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ACCOUNT AGREEMENT AND DISCLOSURES
More Detailed Information Is Available upon Request

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GENERAL TERMS & CONDITIONS

This is an Agreement

Welcome to Presidio Bank and thank you for opening an account with us. This document provides the general rules that apply to deposit accounts you have with Presidio Bank. Additional rules will be provided in disclosures we give you when you open your account, your periodic statements, applicable user guides, notices we mail to you or provide with your statement, and e-mail messages for clients who receive statements electronically. These things, together, are an agreement between you and Presidio Bank. Please read this carefully.

By signing a signature card, opening or continuing to hold an account with us, you agree to the most recent version of this Agreement, which is available to you at a Presidio Bank office. If any terms of your signature card, resolution, or certificate of authority are inconsistent with the terms of this Agreement, the terms of this Agreement will control. If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. If you have any questions, please call us.

This agreement is subject to the state of California and applicable federal laws. The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here.

Definitions

As used in this document the words, “we”, “our”, and “us” mean Presidio Bank and the words “you” and “your” mean the account holder(s) and anyone else with the authority to deposit, withdraw, or

exercise control over the funds in the account. The term “account” means any savings, transaction (for example checking), and time deposit account or other type of account you have with us. An “owner” is one who has the power to deal with an account in his, her or its own name. An “agent” in contrast, is one whose power to withdraw from an account comes from, or is on behalf of, the owners. Authorized signers, designated corporate officers, trustees, attorneys-in-fact, and convenience signers are examples of agents. Entities such as corporations, limited liability companies, partnerships, estates, conservatorships, and trusts are not natural persons, and can only act through agents. In such cases, it is the “entity” that is the owner. “Personal accounts” are accounts in the names of natural persons (individuals). They are to be distinguished from “non-personal accounts” which are accounts in the name of corporations, partnerships, trusts and other entities. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. 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.

Plain Language

We have written this Agreement in plain language. Where possible, we have avoided the use of legal jargon and, where appropriate, we have used examples to explain the larger ideas. The examples we use are not intended to be the only application of the rule we are explaining.

Waivers and Precedents

Our Agreement with you gives us rights and duties. If we don’t take advantage of all our rights all the time that does not mean we lose them. For example:

- If we make funds available to you for withdrawal ahead of schedule, that does not mean we have to do it again.
- If we pay a check that is more than your account balance, that does not mean we have to do it again.

Amendments and Terminations

We may change any term of this agreement. Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. Notice from us to any one of you is notice to all of you. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

Identification Notice (USA Patriot Act)

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you

When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see other identifying documents like a driver’s license or documents showing your existence as a legal entity.

Existing Clients

Even if you have been a customer of ours for many years, we may ask you to provide this kind of information and documentation because we may not have collected it from you in the past.

Failure to Provide Information

If, for any reason, any owner is unable to provide the information necessary to verify their identity, their account(s) may be blocked or closed, which may result in additional fees assessed to the account(s).

Temporary Account Agreement

If this option is selected, this is a temporary account agreement. This means that all account owners have not yet signed the signature card, or that some other account opening requirement has not been completed. We may give you a duplicate signature card so that you can obtain all the necessary

signatures and return it to us. Each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account.

Identity Theft

Identity theft occurs when someone uses your personally identifying information, like your name, Social Security number, or credit card number, without your permission, to commit fraud or other crimes.

Presidio Bank employs a variety of methods to safeguard your information to reduce the risk of loss from Identity Theft. You should also take precautions to protect your information and your computer systems from malicious software that could be used to steal passwords, PIN numbers, codes, account numbers, and other personal information.

Some steps we take include but are not limited to:

- We will verify your information before executing an address change and send a confirmation of the address change to both the new address and the old address.
- Should we receive a request for new checks in conjunction with a change of address notification, we will verify the request with you within a reasonable period of time after receiving the request.

Please see our web site for additional information regarding Identity Theft.

If You are the Victim of Identity Theft

If you are a victim of identity theft, the Federal Trade Commission (FTC), the nation's consumer protection agency, recommends that you take the following steps as soon as possible, and keep records of your conversations and copies of all correspondence.

Place a Fraud Alert on your Credit Reports, and Review your Reports

Fraud alerts can help prevent an identity thief from opening any more accounts in your name. Contact the toll-free fraud number of any of the three nationwide consumer reporting companies to place a fraud alert on your credit report. You need to contact only one of the three companies to place an alert. The company you call is required to contact the other two, which will then place an alert on their versions of your report.

- TransUnion: 1-800-680-7289; www.transunion.com; Fraud Victim Assistance Division, P.O. Box 6790, Fullerton, CA 92834-6790
- Equifax: 1-800-525-6285; www.equifax.com; P.O. Box 740241, Atlanta, GA 30374-0241
- Experian: 1-888-EXPERIAN (397-3742); www.experian.com; P.O. Box 9532, Allen, TX 75013

Once you place the fraud alert on your file, you are entitled to order free copies of your credit reports; if you ask, only the last four digits of your SSN will appear on your credit reports. Once you get your credit reports, review them carefully. Look for inquiries from companies you haven't contacted; accounts you didn't open; and debts on your accounts that you can't explain. Check that information like your SSN, address, and name or initials are correct. If you find fraudulent or inaccurate information, get it removed. See the FTC's comprehensive identity theft recovery guide: Take Charge: Fighting Back Against Identity Theft, at www.ftc.gov/idtheft to learn how. Continue to check your credit reports periodically, especially for the first year after you discover the identity theft, to make sure no new fraudulent activity has occurred.

File a report with your local police or the police in the community where the identity theft took place

Obtain a copy of the police report or at the very least, the number of the report. It can help you deal with creditors who need proof of the crime.

Credit Verification – ChexSystems®

By requesting to open an account with Presidio Bank, by agreeing to be a signer on an account, or by obtaining any other service from us, you agree that we may obtain credit information from check or credit reporting agencies to verify your previous banking relationships, as a basis for account qualification. We may do so at the time we open your account, at any time while your account is open, or after your account is closed if you owe us any amounts related to your account. You understand that information

you have provided to us, your account files and credit history, as well as information concerning your creditworthiness may be updated and shared with others within Presidio Bank from time to time as consideration of other products and services. Please refer to Presidio Bank's Privacy Policy Statement for additional information.

When an account is closed by us for improper or unsatisfactory activity, we report it to ChexSystems, Inc. We also use ChexSystems, Inc., to verify the previous bank account relationships of the applicants for our accounts. If the account is declined based on adverse information received from ChexSystems, Inc., the applicant may request in writing that ChexSystems, Inc. send a copy of the information to the applicant for review. Requests, including name, address, social security number, and signature, should be sent by phone, fax, or written correspondence to: ChexSystems, Attn: Customer Relations, 12005 Ford Road, Suite 600, Dallas, Texas 75234; Consumer Relations Phone: 800-428-9623 or Fax: 214-241-4772.

Owner's Authority

Each owner of a personal account, or an agent for a non-personal account, acting alone, has the power to perform all the transactions available to the account. For example, each owner can:

1. Make withdrawals by whatever means are available for the account;
2. Make deposits by whatever means are allowed for the account;
3. Obtain and release information about the account;
4. Sign or authenticate any document in connection with the account (for example, an owner can endorse a check payable to a co-owner for deposit to a joint account); and
5. Give rights to others to access the account (for example, any owner could grant a power of attorney to have access to the account).
6. In addition, if you share ownership of an account with someone else (for example, you have a joint or multi-party account). Then each of you can endorse items for deposit to the account on behalf of another owner.

Authorized Signer (Individual Accounts only)

A single individual is the owner. The authorized signer is merely designated to conduct transactions on the owner's behalf. The owner does not give up any rights to act on the account, and the authorized signer may not in any manner affect the rights of the owner or beneficiaries, if any. The owner is responsible for any transactions of the authorized signer. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

The owner may terminate the authorization at any time, and the authorization is automatically terminated by the death of the owner. However, we may continue to honor the transactions of the authorized signer until: (a) we have received written notice or have actual knowledge of the termination of authority, and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept an authorized signer.

Authorized Access and Power of Attorney

Each owner of an account is independently permitted to authorize someone else to access the account. For example, the following persons will have access to your account:

1. Any person listed on a signature card, resolution, or certificate of authority as being authorized to make withdrawals or transfers, by check or otherwise, from your account;
2. Any person that you authorize to make withdrawals or transfers from the account by whatever means the account allows (for example, pre-authorized withdrawals, wire transfers, ATM card or debit card transactions);
3. Any person you give rights to act on your behalf, such as a power of attorney;
4. Any person to whom you make your checkbook or your checking account number available for purposes of transacting business on the account. We discourage this type of "authorization" because it is possible that we will detect such transactions and treat them as unauthorized. If you give any such person "authority", we are not responsible whether we honor the transactions or dishonor them; and

5. Any person to whom you make your ATM card or debit card personal identification number available. By allowing this type of "authorization" the person to whom you make your personal identification number available may be able to access all of your accounts held with us by using the telephone, ATM, Internet or other banking channels. If you give any person such "authority", we are not responsible for actions they take with respect to your accounts.

We will use the word "agent" to mean any person who you authorize to act on your behalf, whether by following the process we require (for example, by designating an authorized signer on a signature card), or on your own (for example, by creating a power of attorney). If you name such an agent:

1. We may require that you use forms we approve and require each owner to sign the form to be effective;
2. The powers you give to your agent, and any limitations on those powers, are between you and your agent, even if we have express written notice of those powers. You understand and agree that we have no duty or responsibility to monitor the acts of your agent or ensure that the acts of your agent are for your benefit. For example, if you only give your agent authority to pay your bills and your agent exceeds that authority, we are not responsible for that breach of authority;
3. You agree not to hold us responsible for any loss or damage you incur as a result of us following instructions given to us by your agent;
4. The owners of the account are responsible to us for any actions of your agent, regardless of whether those actions exceed the authority given or whether the agent is formally nominated by all the owners or less than all the owners;
5. The agency will end if the owner dies **and** we get notice of that death; if there is more than one owner, the agency will end after the death of the last owner **and** we get notice of that death.
6. The agency will end after the owner notifies us in writing to end the agency and we have had a reasonable opportunity to act on it.

Change in Authorized Signers

Any owner, including one of the owners of a joint account, may add owners or authorized signers to an account; however, we have the right to require the signature of all owners to make the change. Only under special circumstances and subject to prior approval by us may an owner remove an owner or authorized signer from an account.

No change in owners or authorized signers is effective until we have received written notice of the change and have had adequate time to approve and act on it.

Account Transfers

This account may not be transferred or assigned without our prior written consent.

ACH Funds Transfers

The ACH Operating Rules require certain disclosures be made to account holders receiving ACH wholesale credit entries subject to provisions of Article 4A of the Uniform Commercial Code ("UCC4A") as adopted in California. This agreement is also subject to all clearing house association rules, rules of the Board of Governors of the Federal Reserve System and their operating circulars. If any part of this agreement is determined to be unenforceable, the rest of the agreement remains effective. This agreement controls funds transfers unless supplemented or amended in a separate written agreement signed by us.

Notice of Receipt of ACH Items

Under the operating rules of the National Automated Clearing House Association which are applicable to ACH transactions involving your account, we are not required to give next day notice to you of receipt of an ACH item, and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statements we provide to you.

Provisional Payment

Credit given by us to you with respect to an automated clearing house credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to

you in connection with such entry, and the party making payment to you via such entry (i.e., the Originator of the entry) shall not be deemed to have paid you the amount of such entry.

Choice of Law

We may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses ("ACH") and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of California as provided by the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account.

Funds Transfers

Unless we have entered into a specific written agreement with you that provides otherwise, payment orders you give to us for the transfer of funds out of the account by wire transfer or otherwise, and payment orders we receive for the transfer of funds into the account, will be governed by this paragraph. In addition your rights and obligations with respect to a payment order, and our rights and obligations, will be governed by (a) any separate written agreement with us; then (b) this section; and then, to the extent not specified in a separate written agreement or this Agreement; (c) by Article 4A of the Uniform Commercial Code ("UCC4A") as enacted in the state in which you have your account with us.

We reserve the right to refuse to accept any payment order. Payment orders are accepted when they are executed by us.

YOU AGREE THAT IF A PAYMENT ORDER OR CANCELLATION THEREOF IDENTIFIES THE BENEFICIARY BY BOTH NAME AND AN IDENTIFYING NUMBER, AND THE NAME AND NUMBER IDENTIFY DIFFERENT PERSONS OR ACCOUNT HOLDERS, EXECUTION AND PAYMENT TO THE BENEFICIARY OR CANCELLATION MAY BE MADE SOLELY ON THE BASIS OF THE IDENTIFYING NUMBER. YOU ALSO AGREE THAT IF A PAYMENT ORDER IDENTIFIES AN INTERMEDIARY BANK OR THE BENEFICIARY'S BANK BY BOTH NAME AND AN IDENTIFYING NUMBER AND THE NAME AND NUMBER IDENTIFY DIFFERENT PERSONS, EXECUTION OF THE PAYMENT ORDER BY ANY BANK MAY BE MADE SOLELY ON THE BASIS OF THE IDENTIFYING NUMBER.

We will give you notice of the acceptance of a payment order by posting the amount of the payment order to the appropriate account. Prior to the acceptance of an outgoing payment order, the outgoing payment order may be canceled, but may not be amended or modified, if the beneficiary's bank is located within the United States of America and the outgoing payment order is to be paid in U.S. dollars. Other outgoing payment orders may not be canceled, amended or modified. We must receive your cancellation in a reasonable time prior to the time we execute the outgoing payment order. Payment orders sent by Fedwire will be subject to the Federal Reserve's Regulation J, and payment orders sent via other payment systems will be subject to the rules of those systems. You agree that we may record all telephone conversations and data transmissions received from, made for or made on behalf of you pursuant to or in connection with a payment order.

YOU AGREE THAT IF A PAYMENT ORDER, OR ANY CANCELLATION OR AUTHORIZATION RELATING THERETO, BUT FOR THE APPLICABILITY OF THE ELECTRONIC FUND TRANSFERS ACT OF 1978 (AS IN EFFECT FROM TIME TO TIME), CONSTITUTES A PORTION OF A FUNDS TRANSFER AS DEFINED IN UCC4A, ALL ACTIONS AND DISPUTES CONCERNING SUCH PAYMENT ORDER, CANCELLATION OR AUTHORIZATION SHALL BE DETERMINED PURSUANT TO UCC4A AND THIS AGREEMENT TO THE FULL EXTENT PERMITTED BY LAW. If an outgoing payment order is a foreign currency cannot be completed, the exchange rate that will apply to any refund due you will be the exchange rate in effect at the time on the day the refund is made. Additional fees may be deducted from a payment order amount by other banks involved in the funds transfer process.

Adjustments

If we (or you, or you and us together) make an error on your account, we can fix the error without first notifying you. For example, if:

- The dollar amount of your check is paid for the incorrect amount;
- A deposit is added incorrectly;
- We apply a deposit to the wrong account;

We can fix the error without any special notice to you, though such a correction will normally appear on your statement if the error and the correction occur on different business days. We might not adjust for insignificant errors unless you request it.

Deposits

When you make a non-cash deposit to your account, we give you credit for that deposit, but that credit is provisional (temporary). If the deposit needs to be collected from another financial institution, we must be paid before the credit becomes final. After a credit is final it may still be reversed. All deposit receipts are issued subject to our count and verification of the items deposited.

We can refuse to accept any item for deposit for any reason, or no reason whatsoever, or impose conditions on a deposit as we think appropriate. For example, we can take an item for "collection" instead of deposit.

Foreign Currency

If you make a deposit in the form of, or payable in a foreign currency, that deposit has to be converted into U.S. Dollars. That takes time, there may be expenses, and your final credit will be adjusted to reflect the final exchange rate less any fees imposed by the entity that makes the conversion.

Deposits by Mail

If you make a deposit by mail, we have to receive it and have time to record it before it becomes effective. (See our Funds Availability section.)

Cut-Off Time

A deposit made after our daily cutoff time on a business day, or on a day we are not open for all forms of business, will be considered deposited on the next full business day. (Refer to our funds Availability section.) The cut-off time there applies to all our accounts, not just checking accounts.

Endorsement

If you make a deposit to an account and you fail to endorse the item, we can add an endorsement of the account owners and you will be liable for the item as if you endorsed it yourself.

Notification of Redeposited Checks

When you deposit checks to your account, you have a right to be notified whenever a check you deposit is returned unpaid. You agree and acknowledge if we are in receipt of a check that is returned unpaid due to insufficient funds that we may redeposit the check on your behalf and we may charge back the check and any fees if the check is returned unpaid again for any reason. What we do one time does not make that a rule you can rely on for the future.

Cash Transaction Reporting

To help law enforcement agencies detect illegal activities, the law requires all financial institutions to gather and report information on some types of cash transactions. If the information we need to complete the report is not provided, we are required to refuse to handle the transaction. If you have any questions regarding these rules, please contact your local Internal Revenue Service office.

Returned Deposited and Cashed items

The funds you deposit to your account are subject to normal collection processes even after we make the funds available to you for withdrawal. If we do not collect the funds or we need to return the funds, your deposit will be reversed and become your responsibility.

Payment of Checks

We will charge your account for a check on the day the check is presented to us for payment by any legal means, including electronic or earlier if we receive notice that a check drawn on your account will be presented for payment. This will affect your available balance, determined as of the time we receive the check or notice, and our determination of whether you have sufficient funds in your account to pay the check.

Checks and Withdrawals

Generally – Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to endorse any item payable to you or your order for deposit to this account or any other transaction with us.

Postdated checks – A postdated check is one which bears a date later than the date on which the check is paid. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act.

Checks and Withdrawal rules – If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. If we are presented with an item drawn against your account that would be a “substitute check,” as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item. See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. In addition, we may place limitations on the account until your identity is verified.

Overdrafts – You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later.

Waivers – Even if we honor a nonconforming request, we are not required to do so later. For example, Regulation D limits the number of items that can be presented on a Money Market account to six transactions per statement cycle. We may agree to pay additional items however regulations do require us to close or reclassify the account if abuses of the stated limitations continue. We may treat this as your act of closing the account, or we may at our option reclassify your account as a transaction account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

Multiple signatures, electronic check conversion, and similar transactions – An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on the items. You agree that, as to these or any items as to which we have no opportunity to examine the signatures; you waive any requirement of multiple signatures.

Notice of withdrawal – We reserve the right to require not less than 7 days notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

Refusing Payment on Your Checks

You must fill in an amount (in words and numbers) correctly and clearly, and sign your name on checks you write. You should fill in the date and name of a payee on your checks. If you don't name a payee, anyone can cash the check. If you fail to follow these rules, we may refuse to honor your checks.

When a check you write is presented to us by another bank for payment, we will generally accept the endorsements on the check, because if an endorsement is missing or forged, we have rights against the other bank that protect us. When a check of yours comes in to us other than through another bank, we

may not cash it if we are not comfortable with the endorsements on it or the identity of the person who presents it. This is especially true with an endorsement in the name of a business entity.

We may require anyone who presents a check for payment in person (other than an account owner presenting a check on his or her own account) to:

- Pay a fee to cash the check if applicable; and
- Give a fingerprint or thumbprint, and identification as a condition of cashing a check.

If the presenter of the check refuses to comply with these requirements, or complies but later asserts that these requirements infringed on their legal rights, you understand and agree that imposing these requirements will not be considered a “wrongful dishonor” of your checks.

Restrictive Legends

We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are “must be presented within 90 days” or “not valid for more than \$1,000.00”

Required Signatures

Signature Comparison. We process certain items mechanically, based on information encoded on checks and other transaction items, and we are not required to examine items and debits drawn on your account. We collect your signature to obtain your agreement to the rules we establish for your account, but this does not create any responsibility on our part to verify signatures on items and other charges to your account.

Number of Signatures. You agree that if you:

1. Have an account in which more than one signature is required to complete a transaction;
2. Authorize someone to transact some but not all transactions on your account;
3. Authorize someone to transact business on your account for limited purposes and no others; or
4. Use checks that require two or more signatures,

Such arrangements are strictly between you and the other person(s) you authorize, whether we have notice of your arrangement (including in a form we provide you) or not. You cannot assert a claim against us for permitting a transaction so long as any one of the owners or authorized persons sign or initiate the transaction, even if a person exercises more authority than you have given.

Endorsement Standards

The payee of a check (the person to whom a check is payable) must sign (endorse) the check on the back in the space shown on the reverse of the check. If a check is transferred to someone else before it gets deposited or cashed, that person (the transferee) may also be required to sign the check.

Every bank that handles a check on its way to the bank that is asked to pay it also has to identify itself on the back of the check. The space for those banks is below the space shown for the payee and other “holders”. When you endorse a check, you must;

- Clearly sign your name;
- Use black or dark blue ink if possible;
- Never use a faint color, like red, pink or any pastel, or a gel ink (these do not copy well);
- Sign near the top of the space provided, or just below any other signature in that space;
- Stay out of the area below the space for endorsers (most check forms have a line separating the endorsement area); and
- Keep any stamp within the area set aside for handwritten signatures.

Insufficient Funds and Overdrafts

“Insufficient funds” means you don’t have enough available funds in your account to pay the withdrawals you are attempting from that account.

An insufficient funds “item” refers to any means by which a withdrawal or transfer can be accomplished from your account and may include any of the following:

- Check,
- Pre-authorized withdrawal,

- Internet bill payment,
- ATM cash withdrawal or ATM card purchase,
- VISA debit card purchase,
- Internet banking transfer,
- telephone transfer, or
- other attempt to get money from your account by any means permitted that we return because it is for more than the available funds you have in your account at the time the transaction is posted to your account.

“Overdraft” means a transaction has caused the available balance on an account to become a negative number. An overdraft can happen, for example, if:

- By writing a check without enough money in a checking account to pay the check, and we decide to cash it;
- By making a withdrawal from your account that exceeds your available balance;
- By making a deposit, withdrawing money based on that deposit, and having that deposit reversed because the deposited item is later returned to us unpaid;
- By withdrawing money from your account and not having enough money left to pay the charges you incur; or
- When money is deposited in your account by mistake, and you withdraw money based on that deposit and the deposit is reversed.

Our Options

You do not have the right to withdraw funds that exceed the available balance on your account. When an item of yours overdraws an account, we can either pay or return the item. You have no right to choose which items we pay or return.

If we get a batch, or multiple batches, of such items in a day (for example, checks, ATM purchase transactions, and VISA debit card purchase transactions typically come in batches), and if one, some or all of them would overdraw the account if paid, we have the right to decide the order of the items we will pay and which items will be returned (if any). This means, for example, we can process items beginning with the largest item (regardless of the type of item), even though it will have the effect of reducing your available balance more quickly.

We have all these options each time you might overdraw an account. What we do one time does not make that a rule you can rely on for the future.

Our Fees

We charge an insufficient funds fee for each withdrawal (e.g., in-person, automatic payment, or other paper or electronic withdrawal transaction) we return because it exceeds your available balance on a given day. An overdraft fee is assessed for each item or transaction we pay that causes the available balance to become negative or occurs while the available balance is negative on the checking account.

Your Responsibilities for Overdrafts

If you have an overdraft, you must deposit enough money into your account to pay the overdraft and the fees we charge, and you must do so immediately. If you share ownership of your account with someone else, you are responsible to us for the overdraft, whether or not you personally caused the overdraft or benefited from it.

ATM and VISA Debit Card Overdraft Coverage

Certain products are subject to a consumer’s election to opt in to ATM and VISA Debit Card Overdraft Coverage. These products include most consumer checking and money market accounts. At Presidio Bank, you will not be charged an overdraft fee for payment of an ATM or everyday (non-recurring) VISA Debit Card transaction in an overdraft status. In limited circumstances, your ATM or every day VISA Debit Card transactions may be processed and your account will result in a negative available balance.

Stop Payments

Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts drawn on your account. Rules for stopping payment on other types of transfers of funds, such

as consumer electronic funds transfers, are covered elsewhere in the Electronic Banking Agreement section. Here is what you must do to stop a payment:

E-Checks

An E-Check is a transaction that starts as a paper check that you give to a merchant. The merchant converts the check, using the information on the paper, to send an electronic message to a bank to immediately take the money from your account. You cannot stop payment of an E-Check transaction, because it is already done.

Electronic Funds Transfers

You can stop payment of certain types of electronic transactions. Please see the Electronic Banking Agreement section of this Agreement for details.

Checks and Drafts

If you want to stop payment of a check, you must stop by or call one of our offices, or enter the stop payment online if the service is available. Writing to us will take too much time and we will not have time to act on your request before the check is paid. We will need the following information:

- The account number the check is written on;
- The check number;
- The dollar amount;
- The date written; and
- The name of the person you wanted to pay.

This information must be exact and correct. If it is not, we will not be responsible if the item is paid. We will eventually need a signed copy of the stop payment which must be delivered to us within 14 days of the request or the request will terminate.

Who can Stop a Payment and for How Long?

1. Any owner can stop payment of any check on the account whether that owner wrote the check or not (and assuming the item can still be stopped).
2. A stop payment order is effective for one year. You must renew it prior to the expiration of the stop payment effective period or the item could get paid. We will not notify you when the stop payment effective period ends.
3. Only the owner who made the stop payment order can release it.
4. You must give us sufficient notice so that we have a reasonable period of time to act upon your request and verify that the item has not been paid.

Effect of a Stop Payment

When you stop payment of a check, you may still be obligated to the payee, and the payee may still have the right to collect on the check or the underlying transaction. If we have to defend ourselves for letting you stop payment on a check, you have to protect us by paying our expenses, including our reasonable attorney's fees.

What if we don't Stop Payment?

We cannot stop payment of a check that has already been paid. If you ask us to stop payment of a check and we pay it anyway, we gain whatever rights the payee has against you. This means, if the check should have been paid, or the payee has the right to collect from you anyway, we can collect from you. Therefore, if we pay an item that should have been stopped, before we recredit your account, you will have to prove to us that by our payment you have suffered a loss and the cause is our failure to stop the payment.

What Kinds of Checks does this not Apply to?

This section does not apply to items not drawn on your account, such as teller's checks, official (cashier's) checks, and accepted checks (e.g., certified checks). We have no responsibility to honor your request to stop payment of items not drawn on your account. If we agree to stop payment on these items, we may require you to provide us with additional security (for example, a bond or collateral) and you agree to indemnify us for any damages and costs we incur as a result of stopping payment of such items.

Fee

To stop a payment you must pay our fee, the amount of which is disclosed in the Miscellaneous Fee Schedule or agreements to your account.

Pledges

Unless we agree otherwise in writing, each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective. For example, if an account has two owners and one of the owners pledges the account (i.e., uses it to secure a debt) and then dies, the surviving owner's rights in this account do not take effect until the debt has been satisfied, and the debt may be satisfied with the funds in this account.

Fiduciary Accounts

Accounts may be opened by a person acting in a fiduciary capacity. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

Statements and Notices

We will periodically make available to you a statement of your checking or savings account showing the transactions that occurred in the period covered by the statement. If you elect to not receive or review your statement, you are still responsible for having access to the information provided in the statement and complying with this section. At our option, a statement will not be sent in any statement period in which service charges, fees, reversals, refunds or interest are the only transactions on the account. When other activity exists, such as a deposit or withdrawal, a statement will be sent and will include all transactions which have occurred since the last statement. At a minimum, all accounts will receive a quarterly statement.

Your duty to report unauthorized signatures, alterations and forgeries and other errors

As used in this section, the term "problem" means any errors, alteration, counterfeit check, or unauthorized transaction (including, but not limited to, forged or missing signatures and excluding consumer electronic banking transactions) related to your account. Because you are in the best position to discover any problem, you agree to promptly examine your statement and report to us any problem on or related to your statement.

You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signature or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstances, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

Errors Relating to Electronic Fund Transfers or Substitute Checks

For information on errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions) refer to your Electronic Fund Transfers and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

Your Address

You must give us your correct address, and if you move or change your address, you must keep us advised. You are responsible for messages, notices and statements we sent to the most recent address you have given us.

If you agree to accept mail electronically, you must give us your accurate email address and keep us up to date with any changes to your address. You are responsible for keeping your email functioning properly, or advising us if it does not work so we can make substitute arrangements.

Multiple Owners

Periodic statements and notices that we make available to one owner or agent of an account will be the same as providing statements and notices to all owners of an account. You have the ability to designate the primary owner for purposes of receiving statements and other account correspondence.

Closing Your Account

If you intend to close your account with us, you should tell us; simply transferring all the money in your account and reducing your account to \$0.00 is insufficient notice and may result in additional fees charged to your account.

If you close your account,

1. You are still responsible for transactions you arranged for; including those that arrive after the account is closed;
2. You should pay special attention to pre-authorized electronic deposits to your account and payments from that account; you should reroute the deposits to another account and make other arrangements for the payment, with us and the other institutions involved;
3. You should not close your account until all the transactions you arranged for have been cleared and you should leave enough funds to clear them and the fees that might be due; and
4. If it is an interest-bearing account, accrued interest will not be paid.

We can close your account for any reason or for no reason at all. If we close your account, we will send you notice within ten days after closing and/or indicate the closure on your next account statement. We will send the collected account balance to you at your last known address as reflected in our account records, after withholding a sufficient sum to cover any outstanding items and likely fees. If we withheld any money for such contingencies, we will refund that to you after we are satisfied that no further withholding is necessary.

Check 21

Check processing is getting faster as banks begin to process checks “electronically.” We are required by law to provide the notice in the following section (“Substitute Checks and Your Rights”), which explains the difference between your original check (which might not be returned) and a substitute check, and your rights in the event the substitute check causes a loss that would have been avoided if the original check was still available.

Substitute Checks and Your rights

As our customer we think it’s important for you to know about substitute checks. The following Substitute Check Disclosure provides information about substitute checks and your rights.

What is a substitute Check?

To make check processing faster, federal law permits banks to replace original checks with “substitute checks.” These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: “This is a legal copy of your check. You can use it the same way you would use the original check”. You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What are my rights regarding substitute checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How do I make a claim for a refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at:

Presidio Bank

One Montgomery Street, Suite 2300, San Francisco, CA 94104

By Calling: (415) 229-8400

You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

1. A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
2. An estimate of the amount of your loss;
3. An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
4. A copy of the substitute check or the following information to help us identify the substitute check: the check number, the amount of the check, the date of the check, and the name of the person to who you wrote the check.

Lost, Destroyed, or Stolen Certified, Cashier's, or Teller's Checks

Under some circumstances you may be able to assert a claim for the amount of a lost, destroyed, or stolen certified, cashier's or teller's check. To assert the claim:

1. you must be the remitter (or drawer of a certified check) or payee of the check,
2. we must receive notice from you describing the check with reasonable certainty and asking for payment of the amount of the check
3. We must receive the notice in time for us to have a reasonable opportunity to act on it, and
4. You must give us a declaration (in a form we require) of your loss with respect to the check.

You can ask us for a declaration form. Even if all of these conditions are met, your claim may not be immediately enforceable. We may pay the check until the ninetieth (90th) day after the date of the check (or date of acceptance of a certified check). Therefore, your claim is not enforceable until the ninetieth day after the date of the check or date of acceptance, and the conditions listed above have been met. If we have not already paid the check, on the day your claim is enforceable we become obligated to pay you the amount of the check. We will pay you in cash or issue another certified check.

At our option, we may pay you the amount of the check before your claim becomes enforceable. However, we will require you to agree to indemnify us for any losses we might suffer. This means that if the check is presented after we pay your claim, and we pay the check, you are responsible to cover our losses. We may require you to provide a surety bond to assure that you can pay us if we suffer a loss.

Dormant Accounts and Escheat

A dormant account is an account that has been inactive. Generally, subject to state law, “inactive” means there has been no deposit, withdrawal or other communication from you about the account for the period of time as follows:

1. 12 months for a checking account;
2. 24 months for a savings account including those that offer limited (no more than six per month) check writing options.

This does not apply to a time deposit (certificate of deposit) unless it is mature and does not renew. It will then be converted to a savings account.

If your account has a zero balance, we reserve the right to close it.

Escheat is the term that is used to describe the process of transferring an account balance to the state government after an account has been dormant for a long time and if our attempts to find you fail. Once the funds are transferred to the state, you may be able to recover such from the state itself, but not from us.

Consumer Electronic Check Representation

If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, the depositor of the check or the depositor’s bank may resend (“represent”) the check to us electronically. That is, the depositor or the depositor’s bank may send us an electronic instruction (“electronic represented check”) to charge your account in the amount of the check.

Our handling of Electronic Represented Checks

If we receive an electronic represented check from the depositor or the depositor’s bank, we will pay or return the electronic represented check as if the original paper check were being represented to us. The section titled “Electronic Fund Transfer” will not apply to any electronic represented check.

Ineligible or Unauthorized Electronic Represented Checks

For an electronic represented check to be charged to your account, all of the following must be true:

- The electronic represented check must relate to a paper check drawn on a personal account that we returned unpaid because of insufficient or uncollected funds;
- The paper check must not have contained an unauthorized signature or an alteration and must not have been a counterfeit;
- You must not have placed a stop payment on the paper check after we returned it unpaid but before it was collected electronically;
- The paper check must have been less than \$2,500 in amount;
- The paper check must have been dated 180 days or less before the date on which the electronic represented check is sent to us;
- The electronic represented check must be for the face amount of the paper check only and may not include any collection fee charged by the depositor, the depositor’s bank, or a collection agency;
- The payee of the paper check must have given you notice that, if we returned the paper check unpaid because of insufficient or uncollected funds, the fee could be collected electronically; and
- The electronic represented check must have been sent to us no more than twice after the first time we returned the paper check, or no more than once after the second time we returned the paper check.

You may have the right to reverse any ineligible or unauthorized electronic represented check that we charged to your account. If you want to reverse an electronic represented check because you placed a stop payment on the paper check to which the electronic represented check relates after we returned the paper check unpaid but before it was collected electronically, you must notify us within 15 days after we send or make available to you the periodic statement that reflects payment of that electronic represented check. If you want to reverse an electronic represented check for any other reason, you must give us an ACH Claim Form within 15 days after we send or make available to you the periodic statement that reflects payment of that electronic represented check. An ACH Claim Form may be obtained by contacting your branch. In your claim form, you must declare and swear under oath that the electronic

represented check was ineligible or unauthorized. If we receive your notice or claim form within the 15-day period, we will recredit your account with the amount of the charge but will not be responsible for any other damages associated with the transaction.

Stop Payment

If you wish to stop payment of any electronic represented check, you must follow the procedures contained in the rules for stopping payment of checks, not the procedures contained in the rules for stopping payment on electronic loan or bill payments.

Electronic Messages and Agreements

Many clients use the Internet and email as their primary form of communication with us. For example, we offer Internet Banking and the ability to obtain periodic account statements online.

You agree that we may make agreements with you by electronic means. You authorize and consent to such an agreement with you by electronic means. Your authorization and consent to such an agreement, or your delivery of instructions, may be made by use of certain numbers, codes, marks, signs, personal identification numbers (PINs), public or private keys or other means, acceptable to you and to us, to establish your identity and acceptance of the electronic communications. All electronic communications that meet these requirements will be deemed to be valid and authentic and you intend and agree that those electronic communications will be given the same legal effect as written paper communications signed by you. You agree that electronic copies of communications are valid and you will not contest the validity of the originals or copies, absent proof of altered data or tampering.

You are not required to accept electronic communications; we want you to be aware that this is an option for you to accept. We will never ask you for sensitive account information, such as, passwords, PINs, Social Security numbers or account numbers via email.

Levies, Garnishments and Other Legal Process

You understand and agree that a creditor or governmental agency may attach your account by service of legal process on any branch or at any site designated by us for acceptance of service of process on our behalf.

If we are served with a garnishment, levy, execution, or other legal process of apparent validity (together referred to as "legal process"), we will pay all amounts in the account in satisfaction of the legal process. If your account is a joint account, unless expressly prohibited by law, we will pay all amounts in the account in satisfaction of any legal process, even if it attaches to the interest of fewer than all the account holders. You agree that we may process a levy, garnishment, or other legal process served on us even if we do not process it on the same day it was received.

If we are served with any legal process that tries to attach or in some way prevent you from freely using your funds, you give us the right to hold any portion of the funds during any time necessary to determine to our satisfaction who has the legal right to the funds. If we are not able to determine whether the funds are subject to the legal process, you agree that we may deposit the funds with a court in the location of the branch where the legal process against your account was deemed served and ask the court to determine to whom the funds belong. You consent to the jurisdiction of such court to determine the legal right to the funds in your account and agree to reimburse us for our expenses, including attorney's fees and expenses, arising out of the service of the legal process on us and our response to it.

All legal process is subject to our right of setoff and our security interest in your account. We will assess a service fee against your account for any legal process served on us regardless of whether the process is subsequently released. Unless expressly prohibited by law, we will set off or enforce our security interest against your account for such fee prior to our honoring the legal process. We will not be liable to you if an attachment, a hold, or the payment of our fee from your account leaves insufficient funds to cover outstanding items. You agree to hold us harmless from any claim relating to or arising out of how we handle a legal process.

Resolving Account Disputes and Adverse Claims

If a dispute arises concerning your account (including, for example, a dispute over who is an authorized signer or owner), or if we believe we have a claim against you or we have or receive a claim by a third party to all or a portion of the funds in your account, or if we have concerns regarding your account or the use of your account, we have the right to hold any portion of the funds in your account until the dispute, claim, or concern is resolved to our satisfaction. If the dispute, claim or concern remains unresolved, you agree that we may at our option deposit the funds in your account with a court and ask the court to determine to whom the funds belong. We will not be liable to you if the hold we place on your account leaves insufficient funds to cover outstanding items. You agree to reimburse us for our expenses, including attorney's fees and expenses, arising out of any dispute, claim, or concern and our response to it.

Setoff

We have the right under law to set off amounts you owe us against your accounts with us. In addition to this legal right, you give us the contractual right to, without demand or prior notice, apply all or part of the funds in your accounts, including, unless expressly prohibited by law, joint accounts, with us, against any debt any one or more of you owe us. This includes, for example, debts that now exist and debts that you may incur later, your obligations under a guaranty, and also includes all fees you owe us. If the debt arises from a note, the term "debt" means the total amount on which we would be entitled to demand payment after a default under the note. Your accounts include, for example savings, transaction and time deposit accounts that have not matured.

Our contractual right of setoff does not apply:

1. To an account that is an IRA or other tax-deferred retirement account;
2. To a debt that is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest); or
3. If our records demonstrate to our satisfaction that the right of withdrawal that a depositor/debtor has with us only arises in a representative capacity (for example, only as an authorized signer, attorney-in-fact or a fiduciary).

This right if setoff is in addition to, but behind (subordinate to) any security interest that we might have in your deposit account.

Security Interest in Accounts

You grant to us a security interest in all your accounts with us, to secure any amount you owe us, now or in the future.

We may enforce our security interest without demand or prior notice to you. We will not be liable to you if enforcing our security interest against your account(s) leaves insufficient funds to cover outstanding items or other obligations.

You agree to hold us harmless from any claim arising as the result of our security interest in, or enforcement of our security interest against, your account.

Security Measures

It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your account(s). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give him or her full use of your money.

If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account. If you provide your account number in response to a telephone solicitation for the purpose of making a transfer (to purchase a service or merchandise, for example), payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your

checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

We reserve the right to place a hold on your account if we suspect irregular, fraudulent, unlawful or other unauthorized activity involved with your account. We may attempt to notify you of such a hold, but we are not required to provide notice prior to placing the hold. You agree that we may maintain such a hold until all claims against you or us to the funds held in your account, whether civil or criminal in nature, have been resolved fully in our sole satisfaction.

Information about Interest Bearing Accounts

Presidio Bank offers Interest Bearing Accounts in the form of Certificates of Deposit, Checking Accounts, Savings Accounts and Money Market Accounts. Interest Bearing Accounts are subject to certain restrictions and limitations as further described in this Agreement.

Annual Percentage Yield

The Annual Percentage Yield (APY) is the total amount of interest paid on an account based on the interest rate and frequency of the compounding over a 365-day period, and is expressed as a percentage. Both the interest rate and APY can change from time to time, at our discretion.

Compounding/Interest Calculations

Interest on your Interest Bearing Account will be compounded daily with interest credited to your account in accordance with the type of account selected. Interest is calculated using a 365/365 (366/366 day in leap year) accrual basis.

Fixed and Variable Interest Rates

Interest on Interest Bearing Accounts varies depending on the account selected; Fixed Rate accounts will offer an interest rate that will not be subject to change for a specified term, while Variable Rate accounts are subject to change as often as daily. Current interest rate information on Fixed Rate and Variable Rate accounts is available at any Presidio Bank location.

Federal Reserve Board Regulation D

Limitations on Money Market Accounts and Savings Accounts: No more than a total of six (6) transfers/withdrawals (including telephone, pre-authorized transfers, check, draft, or point of sale) made by the depositor and payable to third parties may be made from your account during each monthly statement cycle. The date we receive the instrument for payment is considered the date of transfer/withdrawal. Withdrawals (payments directly to the depositor) or inter-account transfers from savings and Money Market Accounts by mail, in person at one of our offices, and through an ATM are unlimited and not subject to the 6 transfer/withdrawal limit. In addition, we permit unlimited transfers from savings and Money Market Accounts to pay loans made by the Bank.

Each time a transfer is paid against your account in excess of those allowed by federal regulation, you will be assessed an Excess Transfer Charge. If you exceed the transfer limits set by federal regulations, we will notify you in writing. If you frequently exceed these limits, we have the option to either convert your account to one that is not subject to limits on transfers, or close your account. You will be notified of our intended action at least 30 days in advance. For more additional information please refer to the applicable fee schedule for limited and unlimited transactions and all other miscellaneous charges which may apply to this account.

Cancelled Checks

Physical paid checks are not provided with monthly statements; only copies via check imaging will be included.

E-Statement (Electronic Statement via Online Banking)

With E-Statement, you are able to access your bank statement through Online Banking via the Bank's website, www.presidiobank.com. This statement also provides images of your checks that have been processed to your account.

Note: You agree to inspect your E-Statement as soon as you receive them and report any irregularities to us immediately.

Safety at the ATM

Please read the following important suggestions when using an ATM:

About Your ATM and Personal Identification Number:

- Always keep your ATM card in a safe place;
- Contact us immediately if your card is lost or stolen;
- Never give your PIN number to anyone and never write your PIN number down on the back of your ATM card;
- Never give out information about your ATM card or PIN to anyone, especially over the phone.
- Contact the Bank immediately if any one tries to extract information about your PIN or your card.

When using an ATM remember to:

- Always be aware of your surroundings;
- If using an enclosed ATM, completely close all doors;
- Secure your cash and card immediately;
- Count your money only when you are in the safety of a locked car, or at home;
- Shield the keypad when entering your PIN;
- Lock all passenger doors and roll up windows when using a Drive-Through ATM.

PRIVACY POLICY STATEMENT

FACTS	WHAT DOES PRESIDIO BANK DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security Number • Account Balances and Payment History • Credit History and Credit Scores <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>	
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Presidio Bank chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does Presidio Bank share?	Can you limit this sharing?
For our everyday business purposes – Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – To offer our products and services to you	No	We do not share your information
For joint marketing with other financial companies	No	We do not share your information
For our affiliates' everyday business purposes –	No	We do not share your

Information about your transactions and experiences		information
For our affiliates' everyday business purposes – Information about your creditworthiness	No	We do not share your information
For our affiliates to market to you	No	We do not share your information
For nonaffiliates to market to you	No	We do not share your information

Questions?	Call 415-229-8400 or go to www.presidiobank.com
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Who we are	
Who is providing this notice?	Presidio Bank

What we do	
How does Presidio Bank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings
How does Presidio Bank collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • Open an account or deposit money • Pay your bills or apply for a loan • Use your ATM/ Debit card <p>We also collect your personal information from others, such as credit bureaus or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes – information about your creditworthiness • Affiliates from using your information to market to you • Sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing (See below for more on your rights under state law.)</p>

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you

Other important information	
<p>The Bank will comply with the requirements of the California Financial Information Privacy Act (Division 1.2). Except as provided in certain Sections of the Act, Presidio Bank will not sell, share, transfer, or otherwise disclose nonpublic personal information to or with any nonaffiliated third parties without your explicit prior consent. "Nonaffiliated third party" means any entity that is not an affiliate of, or related by common ownership or affiliated by corporate control with, the financial institution, but does not include a joint employee of that institution and a third party.</p>	

ELECTRONIC BANKING AGREEMENT FOR CONSUMER CLIENTS

This section applies to payment orders and funds transfers governed by the Electronic Fund Transfer Act.

Electronic Fund Transfers – Your Rights and Responsibilities

Indicated below are types of Electronic fund Transfers we are capable of handling, some of which may not apply to your account. Please read the disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

Electronic Fund Transfers Initiated By Third Parties

You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and bank information. This information can be found on your checks. Thus, you should only provide your bank and account information (whether over the phone, the Internet, or via some other method) to trusted third parties who you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your checking or savings account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your checking or savings account(s).
- **Electronic check conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.
- **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

Please also see *Limitations on frequency of transfers* section regarding limitations that apply to telephone transfers.

ATM Transfers

Intercept, Plus, or Interlink Networks – types of transfers and dollar limitations – you may access your account(s) by ATM using your VISA Debit Card and personal identification number, to:

- Get cash withdrawals from checking or savings account(s) with a debit card – you may withdraw no more than \$510.00 per day
- Transfer funds from savings to checking account(s) with a debit card
- Transfer funds from checking to savings account(s) with a debit card
- Get information about the account balance of your checking or savings account(s) with a debit card

Some of these services may not be available at all terminals.

Please also see *Limitations on frequency of transfers* section regarding limitations that apply to ATM transfers.

Types of VISA Debit Card Point-of-Sale Transactions

You may access your checking account(s) to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

Point-of-Sale Transactions

Dollar limitations – using your card:

- You may not exceed \$2,500.00 in transactions per day

Please also see *Limitations on frequency of transfers* section regarding limitations that apply to debit card transactions.

Currency Conversion and International Transactions

When you use your VISA Debit Card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected applicable central processing date, which rate may vary from the rate VISA itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

VISA USA charges us an, 8% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, the International Service Assessment is 1% of the transaction. In either case, we pass this international transaction fee on to you. An international transaction is a transaction where the country of the merchant is outside the USA.

Advisory Against Illegal Use

You agree not to use your card(s) for illegal gambling or any other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located; therefore, we reserve the right to decline all online (Internet) gambling transactions.

Non-Visa Debit Transaction Processing

We have enabled non-Visa debit transaction processing. This means you may use your VISA Debit Card on a PIN-Debit Network* (a non-Visa network) without using a PIN. The non-Visa debit network(s) for which such transactions are enabled are: PULSE Network.

Examples of the types of actions that you may be required to make to initiate a Visa transaction on your VISA Debit Card include signing a receipt, providing a card number over the phone or via the Internet, or swiping the card through a point-of-sale terminal.

Examples of the types of actions you may be required to make to initiate a transaction on a PIN-Debit Network include initiating a payment directly with the biller (possible via telephone, Internet, or kiosk locations), responding to a logo displayed at the payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through use of a PIN.

The provisions of your agreement with us relating only to Visa transactions are not applicable to non-Visa transactions. For example, the additional limits on liability (sometimes referred to as Visa's zero-liability program) and the streamlined error resolution procedures offered on Visa debit card transactions are not applicable to transactions processed on a PIN-Debit Network.

*Visa Rules generally define **PIN-Debit Network** as a non-Visa debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card program.

Computer Transfers – Types of Transfers

You may access your account(s) by computer through the Internet by logging onto our website at www.presidiobank.com and using your user identification and your password, to:

- Transfer funds from checking to savings
- Transfer funds from checking to money market
- Transfer funds from savings to checking
- Make payments from check or savings to loan account(s) with us
- Make payments from checking to third parties
- Get information about the account balance and transaction history of checking or savings account(s)

Please refer to the Online Banking Agreement for additional information.

Please also see *Limitations on frequency of transfers* section regarding limitations that apply to computer transfers

Limitations on frequency of transfers

In addition to those limitations on transfers elsewhere described, if any, the following limitations apply:

- Transfers from a money market account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer or by check, draft, or similar order to third parties are limited to six per monthly statement cycle.
- Transfers from a savings account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer are limited to six per month with no transfers by check, debit card or similar order to third parties.

Fees

- We do not charge for direct deposits to any type of account.
 - We do not charge for preauthorized payments from any type of account.
- Except as indicated elsewhere, we do not charge for these electronic fund transfers.

ATM Operator/Network Fees

When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

Documentation

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (415) 229-8400 to find out whether or not the deposit has been made.
- **Periodic statements.** You will get a monthly account statement from us for your checking accounts. You will get a monthly account statement from us for your savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

Preauthorized Payments

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Call or write us at the telephone number or address listed in this brochure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

Please refer to our separate fee schedule for the amount we will charge you for each stop-payment order you give.

- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you. 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Electronic Funds Transfer - Financial Institution's Liability

If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. If you have an overdraft line and the transfer would go over the credit limit.
3. If the automated teller machine where you are making the transfer does not have enough cash.
4. If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
5. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.

6. There may be other exceptions stated in our agreement with you.

Confidentiality

We will disclose information to third parties about your account or the transfers you make:

1. Where it is necessary for completing transfers; or
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. In order to comply with government agency or court orders; or
4. If you give us written permission.

Unauthorized Transfers

(a) Consumer liability

Generally. Tell us at once if you believe your code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you believe your code has been lost or stolen, and you tell us within 2 business days after you learn of the loss or theft of your code, you can lose no more than \$50 if someone used your code without your permission. Also, if you do NOT tell us within 2 business days after you learn of the loss or theft of your code, and we can prove we could have stopped someone from using your code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers made with your code that you did not make, including those made by code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

Limited Liability for VISA Debit Card. Your liability is further limited if your card can be used to initiate a transaction for which you are not required to provide identifying information, such as a Personal Identification Number. You could lose all the money in your account. Your liability for the unauthorized use of your card will be no more than \$50 if you notify us of the unauthorized use.

In addition, when used in point-of-sale transactions, and unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions if your card is lost or stolen. This limit on liability does not apply to ATM transactions or to transactions using your PIN which are not processed by VISA®

If you fail to notify us of an unauthorized use that appears on a periodic statement within 60 days of our transmittal of the statement, and we can establish that we could have prevented the unauthorized use if you had notified us within this period, you will be liable for each unauthorized transfer (other than VISA® point-of-sale transactions) that occurs after the close of the 60 days and before you give us notice.

If you fail to notify us because of extenuating circumstances beyond your control that contributed to your delay in notifying us, such as a serious physical impairment or hospitalization, this time period may be extended.

(b) Contact in event of unauthorized transfer

If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this brochure. You should also call the number or write to the address listed in this brochure if you believe a transfer has been made using the information from your check without your permission.

Error Resolution Notice

In Case of Errors or Questions about your electronic transfers, call or write us at the telephone number or address listed in this brochure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appears.

1. Tell us your name and account number (if any)
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.

3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (5 business days for VISA Debit Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for VISA Debit Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before the account is opened.

We will call you with the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

FUNDS AVAILABILITY POLICY DISCLOSURE

Your Ability to Withdraw Funds

This policy statement applies to checking and savings accounts. Funds “availability” means your ability to withdraw funds from your account, whether those withdrawals are to be in cash, by check, automatic payment, or any other method we offer you for access to your account. If deposited funds are not “available” to you on a given day, you may not withdraw the funds in cash and we may not use the funds to pay items that you have written or honor other withdrawals you request. If we pay items that you have written or honor other withdrawals before funds are available to you, we may charge a fee for this. Please remember that even after the item has “cleared,” we have made funds available to you, and you have withdrawn the funds, you are still responsible for items you deposit that are returned to us unpaid and for any other problems involving your deposit. Our policy is generally to make funds from your check deposits available to you the first Business Day after which your deposit is deemed received. Cash, electronic direct deposits and wire transfers will be available on the effective date of 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, point of sale purchases, and pre-authorized debits.

For determining the availability of your deposits, every day is a Business Day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 4:00 p.m. in any Presidio Bank Branch on a Business Day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 4:00 p.m. Pacific Time Zone, or on a non-Business Day or on a day we are not open, we will consider that the deposit was made on the next Business Day we are open.

Notwithstanding the above, we may subsequently place or extend a hold on your deposit as described below (see *Longer Delays May Apply*), even if you are not notified at the time of your deposit that a hold is being placed, or if we have expressly told you we are not placing a hold at the time of the deposit.

Deposits Received by Mail

If you mail funds to us for deposit, funds received before 4:00 p.m. local time are deemed deposited on the Business Day the funds are received by us. Funds received after 4:00 p.m. local time are deemed deposited on the next Business Day.

Longer Delays May Apply

Case-by-Case Delays

In some cases, we will not make all of the funds that you deposit by check available to you as set forth above. Unless a longer delay applies, depending on the type of check that you deposit, funds may not be available until two (2nd) Business Days after the day we deem your deposit received. The first \$200.00 of your deposits, however, will be available the day your deposit is deemed received.

If we are not going to make all of the funds from your deposit available as set forth above, except for foreign items, generally we will notify the person making the deposit at the time of a deposit if such deposit is made directly with an employee of Presidio Bank. We will also tell the person making the deposit when the funds will be available. If the deposit is not made directly to one of our employees, or if we take this action after the person making the deposit has left the premises, we will mail you the notice by the following Business Day after the deposit is deemed received. If you will need the funds from the deposit right away, you should ask us when the funds will be available.

Safeguard Exceptions

In addition, funds deposited by check may be delayed for a longer period under the following circumstances:

- We believe the check you deposit will not be paid.
- You deposit checks totaling more than \$5,000.00 on any given day.
- You deposit foreign items.
- 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 computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons and (except foreign items) we will tell you when the funds will be available. They will generally be available no later than the seventh (7th) Business Day after the day your deposit is deemed received (except for foreign items).

Holds on Other Funds

If we cash a check for you that is drawn on another bank, we may withhold availability of a corresponding amount of funds that are already in your account. Those funds will be held as if you had deposited the items subject to our hold policies.

Special Rules for New Accounts

If you are a new customer, the following special rules will apply during the first thirty (30) calendar days your account is open. Funds from electronic direct deposits and deposits of cash and wire transfers to your account will be available on the day we receive the deposit. The first \$5,000.00 of a day's total deposits of cashier's, certified, teller's, traveler's, on-us checks (checks drawn on Presidio Bank), and federal, state and local government checks also will be available on 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 the deposit is made in person to one of our employees). The excess over \$5,000.00 of these checks will be available on the fifth (5th) Business Day after the day of your deposit. If your deposit of these checks (other than U.S. Treasury checks) is not made in person to one of our employees, the first \$5,000.00 will not be available until the second (2nd) Business Day after the day of your deposit. Funds from all other check deposits will generally be available on the fifth business day after the day of your deposit. In certain instances, we may hold funds from other check deposits for longer than five business days. For example, if we receive a check that falls within the Safeguard Exceptions description above, we may delay funds for up to seven business days. If we do so, we will provide you with a hold notice at the time of deposit or when we learn that we will hold the funds from the deposit.

BUSINESS ACCOUNT ISSUES

All other sections of this booklet apply to consumer and business accounts alike, (except when a rule specifically says it will apply to consumers). The next section applies to accounts used primarily for business purposes.

Fictitious Business Name Accounts

If you hold an account under a fictitious name, each of you represents that one or more of you have the right to use that name and have fulfilled all the legal requirements for using the name and doing business under that name. "Fictitious business name" means, in the case of an individual, a name that does not include the surname (last) of the individual or that suggests the existence of additional owners (e.g., & Company). In the case of a partnership, other than a limited partnership, a name that does not include the surname of each general partner or a name that suggests the existence of additional owners is

a fictitious business name. In the case of a corporation, any name other than the corporate name stated in its articles of incorporation is a fictitious business name. In the case of a limited partnership or a limited liability company, any name other than the name of the limited partnership or limited liability company on file with the Secretary of State is a fictitious business names.

Facsimile Signatures

You may wish to use a facsimile signature stamp or other mechanical signature device to sign checks or other orders relating to your accounts. If you do, we will, without contacting you, debit your account for items bearing an imprint that looks substantially like your authorized mechanical signature, whether or not such items bear the actual facsimile signature stamp. You agree to notify us and give us a sample imprint if you plan to use such a device. If you do not give us a sample, this section will apply to your use of the device. You are responsible for the security of any mechanical signature device. We will not be responsible for payment of unauthorized items bearing an imprint from, or similar to, your authorized mechanical signature.

Deposit of Pre-Authorized Drafts

A pre-authorized draft is an arrangement whereby you get authority from a person (a customer, usually) to access a deposit account owned by that person to pay a debt that person owes you. You deposit these “drafts” into a deposit account with us, and we collect them from your customers, who may have accounts with us or other banks (These “drafts” are checks you create based on information your customer provides you, such as the customer’s name and account number, and the express permission your customer gave you to draw on his account.)

When you deposit these pre-authorized drafts, you make the following agreements and warranties:

1. You have express, verifiable and binding authorization from your customer to access his, her or its account for the amount you ask us to collect.
2. You will keep the proof of your authorization in retrievable form for not less than two years from the date of the authorization and provide us with such proof upon our request;
3. We may reverse any credit given to you for any draft deposited to your account and returned to us regardless of when it is returned or the reason for the return. We may take funds in your account to pay the amount you owe us, and if there are insufficient funds in your account, you will still owe us the remaining balance.

Earnings Credit

Fees for services used by you may be assessed in full to your accounts or may be offset through account analysis by applying earnings credit to your service charges to determine a single monthly net service charge.

Your earnings credit rate is established by us and will change from time to time. Your net service charge could be zero if your earnings credit equals or exceeds your total charges in a given month. Federal law prohibits us from paying excess earnings credit to you. If your earnings credit is not sufficient to offset the amount due hereunder, you agree to pay such amounts to us upon demand.

Business Checking and NOW Accounts

Federal regulations generally limit business enterprises to non-interest-bearing checking accounts (“Business Checking” accounts), with a few exceptions. Sole proprietors, government agencies and nonprofit business enterprises may open transaction accounts (“Business NOW” accounts) on which you can write negotiable orders of withdrawal, and theoretically earn interest. Negotiable orders of withdrawal look and function like checks, and the rules governing checks also apply to them. Although we generally do not exercise this right, federal regulation requires that we reserve the right to require at least 7 days’ written notice prior to withdrawal or transfer of any funds in your Business NOW account.

Truncation, Substitute Checks, and Other Check Images

If you truncate an original check and create a substitute check or other replacement document, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment

obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our internal policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

Deposit Preparation, Sorting, and Endorsements

You agree to properly prepare, sort, and endorse all deposits according to requirements specified in any applicable user guides and Federal Regulation CC. You agree to indemnify us for any loss we incur that result from your failure to comply with these requirements.