

SPECIFICALLY OR BY GENERAL LANGUAGE INDICATING THAT PARTIES WAIVE DEFENSES BASED ON SURETYSHIP OR IMPAIRMENT OF COLLATERAL.

4-101.

This title [shall be known and] may be cited as Uniform Commercial Code — Bank Deposits and Collections.

4-102.

[(1)](A) To the extent that items within this title are also within [the scope of] Titles 3 and 8, they are subject to [the provisions of] those titles. [In the event of] IF THERE IS conflict [the provisions of] , this title [govern those of] GOVERNS [Title 3] TITLE 3, but [the provisions of] Title 8 [govern those of] GOVERNS this title.

[(2)](B) The liability of a bank for action or nonaction with respect to [any] AN item handled by it for purposes of presentment, [payment] PAYMENT, or collection is governed by the law of the place where the bank is located. In the case of action or nonaction by or at a branch or separate office of a bank, its liability is governed by the law of the place where the branch or separate office is located.

4-103.

[(1)](A) The effect of the provisions of this title may be varied by agreement [except that no agreement can], BUT THE PARTIES TO THE AGREEMENT CANNOT disclaim a bank's responsibility for its [own] lack of good faith or failure to exercise ordinary care or [can] limit the measure of damages for [such] THE lack or failure[; but]. HOWEVER, the parties may DETERMINE by agreement [determine] the standards by which [such] THE BANK'S responsibility is to be measured if [such] THOSE standards are not manifestly unreasonable.

[(2)](B) Federal reserve regulations and operating [letters] CIRCULARS, [clearing house] CLEARING-HOUSE rules, and the like[,] have the effect of agreements under subsection [(1)] (A), whether or not specifically assented to by all parties interested in items handled.

[(3)](C) Action or nonaction approved by this title or pursuant to federal reserve regulations or operating [letters constitutes] CIRCULARS IS the exercise of ordinary care and, in the absence of special instructions, action or nonaction consistent with [clearing house] CLEARING-HOUSE rules and the like or with a general banking usage not disapproved by this title, IS prima facie [constitutes] the exercise of ordinary care.

[(4)](D) The specification or approval of certain procedures by this title [does not constitute] IS NOT disapproval of other procedures [which] THAT may be reasonable under the circumstances.

[(5)](E) The measure of damages for failure to exercise ordinary care in handling an item is the amount of the item reduced by an amount [which] THAT could not have been realized by the [use] EXERCISE of ordinary care[, and where]. IF there is ALSO bad faith it includes ANY other damages[, if any, suffered by] the party SUFFERED as a proximate consequence.