



August 10, 2024

Dear Business Customer:

In today's world, we are seeing more and more fraudulent checks and fraudulent electronic items. In the past, we did not have a helpful tool to assist our Business customers. Now we do.

Americans lost more than \$10 billion to fraud in 2023, according to the Federal Trade Commission.

We are now offering Positive Pay to our customers at no charge. This includes checks and ACH filtering. This not only protects the Bank from losses but also protects our Business customers.

Under the Uniform Commercial Code, as long as Banks offer Business customers a “commercially reasonable” security protocol, then the Banks are not required to reimburse Business customers for fraudulent activity. This affects all types of Business accounts including Sole Proprietors.

We encourage you to sign up for digital banking and then sign up for Positive Pay. Using this new Positive Pay program, you can send a file of your check information to our data center as you write batches of checks. Any checks that come in that do not match an item in your file will be available for you to review. You can also set up ACH filtering on your accounts.

We ask that you review your file by 11 AM each business day, so any returns will be done timely.

While there can never be a guarantee that you will not experience any fraud, it's ultimately up to your company to take advantage of the fraud protection products and services that we offer that can help protect your business.

Call Brook, Wendi, Laura, or Annette in Menahga at 218-564-4171 or Daisy or Jessica in Sebeka at 218-837-5171 with questions on this program and to get signed up.

Cordially,

Roger P. Day

Roger P. Day
President

Menahga Office
21 Main St. NE, PO Box 250
Menahga, MN 56464
Ph. 218-564-4171, Fax 218-564-5125
menahga@communityfirstbankmn.com

Sebeka Office
115 Minnesota Ave., PO Box 311
Sebeka, MN 56477
Ph. 218-837-5171, Fax 218-837-5094
sebeka@communityfirstbankmn.com



Positive Pay Agreement

Business Name: _____
Contact Name: _____
Address: _____
Phone: _____ Tax ID#: _____

Bank: Community First Bank, P.O. Box 250, Menahga, MN 56464, (218) 564- 4171

This Positive Pay Agreement (the "Agreement") is made as of the date set forth below by and between the Client and COMMUNITY FIRST BANK (the "Bank") and shall become effective as of the Effective Date described below. The Client has requested that the Bank facilitate the Client's detection of unauthorized and/or altered checks drawn on one or more accounts of the Client maintained with the Bank through the services described herein below (the "Services"), and the Bank is willing to perform such Services. Accordingly, in consideration of the foregoing premises and the promises and agreements set forth herein, the Client and the Bank agree as follows:

1. DUTIES AND RESPONSIBILITIES OF THE CLIENT

1.1 Processing. The Client shall submit their "checks issued files" in the agreed upon format using online banking services. These files shall be submitted before checks have been disbursed.

1.2 Suspect File. Each Business Day prior to 8:00 A.M. (Central Time), the Bank will endeavor to make available to the Client information containing the records of checks presented for payment against the account the previous day. Items presented for payment not matching your checks issued file will be identified as Exception items. You will have an automated option within our online program to view and make pay, no pay decisions as they arise. You can view your Exception items each business day, up to 11:00 a.m. central time. In the event that the client does not provide pay, no pay decisions by 11:00 a.m. central time the services will default to pay all items.

1.3 Operating Procedures. If on any Business day the Client cannot access the services, the Client shall notify the Bank as soon as possible.

1.4 Returned Items. In the event the Client makes a no pay decision on a check transaction, the checks will be returned to the bank of first deposit as "Refer to Maker." The Client agrees to complete an affidavit of forgery or affidavit of Unauthorized Transaction and file a police report, if requested by the Bank. If the Client fails to execute an affidavit of Forgery or Affidavit of Unauthorized Transaction, the Client agrees to assume all liability for collection and resolution of item(s).

2. DUTIES AND RESPONSIBILITIES OF THE BANK

2.1 Use of the services. Under the terms and conditions of this agreement, the Bank hereby grants to the Client a non-exclusive ability to utilize the services through online services for purposes of making pay, no pay decisions regarding checks being presented to the account.

2.2 Processing. the Bank will process requests for pay, no pay decisions submitted through online banking in accordance with all state and federal laws on any Business day, subject to the agreed upon Cutoff time of 11:00 a.m. central time.

EXHIBIT A TO POSITIVE PAY AGREEMENT

Positive Pay Set Up form

This Positive Pay Set Up Form is the Positive Pay Set Up Form referenced in, and made part of, that certain Positive Pay Agreement dated as of _____, 20____(the "Positive Pay Agreement"), by and between **Community First Bank** (the "Bank") and _____(the "Client"); The Client makes the following selections with respect to the Bank's Positive Pay service for the accounts indicated:

Account Number	Check # Range	Amount Limit	Days to Post
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Community First Bank

CLIENT

Signature

Authorized Signature

Printed Name

Printed Name

Title

Title

Client name: _____ Effective Date: _____

Authorized personnel:(Best to have 2 or 3 people who are authorized.)

Name: _____

Email: _____

Phone: _____

Name: _____

Email: _____

Phone: _____

Name: _____

Email: _____

Phone: _____

Name: _____

Email: _____

Phone: _____