

PROCEDURE FOR AUTOMATIC BILL PAYMENT
FOR RETAIL ACCOUNTS

1. Accounts must complete the ACH Payment Program Application & Agreement and the Authorization to Honor Electronic Drafts. A voided check must also be attached to these forms.
2. On the 15th of each month, FSC will debit your account for the month-end balance of your last month's statement minus and available discounts.

AUTOMATED CLEARING HOUSE (ACH) PAYMENT PROGRAM
APPLICATION AND AGREEMENT

NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

Request is hereby made to Farm Service Cooperative (FSC) for the use of an Automated Clearing House Payment Program (Program) for the payment of invoices, statements or billings rendered to me by FSC.

If use of the Program becomes effective for payments on my account, I understand and agree that:

- (1) My bank / credit union will honor all Automated Clearing House drafts drawn by FSC immediately upon presentation for collection. All such drafts will be presented through the banking system electronically and will be honored in accordance with the authorization form signed by me and furnished to my bank / credit union. All transactions under the Program shall be governed by the Operating Rules of the National Automated Clearing House Association, and I agree to be bound by all such Rules.
- (2) FSC will deduct the available cash discount from the amount of each invoice after deduction of all other applicable allowances and initiate an Automated Clearing House draft for the remaining amount. This draft will be debited from my account on the 15th of each month.
- (3) If, for any reason, any such Automated Clearing House draft is returned to FSC uncollected, or FSC is required to refund any payment received from me under the Program, the gross amount of the invoice or invoices covered by such Automated Clearing House draft or payment shall be immediately due and payable and not eligible for any cash discount hereunder unless the reason for the return is due to an error by FSC. In the event that any such Automated Clearing House draft or payment is returned uncollected or refunded, a charge of \$10.00 to my FSC account for each returned item would be made. All drafts returned uncollected or payments refunded are subject to service charges of the lesser of 1.5% per month or the maximum rate allowable under applicable law. Furthermore, in the event any such Automated Clearing House draft or payment is returned to FSC uncollected or refunded, FSC, at its option, may, upon written notice to the undersigned, determine that future sales will be made on prompt payment terms prevailing on the date of shipment other than as provided under the Program. Any cash discount is offered and may be taken under the Program only if all amounts due FSC are within stated payment terms (i.e., not delinquent) as of the date of the invoice to which such discount relates. Either FSC or I may terminate my participation in the Program, with or without cause, upon 30 days prior written notice to the other.

Applicant's Signature

AUTHORIZATION TO HONOR ELECTRONIC DRAFTS
VIA THE AUTOMATED CLEARING HOUSE PROGRAM
DRAWN BY FRAM SERVICE COOPERATIVE
HARLAN, IOWA

NAME OF BANK/CREDIT UNION: _____

BANK/CREDIT UNION ADDRESS: _____

ACCOUNT NAME: _____

ACCOUNT NUMBER: _____

(Above must agree with Signature Card)

As a convenience to me, I hereby request and authorize you to pay and charge to my account electronic drafts in any amount as drawn by and payable to the order of Farm Service Cooperative of Harlan, Iowa. I agree that your rights in respect to such drafts shall be the same as if it were a check drawn on your and signed personally by me. It will not be necessary for any person employed by Farm Service Cooperative, personally to sign such drafts. I understand and agree that you shall be under no obligation to furnish me with any special advice or notice in writing or otherwise of the payment and charge of such drafts to my account. This authority is to remain in effect until revoked by me by written notice to you and Farm Service Cooperative, in such time and in such manner as (i) will afford you and Farm Service Cooperative a reasonable opportunity to act upon such notice before such revocation is effective and (ii) will comply with the Operating Rules of the National Automated Clearing House Association, and until such time I agree that you shall be fully protected in honoring any such drafts.

I further agree that if any such draft were dishonored, whether with or without cause and whether intentionally or inadvertently, you shall be under no liability whatsoever.

Authorized Signature on Above Account

Date

ATTACH VOIDED CHECK TO THIS SHEET

Farm Service Cooperative
PO Box 429
Harlan, IA 51537