

## READY RESERVE ACCOUNT HOLDER AGREEMENT

- 1. Applicability of This Agreement:** This agreement governs the Ready Reserve/Line of Credit account which you requested Farmers Bank to establish for you.
- 2. Use of Ready Reserve/Line of Credit:** Subject to the terms of this agreement, the Ready Reserve plan will automatically transfer from the line of credit to the checking account in increments of \$50.00 to cover overdrafts. Overdrafts will be covered up to the amount approved on the line of credit. If an overdraft occurs that is greater than the available balance on the Ready Reserve the remaining funds available to draw will be transferred to the checking account. The Bank will charge the \$2.00 transfer fee as well as the per item non-sufficient funds fee as disclosed in account opening.
- 3. Your Credit Limit:** The bank has established a maximum overdraft line for you which will appear on your monthly statement. The bank reserves the right to increase or decrease this credit limit at any time at our sole discretion. I/we agree to use this line of credit only up to the credit limit and agree that the total amount at any one time will not exceed the credit limit. If I/we do exceed the credit limit, however, and the bank advances money on this account, the bank does not give up any of its rights under this agreement.
- 4. Your Legal Responsibility:** Each person who signs on the checking account shall be jointly and severally liable for all amounts payable under this agreement. This means that each person is separately obligated to pay the entire amount in the account regardless of who creates a balance on this account.
- 5. Your Agreement to Pay:** I/we promise to pay in US dollars for all advances made under the account plus finance charges accruing on the unpaid balance on such advances plus any other fees.
- 6. Monthly Statement:** The bank will send you a monthly statement. The statement will include, among other things, the previous balance in the account, the average daily balance, the amount of the finance charge, advances, payment(s) credited to the overdraft protection/line of credit, and the date that the payments were credited. The statement shall be deemed to be correct unless the bank is notified in writing of the billing error inquiry within sixty (60) days from the date the statement is mailed to you.
- 7. Monthly Payment:** A monthly payment equal to the minimum payment will be charged as a pre-authorized automatic payment from your checking account on each monthly statement date on the date specified on your monthly statement. You may also make additional payments at any time. Payments other than the pre-authorized automatic payment, received before 5:00 p.m. will be posted to your account on the same day as received. All payments will be applied to your outstanding balance in the following order: First to the unpaid finance charges and then to the Overdraft/Line of Credit outstanding balance.
- 8. Computation of Your Minimum Payment:** The minimum periodic payment will be 5% of the unpaid balance or \$25.00, whichever is greater. Balances under \$25.00 will be paid in full.
- 9. Finance Charge:** Finance charge begins to accrue on the date the Ready Reserve/Line of Credit advance is posted, and continues to accrue until the balance is paid in full. The bank will compute the amount of the Finance Charge by multiplying the average daily balance by a periodic rate of .049315000% per day on a 365-day basis, which is an Annual Percentage of Rate of 18% and by the number of days in the monthly statement period. The average daily balance is arrived at by adding together the balance outstanding in your account at the end of each day during the monthly statement period and dividing the result by the number of days in the monthly statement period.
- 10. Secured and Unsecured Credit:** It will be at the bank's discretion whether you will be required to provide collateral to secure this Ready Reserve/Line of Credit. This agreement or any other written or oral agreement does not prevent the bank from pursuing its remedies against you and any property you may own after default.
- 11. Default and Collection Costs:** I/we agree that if I/we do not pay any amount when it is due, or fail to carry out any term of this Agreement, or die, become incompetent, become the subject of a bankruptcy or insolvency proceeding, or supply us any incorrect credit information, or in the exercise of our reasonable business judgment the bank deems itself insecure, then at the bank's option we can charge your checking account to bring your Ready Reserve current or require you to pay the total balance outstanding in your Ready Reserve/Line of Credit immediately without demand or notice of any kind (which you hereby waive). The bank will attempt to advise you promptly of this acceleration and resulting termination of your Ready Reserve/Line of Credit but our failure to do so will not make any such acceleration or termination ineffective. If we refer Ready Reserve/Line of Credit for collection to any attorney, I/we agree to reimburse the bank for reasonable collection expenses.
- 12. Termination:** The bank reserves the right to cancel the Ready Reserve/Line of Credit account without notice. The cancellation of the account will not affect your obligation to pay any amount owing on the date of termination or any amount owed to the bank in the future regarding this account.
- 13. Change in Terms:** The bank reserves the right, subject to applicable law, to change the terms and conditions of this agreement by notifying you in writing at the address shown in our records at least fifteen (15) days prior to the effect date of the change. The new terms and conditions shall apply to the outstanding balance on the effective date.
- 14. Credit Information:** I/we agree to furnish the bank any financial information as requested. I/we further agree to notify the bank promptly of any changes of residence or employment and any adverse change in my/our financial circumstance. I/we agree that the bank may furnish information concerning our account to other persons who may lawfully receive such information including but not limited to credit reporting agencies.
- 15. Delay in Enforcement:** I/we consent to any benefits that the bank might give us with respect to time of payment and I/we agree that the bank may choose not to exercise or delay enforcement of the bank's rights under this agreement without forfeiting any of them.
- 16. Governing Law:** This agreement is governed by the applicable laws and courts of the State of Idaho and applicable federal law.
- 17. Billing Error Inquiries:** If there are any questions or concerns relating to billing errors, you may write to Farmers Bank, P O Box 2706, Twin Falls, Idaho 83303 or you may telephone (208) 734-1500. If you notify the bank by telephone of a billing error you may lose some of your rights under the law applicable to billing errors. In your letter, give us the following information: your name and account number, the dollar amount of the error and describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.



Interest Rates and Interest Charges	
<b>Annual Percentage Rate (APR) for All Transfers</b>	18.00%
<b>Paying Interest</b>	Your due date is at least 21 days after the close of each billing cycle. We begin charging interest on all transfers on the transaction date. Your statement will indicate the date that the payment is due.

Fees	
<b>Annual Fee</b>	None
<b>Transfer Fee</b>	\$2.00 per transfer

**How We will Calculate Your Balance:** We use a method called “average daily balance”. See your account agreement for more details

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights are provided in your account agreement.