawn;
- For CDs with terms of 91 days through one year, the penalty is an amount equal to three months' interest on the principal amount withdrawn; and
- For CDs with terms of more than one year, the penalty is an amount equal to six months' interest on the principal amount withdrawn.

Compensating Penalty We calculate the compensating early withdrawal penalty using the interest rate differential. The interest rate differential is the difference between the rate we pay on the withdrawal date on a newly-opened CD for the same amount as your account balance and with a term equal to the

time remaining in the then current term of your account. The compensating penalty is an amount equal to the interest the amount withdrawn would earn for the time remaining in the then current term of your account based on the interest rate differential.

Note: For an IRA Variable Rate Accumulation Account, the early withdrawal penalty is an amount equal to six months' interest on the funds withdrawn, using the interest rate in effect for the account on the day prior to the withdrawal. An early withdrawal from an IRA may also be subject to federal tax (and possibly additional state and local taxes) if you are under age 59 1/2.

Closing or Redeeming a CD

We may close or redeem an automatically renewable account at the end of the term. You may close or redeem your account during its grace period.

Information About Fees and Charging Your Account

Fees

You agree to pay for our services in accordance with the fees that apply to your account and your deposit relationship with us.

Account Fees Your account is subject to the fees described in the Schedule of Fees that applies to your account.

- The *Personal Schedule of Fees* lists account fees that apply to our personal deposit accounts.
- The *Business Schedule of Fees* lists account fees that apply to our business deposit accounts except for Commercial accounts, the *Business Schedule of Fees* does not apply to Commercial accounts.
- The schedule that applies to your account is part of the binding contract between you and us.

The fees for many of our products and services may vary from state to state or between regions within a state. We charge account fees to you based on the state or region in which the Banking Center where we maintain your account is located. Account fees are not based on your state of residence or the state where you use or purchase the service. Your account fees and terms may differ from those of other customers with the same type of account. This may occur because of our assessment of your overall relationship with us, the location or channel through which your account is opened, or for other reasons.

Fees for Other Services In addition to checking, savings and CD accounts we also offer many other services, such as wire

transfers, cashiers checks, travelers checks and bond redemption. You can get current information about these services and the fees that apply to them at a Banking Center or by calling us at the customer service number shown on your account statement. We may occasionally list fees for some of these services in the *Schedule of Fees*. Fees for these services may vary from state to state. The fees you pay for these services are those charged by us in the state where we sell you the service. We may change these fees at any time without notice.

How we set fees We set our fees based on many factors, including the value we offer, our competitive position, deterrence of misuse of an account by our customers, consideration of profit and the safety and soundness of the Bank. We may also consider costs in setting fees, but we do not set our fees based only or primarily on the direct or overall costs and expenses associated with providing the particular account or service involved.

Charging an Account

We may deduct fees, overdrafts and other amounts you owe us under this Agreement from your accounts with us or our affiliates, except that this provision does not apply to any consumer credit covered by the Federal Truth in Lending law. We may make these deductions at any time without prior notice to you or request from you. If there are not enough funds in your account to cover the amounts you owe us, we may overdraw your account, without being liable to you. You agree to pay immediately all fees, overdrafts and other amounts you owe us.

We may use deposits you or others make to your account to pay fees, overdrafts and other amounts you owe us.

Processing Deposits and Cashed Items

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

Cashing Items or Accepting Items for Deposit

We may accept, accept for collection only, refuse, or return all or part of any deposit. If we accept checks or other items for deposit to your account or cash them, you are responsible for the checks and other items if there is a subsequent problem with them.

- If we cash a check or other item for you or credit it to your account and it is not paid for any reason, we may

charge your account for the amount of the check or other item, even if this causes your account to become overdrawn.

- We may accept a check or other item for deposit to your account from anyone. We do not have to question the authority of the person making the deposit.
- If your account is overdrawn, we may use the deposit to pay the overdraft and any fees you owe us.
- All deposits are subject to our subsequent verification and adjustment, even if you have already withdrawn all or part of the deposit unless you can prove our determination was erroneous.
- We may refuse to accept for deposit to your account items payable to another person.
- In receiving checks or other items for deposit or collection, we act only as your collecting agent and assume no responsibility beyond the exercise of ordinary care. We are not responsible for errors and delays made by others in the collection process.
- When you send us deposits by mail, we may treat them as received at the time we receive actual delivery of deposits sent by mail. If you place deposits in our lobby deposit box or other depositories, we may treat them as received when we remove the deposits from our lobby box or other depositories.
- We may assess a charge for processing cash in a deposit.
- If you give us cash that we later determine to be counterfeit, we may charge your account for the amount we determine to be counterfeit.
- You will not knowingly deposit items into your account that do not have either a true original signature of the person on whose account it is drawn or an authorized mechanical reproduction of that person's signature.

Deposit Slips You should always use our personalized deposit slips with your preprinted name and account number. If you use a blank deposit slip from one of our banking centers, rather than your personalized deposit slip, we are not liable to you for errors that may result from your or our hand encoding the account information.

Cashier's Checks We cannot verify that money orders, cashier's checks or similar items are authentic and valid at the time you ask us to cash them or accept them for deposit. If we cash, or accept for deposit, a money order, cashier's check or similar item and we later learn that the item is fraudulent, counterfeit or invalid for some other reason, we may charge your account for the amount of the item. This may occur even if

Deposits to a CD

You may make an additional deposit to your account during its grace period. Otherwise, for all CDs except Variable Rate IRAs you may not make deposits during the term of the CD.

You may not make a deposit to a time deposit account by wire or automated clearinghouse (ACH) transfer.

Early Withdrawals

You have contracted to keep your funds on deposit for the stated term. You may not withdraw all or part of a time deposit account except as provided in this Agreement.

At our discretion, we may allow you to withdraw all or part of your funds at times other than the grace period. We withdraw interest before principal. Each time we permit you to make an early withdrawal of principal, we may charge you an early withdrawal penalty. If your account has not earned enough interest to cover an early withdrawal penalty, we deduct any interest first and take the remainder of the penalty from your principal.

We calculate the standard early withdrawal penalty and the compensating early withdrawal penalty on the principal amount withdrawn, and charge you whichever penalty amount is greater.

We add to the applicable early withdrawal penalty the amount of any cash bonuses we paid you when you opened or reinvested the account.

If we are required to pay an amount from your CD (e.g. levy or garnishment), we may charge you an early withdrawal penalty, calculated on the amount we withdraw from the CD.

Standard Early Withdrawal Penalty We calculate the standard early withdrawal penalty using the interest rate in effect on the account on the withdrawal date. Please note that the term of the CD is the specified period of time you agreed to leave your funds on deposit – not the time remaining until maturity of your CD. The standard early withdrawal penalty is:

- For CDs with terms of 90 days or less, the penalty is an amount equal to one month's interest on the principal amount withdrawn;
- For CDs with terms of 91 days through one year, the penalty is an amount equal to three months' interest on the principal amount withdrawn; and
- For CDs with terms of more than one year, the penalty is an amount equal to six months' interest on the principal amount withdrawn.

Compensating Penalty We calculate the compensating early withdrawal penalty using the interest rate differential. The interest rate differential is the difference between the rate we pay on the withdrawal date on a newly opened CD for the same amount as your account balance and with a term equal to the

time remaining in the then current term of your account. The compensating penalty is an amount equal to the interest the amount withdrawn would earn for the time remaining in the then current term of your account based on the interest rate differential.

Note: For an IRA Variable Rate Accumulation Account, the early withdrawal penalty is an amount equal to six months' interest on the funds withdrawn, using the interest rate in effect for the account on the day prior to the withdrawal. An early withdrawal from an IRA may also be subject to federal tax (and possibly additional state and local taxes) if you are under age 59 1/2.

Closing or Redeeming a CD

We may close or redeem an automatically renewable account at the end of the term. You may close or redeem your account during its grace period.

Information About Fees and Charging Your Account

Fees

You agree to pay for our services in accordance with the fees that apply to your account and your deposit relationship with us.

Account Fees Your account is subject to the fees described in the Schedule of Fees that applies to your account.

- The *Personal Schedule of Fees* lists account fees that apply to our personal deposit accounts.
- The *Business Schedule of Fees* lists account fees that apply to our business deposit accounts except for Commercial accounts, the *Business Schedule of Fees* does not apply to Commercial accounts.
- The schedule that applies to your account is part of the binding contract between you and us.

The fees for many of our products and services may vary from state to state or between regions within a state. We charge account fees to you based on the state or region in which the Banking Center where we maintain your account is located. Account fees are not based on your state of residence or the state where you use or purchase the service. Your account fees and terms may differ from those of other customers with the same type of account. This may occur because of our assessment of your overall relationship with us, the location or channel through which your account is opened, or for other reasons.

Fees for Other Services In addition to checking, savings and CD accounts we also offer many other services, such as wire

transfers, cashiers checks, travelers checks and bond redemption. You can get current information about these services and the fees that apply to them at a Banking Center or by calling us at the customer service number shown on your account statement. We may occasionally list fees for some of these services in the *Schedule of Fees*. Fees for these services may vary from state to state. The fees you pay for these services are those charged by us in the state where we sell you the service. We may change these fees at any time without notice.

How we set fees We set our fees based on many factors, including the value we offer, our competitive position, deterrence of misuse of an account by our customers, consideration of profit and the safety and soundness of the Bank. We may also consider costs in setting fees, but we do not set our fees based only or primarily on the direct or overall costs and expenses associated with providing the particular account or service involved.

Charging an Account

We may deduct fees, overdrafts and other amounts you owe us under this Agreement from your accounts with us or our affiliates, except that this provision does not apply to any consumer credit covered by the Federal Truth in Lending law. We may make these deductions at any time without prior notice to you or request from you. If there are not enough funds in your account to cover the amounts you owe us, we may overdraw your account, without being liable to you. You agree to pay immediately all fees, overdrafts and other amounts you owe us.

We may use deposits you or others make to your account to pay fees, overdrafts and other amounts you owe us.

Processing Deposits and Cashed Items

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

Cashing Items or Accepting Items for Deposit

We may accept, accept for collection only, refuse, or return all or part of any deposit. If we accept checks or other items for deposit to your account or cash them, you are responsible for the checks and other items if there is a subsequent problem with them.

- If we cash a check or other item for you or credit it to your account and it is not paid for any reason, we may

charge your account for the amount of the check or other item, even if this causes your account to become overdrawn.

- We may accept a check or other item for deposit to your account from anyone. We do not have to question the authority of the person making the deposit.
- If your account is overdrawn, we may use the deposit to pay the overdraft and any fees you owe us.
- All deposits are subject to our subsequent verification and adjustment, even if you have already withdrawn all or part of the deposit unless you can prove our determination was erroneous.
- We may refuse to accept for deposit to your account items payable to another person.
- In receiving checks or other items for deposit or collection, we act only as your collecting agent and assume no responsibility beyond the exercise of ordinary care. We are not responsible for errors and delays made by others in the collection process.
- When you send us deposits by mail, we may treat them as received at the time we receive actual delivery of deposits sent by mail. If you place deposits in our lobby deposit box or other depositories, we may treat them as received when we remove the deposits from our lobby box or other depositories.
- We may assess a charge for processing cash in a deposit.
- If you give us cash that we later determine to be counterfeit, we may charge your account for the amount we determine to be counterfeit.
- You will not knowingly deposit items into your account that do not have either a true original signature of the person on whose account it is drawn or an authorized mechanical reproduction of that person's signature.

Deposit Slips You should always use our personalized deposit slips with your preprinted name and account number. If you use a blank deposit slip from one of our banking centers, rather than your personalized deposit slip, we are not liable to you for errors that may result from your or our hand encoding the account information.

Cashier's Checks We cannot verify that money orders, cashier's checks or similar items are authentic and valid at the time you ask us to cash them or accept them for deposit. If we cash, or accept for deposit, a money order, cashier's check or similar item and we later learn that the item is fraudulent, counterfeit or invalid for some other reason, we may charge your account for the amount of the item. This may occur even if

we previously made the funds available to you, or this causes your account to become overdrawn.

Foreign Items You should be especially cautious about accepting items drawn on banks located outside of the United States. See *Foreign Items and Foreign Currency*.

Checks Lost in the Collection Process

When we cash a check for you or accept a check for deposit to your account, we are acting as your agent in collecting the check. We are not responsible if the check is lost or delayed in the collection process. We may charge your account for the amount of the check, even if this causes your account to become overdrawn, if a check is lost during the collection process or if the financial institution on which the check is drawn gives us a photocopy of the check or a debit slip representing the check.

A check that was lost may not be returned to us for some time. Despite any delay, we may charge your account when we receive either the returned check, a copy of the check, or a notice of return.

Collection Items

We may accept certain items — such as certain securities and checks payable in foreign currencies or at foreign locations — on a collection basis only. We route and process collection items separately. We normally credit your account for collection items only after we receive payment for them. But if we do credit your account and then do not receive payment, we may debit your account for the amount of the item, even if this causes your account to become overdrawn.

We charge fees for processing collection items. Financial institutions in the collection process and the financial institution on which the collection item is drawn may also charge fees. If a financial institution requires payment of a fee before that institution will process the collection item, we may pay the fee and charge your account. A financial institution may subtract its fee from the amount of the payment we receive. You have to pay these fees even if the collection item is returned unpaid.

For our current collection fees, call us at the number for Customer Service shown on your statement, or ask a banking center representative.

Demand Drafts and Remotely Created Checks

If you deposit a demand draft or remotely created check (an unsigned draft or a preauthorized draft) into your account, you warrant and guarantee that the draft or remotely created check is authorized according to the terms on its face by the person identified as drawer. You agree to indemnify us from all loss,

expense and liability related to a claim that such draft or check was not authorized by the persons on whose accounts it was drawn.

Deposit Delivery and Preparation

You may deliver deposits to us through various methods including our banking centers, ATMs, night depositories and other automated depositories. We may use the method and time of delivery to determine when you receive credit for the deposit and, if applicable, any deposit fees.

If we credit your account for the amount shown on the deposit slip or otherwise specified by you, the credit is subject to subsequent verification by us and our determination of the amount of your deposit is final and binding as long as we follow our customary practices.

If you provide an endorsement or encode the amount on an item deposited to your account, such encoding must adhere to any standards set by federal and state law and banking industry practice.

If we authorize you to use a deposit bag or envelope, you authorize us to open the deposit bag or envelope in your absence and credit the contents to your account. We may treat the contents of the deposit bag or envelope as not accepted by us for deposit until we have verified the contents. If you make your deposit through a mechanical or automated depository such as an ATM or night depository, you agree to exercise due care in opening, closing and properly securing the depository. If your deposit includes items that we do not accept for deposit, we may hold those items until claimed by you.

Deposit Error Correction

When we receive your deposits, we may provisionally credit your account for the amount declared on the deposit slip, subject to later verification by us. You must ensure that the amount declared on the deposit slip is correct even if you did not prepare the deposit slip. If later we determine that the amounts declared on the deposit slip are incorrect, we may adjust (debit or credit) your account. We report adjustments on your account statement. However, if the error in completing the deposit slip was inadvertent and is less than our standard adjustment amount, we will not adjust the deposit unless you notify us of the error within one year of the date of your periodic statement that shows the deposit. After this notice period has passed without your bringing an error to our attention, the deposit amount indicated on the statement will be considered finally settled. That is, if the actual amount deposited was less than the amount declared on the deposit slip, the difference will become your property and if the actual amount deposited was more than the amount declared on the deposit slip, the differ-

ence will become our property. We may change our standard adjustment amount from time to time without notice to you.

Encoding Deposits

If you are a business client, you may ask us for permission to encode the MICR line of an item you deposit with us. If we permit this, you agree to follow the instructions we give you for preparing and encoding your deposits. If you make an encoding mistake that results in costs, losses or damages to us, you agree to reimburse us for our costs, losses and damages, including attorneys' fees. We may charge them to your account. We are not liable for any claims, costs, losses, or damages you may incur when you encode your own items.

If our equipment is unable to read what we consider a significant number of your encoded items, we may refuse to accept some or all of your items and we may charge you fees for each item we do accept.

You must provide us with a replacement or a copy of each original check if the deposit is lost or destroyed. We are not liable to you if you are unable to do so.

Endorsing Checks

We may endorse and/or collect items deposited to your account without your endorsement but may, at our option, require your personal endorsement prior to accepting an item for deposit. If you deposit items which bear the endorsement of more than one person or of persons who are not signers on the account, we may refuse the item or may require you to have their endorsement guaranteed before we accept an item.

We may accept for deposit checks payable to any signer on your account when endorsed by any other signer.

When you endorse checks that you ask us to cash or deposit, you must endorse checks in the area that extends 1 1/2 inches from the trailing edge of the back of the check. You must also confine information that you place or have preprinted on the back of your checks to the same area. Otherwise, it may overlap into the area reserved for the banks' endorsements. The trailing edge is the left side of the check when you look at it from the front.

If you endorse a check outside of that area, mark or otherwise obscure the other area or a prior endorsement or make an endorsement that is illegible or incomplete, we may refuse the item or we may accept such non-conforming endorsement and you agree to hold us harmless from any loss, delay, liability, claim or damage which may arise as a result.

If it becomes necessary for us to return one of your checks, your endorsement or information placed on the back of the check may interfere with the bank endorsements and cause

delays in returning the item. You are liable for and agree to reimburse us for all claims, costs, losses and damages that result from late return of a check due to material entered on the back of the check that obscured or interfered with the depository or another bank's endorsement.

Identifying the Account for Your Deposit

You must correctly identify the account to which you want funds deposited. We may credit a deposit to an account based solely on the account number listed on the deposit slip or other instruction to credit an account, even if the name on the deposit slip or other instruction differs from the name on the account.

You are responsible for any claim, cost, loss or damage caused by your failure to properly identify the account to which a deposit is made or intended to be made.

Overpayments and Reversals

If funds to which you are not entitled are deposited to your account by mistake or otherwise, we may deduct these funds from your account, even if this causes your account to become overdrawn. If the funds were transferred from your account, we may reverse the transfer. We can do this without giving you any prior notice or demand.

Returned Items

This section applies to items that you deposit or that we cash for you (a "cashed or deposited item") and includes items drawn on us as well as items drawn on other financial institutions. You are responsible for returned items.

If a cashed or deposited item is returned to us at any time for any reason by the bank on which it is drawn or any collecting bank, we may accept that return, pay the claiming party, and charge the item to your account without regard to whether we or the other bank finally paid the item or returned the item in accordance with any applicable midnight deadline or clearing-house rule. We may also deduct from your account any interest you may have provisionally earned on the item. We may charge you a fee for each returned item. Different fees may apply to domestic and foreign items. We may debit your account for a returned item at any time on or after the day it is returned to us by electronic, automated clearinghouse ("ACH") or other means or on the day we receive notice that the item is being returned to us - whichever is earlier.

As an example: if an item deposited in your account has been paid by the bank on which it is drawn (including on us) and that bank later returns the item to us claiming that was altered, forged, or unauthorized or should not have been paid for any reason, we may at our discretion charge the item against your

account or place a hold on the amount of that item against your account until the claim is finally resolved. We may take these actions without prior notice to you and regardless of whether settlement with respect to such item is considered final.

We are not obligated to question the truth of the facts that are asserted, to assess the timeliness of the claim, to take any action to recover payment of a returned item, or to assert any defense. We do not need to notify you in advance of our actions related to the claim. If you do not have sufficient available funds to cover a returned item, we may overdraw your account. We are not liable to you if there are insufficient funds to pay your items because we withdraw funds from your account or in any way restrict your access to funds due to a hold or debt to your account in connection with a returned item. You agree to repay immediately an overdraft caused by a return of a cashed or deposited item.

In some cases, the financial institution on which the returned check or other item is drawn may send us an electronic notice of return, an indemnified copy of the original, an image replacement document ("IRD") or an image. Instead of returning the item. We may act on, and you agree to be bound by, the electronic notice of return, or indemnified copy or IRD just as if the original item had been returned.

We may send the unpaid item back for collection a second time before notifying you, but we are not obligated to do so. You waive notice of dishonor and protest. You agree that we will have no obligation to notify you of any item that is being returned. However, if we receive advance notice from another financial institution that it is returning to us unpaid a check of \$2,500 or more, we may send you a notice. We do not send a notice about returned checks of less than \$2,500.

Substitute Checks

You agree that you will not cash or deposit "substitute checks" as defined by federal law or Image Replacement Documents ("IRD") that purport to be substitute checks and have not been previously endorsed by a bank. If you cash or deposit such an item, you give us the same warranties and indemnities that we, as a reconverting bank, would give under applicable law or regulation and you agree to reimburse us for claims, losses, costs and damages we may incur. If you provide us with an electronic representation of a substitute check for deposit into your account instead of an original check, you agree to reimburse us for all claims, losses, costs and damages we incur because the substitute check resulting from the electronic representation does not meet applicable substitute check standards or causes duplicate payments.

Third-Party Endorsements

We may require that checks and other items you want to deposit or cash be endorsed by all parties to whom the items are payable. We may require verification of any endorsement through either an endorsement guarantee or personal identification.

When Funds are Available for Withdrawal and Deposit Holds

Our general policy is to make funds from your deposits available to you no later than the first business day after the day of your deposit. However, in some cases we place a hold on funds that you deposit by check. A hold results in a delay in the availability of these funds. When we place a hold on a check, you will have to wait a few days before being able to use the funds. When you make your deposit with a teller, and we decide to place a hold at that time, the teller will give you a "Notice of Hold" that will let you know the deposit is on hold. The notice will let you know the date and the time when the funds will be available for you to use. In some cases, you will not get the notice from the teller, but later, in the mail. When you make your deposit at an ATM and your funds are placed on hold, you get the notice by mail.

You can avoid holds by using direct deposit or wire transfer.

In many cases, we make funds from your deposited checks available to you sooner than we are able to collect the checks. From time to time, a deposited check may be returned unpaid after we made the funds available to you. Please keep in mind that even though we make funds from a deposited check available to you and you withdraw the funds, you are still responsible for problems with the deposit. If a check you deposited is returned to us unpaid for any reason, you will have to repay us and we may charge your account for the amount of the check, even if doing so overdraws your account.

Your Ability to Withdraw Funds

Our general policy is to make funds from your cash and check deposits available to you no later than the first business day after the day we receive your deposit. Our policy is to make funds from electronic direct deposits made through the automated clearing house (ACH) and incoming wire transfers available to you on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit at a banking center before 2:00 p.m.

local time, or such later time as may be posted at that banking center, on a business day that we are open, we consider that day to be the day of your deposit. However, if you make a deposit in a banking center after such time, or on a day when we are not open, we consider that the deposit was made on the next business day we are open.

If you make an ATM deposit in the state where we opened your account before 12 noon, local time, or such later time as may be posted at or on the ATM on a business day that we are open, we consider that day to be the day of your deposit. If you make an ATM deposit in a state other than the state where we opened your account before 12:00 noon, local time in the state where your account was opened and before the time posted at or on the ATM, on a business day that we are open, we consider that day to be the day of your deposit. In either case, if you make an ATM deposit after such times, or on a day when we are not open, we consider that the deposit was made on the next business day we are open.

Longer Delays May Apply

In some cases, we will not make all of the funds that you deposit by check available to you by the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the sixth business day after the day of your deposit. The first \$100 of your deposits, however, may be available no later than the first business day.

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

In addition, we may delay the availability of funds you deposit by check for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of communications or computer equipment.

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

Special Rules for New Accounts

If you are a new customer, the following special rules may apply during the first 30 days the account is open. Funds from electronic direct deposits to your account are available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks are available no later than the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you and deposited in person to one of our employees. The excess over \$5,000 is available by the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of deposit. Funds from all other check deposits are generally available by the ninth business day after the day of your deposit.

However, we may place longer holds on certain items for other reasons, such as large deposits (see *Longer Delays May Apply* above).

Government Checks, Cashier's Checks and Other Special Types of Checks

Our policy is to make funds from U.S. Treasury checks that are payable to you available no later than the first business day after the day of the deposit.

If you make the deposit in person to one of our employees, and meet the other conditions noted below, our policy is to make funds from the following types of deposits available no later than the first business day after the day of your deposit:

- State and local government checks that are payable to you and are deposited in an account in the same jurisdiction that issued the check.
- Cashier's, certified and teller's checks that are payable to you.
- Federal Reserve Bank checks, Federal Home Loan Bank checks and U.S. Postal Service money orders that are payable to you.

If you do not make your deposit of these checks in person to one of our employees (for example, if you mail the deposit), our policy is to make funds from these deposits available no later than the second business day after the day of your deposit.