

# DEPOSIT ACCOUNT DISCLOSURES

This package contains the following documents:

- Notice of Change in Terms
- Corporate Banking Standard Fee Disclosures
- Account Agreement and Disclosures for Corporate Accounts
- Corporate Banking Overdraft Protection
- Treasury Management Services Disclosures and Agreement

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# NOTICE OF CHANGE IN TERMS

## EFFECTIVE JUNE 1, 2024, UPDATES AND CLARIFICATIONS ARE BEING MADE TO THE FOLLOWING ACCOUNT DISCLOSURES:

- *Account Agreement and Disclosures*
- *Account Agreement and Disclosures (for Corporate Accounts)*
- *Business Electronic Funds Transfer Agreement and Disclosures*
- *Consumer Electronic Funds Transfer Agreement and Disclosures*
- *Treasury Management Services Disclosure and Agreement*

Please review these changes carefully and file this Notice of Change in Terms for future reference. All other terms and conditions remain unchanged. If you have questions about any of these changes, or to request a copy of any agreement or disclosure, please call us at (800) 773-7100 to speak with a Client Services Specialist.

## ACCOUNT AGREEMENT AND DISCLOSURES

The **International Wire Transfers** subsection within the **General Account Information and Terms** section will include the following fourth paragraph:

In the event that your international wire transfer requires you to contact our trade desk (in a method acceptable to us) to lock in a rate for you, please note that you are contractually bound by the rate and notional amount accepted by you and you are irrevocably obligated to submit your payment using the rate before the applicable wire cut-off time. If you fail to send the wire transfer by the applicable wire cut-off time, and we have to unwind and cover our position in the market with respect to the related transaction at a time of negative market movement, you are responsible to us for the potential loss. We may require additional information, acknowledgments or documentation in order to process your request.

## ACCOUNT AGREEMENT AND DISCLOSURES (FOR CORPORATE ACCOUNTS)

The **International Fund Transfers Currency Conversion and Exchange Rate Risk** subsection within the **General Account Information and Terms** section will include the following third paragraph:

In the event that your international fund transfer requires you to contact our trade desk (in a method acceptable to us) to lock in a rate for you, please note that you are contractually bound by the rate and notional amount accepted by you and you are irrevocably obligated to submit your payment using the rate before the applicable cut-off time. If you fail to send the fund transfer by the applicable cut-off time, and we have to unwind and cover our position in the market with respect to the related transaction at a time of negative market movement, you are responsible to us for the potential loss. We may require additional information, acknowledgments or documentation in order to process your request.

## BUSINESS ELECTRONIC FUND TRANSFER AGREEMENT AND DISCLOSURES

The subsection titled **Preauthorized Transfer Transactions**, within the **Business Electronic Funds Transfer Agreement and Disclosure** section is being amended to include the following second paragraph:

The following terms also apply to ACH transactions to or from your account that are transmitted through an ACH: (i) your rights as to payments to or from your account will be governed by the laws that govern your account; (ii) credit given by a receiving bank to its customer for a payment from your account is provisional until final settlement has been made or until payment is considered received under the laws that govern your Account; (iii) if a final settlement or payment is not made or received, the receiving bank will be entitled to a refund from its customer and you, as the originator of the payment, will not be considered to have paid your customer; (iv) if a payment is made to your account and we do not receive final settlement or payment is not received under the laws governing the account, you will not be considered to have received payment and we will be entitled to reimbursement from you for that payment, and the originator of the payment will not be considered to have paid the amount of the ACH credit entry to you; and (v) you hereby authorize any Origination Depository Financial Institution to initiate pursuant to NACHA Rules, ACH debit entries to your account for electronic presentment or representation of items written or authorized by you.

The **ACH Provisional Payment Rule** subsection within the **Other Electronic Fund Transfers** section is being amended to state:

In the event final settlement is not received by a beneficiary's bank for a payment order transmitted through an Automated Clearing House, the beneficiary's bank is entitled to recover from the beneficiary any provisional credit given. If a payment is made to your account through an ACH and we do not receive final settlement or payment is not received under the laws governing the account, you will not be considered to have received payment and we will be entitled to reimbursement from you for that payment. Therefore, any transfer of funds you receive through an ACH is provisional and you must repay the funds if we do not receive final settlement.

Also, all references to Minnesota accounts are being removed.

## CONSUMER ELECTRONIC FUND TRANSFER AGREEMENT AND DISCLOSURES

The subsection titled **Preauthorized Payments**, within the **Consumer Electronic Funds Transfer Services** section is being amended to include the following second paragraph:

The following terms also apply to ACH transactions to or from your account that are transmitted through an ACH: (i) your rights as to payments to or from your account will be governed by the laws that govern your account; (ii) credit given by a receiving bank to its customer for a payment from your account is provisional until final settlement has been made or until payment is considered received under the laws that govern your Account; (iii) if a final settlement or payment is not made or received, the receiving bank will be entitled to a refund from its customer and you, as the originator of the payment, will not be considered to have paid your customer; (iv) if a payment is made to your account and we do not receive final settlement or payment is not received under the laws governing the account, you will not be considered to have received payment and we will be entitled to reimbursement from you for that payment, and

the originator of the payment will not be considered to have paid the amount of the ACH credit entry to you; and (v) you hereby authorize any Origination Depository Financial Institution to initiate pursuant to NACHA Rules, ACH debit entries to your account for electronic presentment or representation of items written or authorized by you.

The **Other Fund Transfers** section is being amended to include this new subsection:

#### **ACH PROVISIONAL PAYMENT RULE**

In the event final settlement is not received by a beneficiary's bank for a payment order transmitted through an Automated Clearing House, the beneficiary's bank is entitled to recover from the beneficiary any provisional credit given. If a payment is made to your account through an ACH and we do not receive final settlement or payment is not received under the laws governing the account, you will not be considered to have received payment and we will be entitled to reimbursement from you for that payment. Therefore, any transfer of funds you receive through an ACH is provisional and you must repay the funds if we do not receive final settlement.

Also, all references to Minnesota accounts are being removed.

#### **TREASURY MANAGEMENT SERVICES DISCLOSURE AND AGREEMENT**

The Automated Clearing House (ACH) Service section is being amended to include the following new paragraph:

The following terms also apply to Entries to or from your Account that are transmitted through an ACH: (i) your rights as to payments to or from your Account will be governed by the laws that govern your Account; (ii) credit given by a receiving bank to its customer for a payment from your Account is provisional until final settlement has been made or until payment is considered received under the laws that govern your Account; (iii) If a final settlement or payment is not made or received, the receiving bank will be entitled to a refund from its customer and you, as the originator of the payment, will not be considered to have paid such customer; (iv) if a payment is made to your Account and we do not receive final settlement or payment is not received under the laws governing the Account, you will not be considered to have received payment and we will be entitled to reimbursement from you for that payment; and (v) you hereby authorize any Origination Depository Financial Institution to initiate pursuant to ACH Operating Rules, ACH debit entries to your Account for electronic presentment or representation of items written or authorized by you.

The **Service Terms and Conditions** section will include the following new subsection:

##### **City Image Service**

This Service allows you to receive certain account transaction information on a CD-ROM and consists of two offerings: City Image Items and City Image Items and Statements. The Service requires a computer running the Windows® operating system, a CD-ROM drive running at 8x speed or greater and Adobe Acrobat® Reader. You agree to install the required Security Passkey on each computer to be used to view the CD-ROM. The Security Passkey may require administrative rights to the computer for installation. The Security Passkey is provided by us to you on a separate CD-ROM and you agree to securely store the key. It is your responsibility to use and maintain a system to use the Service.

##### **City Image Items**

City Image Items allows you to receive a CD-ROM with images of your paid checks. By using this option, you understand and agree that we will not provide physical copies of your paid checks. The CD-ROM is sent by US Mail to your address on Bank's records or other address designated by you.

##### **City Image Items and Statements**

City Image Items and Statements allows you to receive a CD-ROM with images of your deposit statement, images of paid checks and images of deposit tickets. By using this option, you understand and agree that we will not provide physical copies of your deposit statements, paid checks or deposit slips, and that the CD-ROM serves as a replacement for your paper statement. The CD-ROM is sent by US Mail and must be sent to your address on Bank's records. Eligible accounts include checking, savings and money market accounts. All accounts must be on the same statement cycle.

The contents of the section titled **Client Accounting Software and Bank Systems Integration Services** is being moved to the section titled **EASI Link Service**. The section heading of Client Accounting Software and Bank Systems Integration Services are being removed.

##### **EASI Link Service**

This Service provides you access to your designated Accounts at City National using a system interface as a single point of entry through which you may directly conduct banking transactions using your computer and your compatible third-party accounting system provider or software. The specific banking transactions available through EASI Link are more fully described in the applicable User Documentation. EASI Link works in conjunction with third-party accounting systems or software determined compatible by us. You select your third-party accounting system or software provider. This Service is provided using certain Security Procedures, designed to confirm that the banking transactions instructions transmitted to us by you are authentic. These Security Procedures may include, but are not limited to, site identification, third-party accounting software client identification, account identification, transaction thresholds by dollar amount established by you (or, if you do not establish a dollar amount, a default transaction dollar amount threshold established by us), and requirement of certain Security Items to confirm and release the transaction if a transaction dollar amount exceeds the threshold. The Security Procedures applicable to transactions below the threshold amount will be explained to you prior to implementation of this Service and you understand and agree that banking transactions initiated by you and authenticated using the Security Procedures are deemed authorized by you.

You understand that persons authorized by your accounting system's system administrator or any Administrator may conduct transactions directly through use of this Service when the transaction is below the established threshold dollar amount and you agree that all such transactions are deemed authorized. You may limit your risk by lowering the established threshold amount which may slow transaction processing. If the transaction instruction is at or above the threshold amount you establish, we shall be entitled to rely upon it if the transaction is confirmed by use of Security Items in the manner determined between you and us.

Any transaction instruction or confirmation received by us shall be deemed authorized and you shall be responsible for the transaction when the Security Procedures are used to originate it. You shall notify us at once if any user is no longer authorized to give transaction instructions or confirmations and we shall not be liable or responsible to you until we receive written notice that the user is no longer authorized and we have had time to act on the notice.

You are responsible for maintaining the security of the user identification and passwords of all persons authorized to access the designated Accounts through this Service.

You are responsible for the accuracy of the data transmitted to us using this Service. You understand when using this Service to initiate payment orders, you must identify the account number that will receive the funds from the order, each beneficiary of the order and each beneficiary's bank. We, any intermediary bank and the beneficiary bank, may process a payment order solely on the basis of the account number even if that number does not correspond to the named beneficiary or the beneficiary's bank.

You are responsible to maintain good and sufficient collected funds in or available credit on each Accounts from which you instruct us to transfer money and we are not obligated to process a payment order or other instruction if you do not have sufficient collected funds on deposit in or available credit on the Accounts at the time the payment order or instruction is received.

You understand that while we determine the third-party accounting systems and software compatible with this Service, we are not responsible for these systems or software or computer hardware you choose.

We will not be liable or responsible to you for any errors or loss or unauthorized access to your accounts attributable to the third-party accounting system or software or computer hardware to the extent that the error or loss or unauthorized access is not directly attributable to the Service.

#### **EASI Link Connectors Service**

Our EASI Link Connectors Service provides you with a seamless user experience by integrating your banking activities with your enterprise accounting software. There are several options of connectors available which are provided and serviced through a third party and each may have its own terms, conditions, instructions and guidelines, which will be provided to you separately. You agree to comply with such terms, conditions, instructions and guidelines and the Service Documentation in your use of this Service. This Service allows you to, among other functions, send payments and track processing, all within your enterprise accounting software while maintaining security and control. For example, you can initiate payments within your enterprise accounting software and then the payments are sent to us for processing via EASI Link. For some solutions, throughout the processing cycle, transaction statuses can be tracked and updated directly to your accounting software. Please consult your User Guide for specific services offered on each solution.

The **E-Deposit Service** subsection within the **Service Terms and Conditions** section will include the following second paragraph:

You may capture and submit check Images for deposit to your eligible Account(s) within the dollar limits established for you by us. We may at any time change such limits or the frequency of deposits submitted through this Service at any time. If you exceed the dollar or frequency limits, we may, in our sole discretion, accept or refuse the deposit. If at any time we accept a check Image deposit that exceeds such limits, we will have no obligation to do so in the future.



# Corporate Banking

## Standard Fee Disclosures

Effective November 1, 2023



This document (this “Fee Schedule”) sets forth the standard fees that apply to the corporate deposit products and many of the banking services we make available to you. For fees applicable to analyzed business accounts, see the ACCOUNT ANALYSIS section. Additional fees may apply depending on the services used, which will be separately provided to you. Check with your Relationship Manager for more information.

Your account(s) and service(s) with us may be subject to proformas or other pricing information we provide to you from time to time (“Other Fee Information”). In the event of a conflict between this Fee Disclosure and the Other Fee Information, the Other Fee Information will govern.

If you have questions about any of our products and services, or to request a copy of any fee schedule or disclosure, please call us at (800) 773-7100 to speak with a Client Care Specialist.

If your deposit product is not listed below, it may not be available for new clients or may have been discontinued. Please contact your Relationship Manager or call us at (800) 773-7100 to speak with a Client Care Specialist for more information.

### Overview

The City National Corporate Banking Product Suite is a unique suite of accounts and services to meet the need of the corporate clients. This collection of accounts includes Analyzed Corporate Demand Deposit Account (DDA), Corporate Hybrid Demand Deposit Account (DDA), Corporate Money Market Account (MMA), and/or Corporate Savings Account. The Analyzed Corporate Demand Deposit Account is non-interest-bearing. The Corporate Money Market and Savings Accounts are interest-bearing. The Corporate Hybrid Account earns interest only on the balances (if any) in excess of the balance required to cover monthly fees.

Please refer to the “Glossary of Terms and Acronyms” in the Corporate Banking Account Agreement and Disclosures (for Corporate Accounts) for definitions of terms and acronyms used herein.

### Product Available to:

Exclusively available to eligible corporate clients, who:

- Open and maintain an Analyzed Corporate Demand Deposit Account (DDA), Corporate Hybrid Demand Deposit Account (DDA), Corporate Money Market Account (MMA), and/or Corporate Savings.
- Maintain the account(s) in good standing.

### Account Analysis

The following fees are assessed to an account that has been set up as an analyzed corporate account, including any hybrid account.

<u>Category</u>	<u>Description</u>	<u>Charges and Fees</u>
<b>Account Maintenance Fees</b>	Accounts 1-10	\$25 per month
	Accounts 11-50	\$22 per month
	Accounts 51-150	\$18 per month
	Accounts 151+	\$15 per month
<b>Other Services</b>	ACH Credits – Incoming	\$0.50 per item
	Ach Debits – Incoming	\$0.20 per item
	Checks Deposited	\$0.15 per item
	Checks Paid	\$0.20 per item
	Coin Deposited	\$0.0062 per \$1
	Coin Furnished	\$0.13 per roll
	Currency Deposited	\$0.0013 per \$1
	Currency Furnished	\$0.0013 per \$1
	Deposits	\$1.25 each

### Money Market and Savings

<u>Account Type</u>	<u>Description</u>	<u>Balance</u>	<u>Charges and Fees</u>
<b>Corporate Money Market Account</b>	Minimum daily balance	\$5,000	
	If minimum daily balance is not met for the statement period		\$20 monthly maintenance fee
<b>Corporate Savings Account</b>	Average daily balance <sup>1</sup>	\$1,000	
	If average daily balance is not met for the statement period		\$5 monthly maintenance fee

### Service Fees – Analyzed and Non-Analyzed Accounts

At our discretion, the following charges may be assessed directly to your Corporate Banking account, or assessed through the Account Analysis System to be covered by your account balances if your account has been set up as an analyzed corporate account.

<u>Category</u>	<u>Description</u>	<u>Charges and Fees</u>
<b>Wire Fees</b>	Domestic Incoming	
	▪ Analyzed Accounts	\$15
	▪ Non-Analyzed Accounts	\$15
	Domestic Outgoing	
	Internet-Initiated (USD)	
	▪ Internal Wire (Book Transfer)	\$6
	▪ Repetitive/Non-Repetitive	\$12
	Non-Internet-Initiated (USD)	
	▪ Drawdown/Reverse	\$18
	▪ Non-repetitive	\$40
	▪ Repetitive	\$35
	International Incoming	
	▪ Analyzed Accounts	\$16
	▪ Non-Analyzed Accounts	\$15
	International Outgoing	
Internet-Initiated (Foreign Currency or USD)	\$25	
Non-Internet-Initiated		
▪ Non-repetitive - Foreign Currency	\$55	
▪ Non-repetitive - USD	\$60	
▪ Repetitive - Foreign Currency	\$45	
▪ Repetitive - USD	\$50	
Wire Investigation		
▪ Domestic Wire	\$35	
▪ International Wire	\$45	
	Includes amendments, recalls and tracers. Additional charges may apply due to charges incurred by CNB when conducting the investigation.	
Wire Notification		
▪ Fax	\$8	
▪ Telephone	\$16	
Wire Principal Protection Service, Available for Limited Currencies Only.		\$25
<b>Overdraft (OD) and Non-Sufficient Funds (NSF) Fees</b>	Non-Analyzed Accounts	
	▪ Paid or Returned Debits	\$25 per debit
	▪ Maximum Daily OD/NSF Fees	\$250 per day
	▪ Accounts Overdrawn 60 days or more	At the discretion of CNB, CNB's prime rate* plus 4% on 365-day year, 10% per annum minimum
Analyzed Accounts		
▪ Paid or Returned Debits	\$25 per debit, No maximum	
▪ Interest on Overdrafts and Uncollected Funds [calculated on a 365/366 (actual days in year) basis] <sup>2</sup>	CNB's prime rate plus 4% on 365/366-day year, 10% per annum minimum.	
	*The rate established by CNB from time to time and published as its "prime rate."	
<b>Other Fees</b>	Account Research/Reconciliation	\$50 per hour, 1 hour minimum
	Branch Deposit Surcharge	
	▪ Coin Bag – Loose	\$5 per bag
▪ Coin Bag – Rolled	\$7.50 per bag	
Cashier's Check Purchase		\$10



<u>Category</u>	<u>Description</u>	<u>Charges and Fees</u>
<b>Other Fees (continued)</b>	CityTax	
	Setup Fee <sup>3</sup>	\$20 per setup
	Service maintenance	\$15 per access code per month
	Payments	
	▪ Online	\$2 per transaction
	▪ Touch-tone	\$4 per transaction
	▪ Reversals (Bank-assisted)	\$20
	Receipts	
	▪ Via mail	\$3 per receipt
	▪ Via facsimile	\$3 per receipt
	Reports	
	▪ Monthly recap report	\$10 per report
	▪ Quarterly recap report	\$12 per report
	Collections	
	▪ Domestic Incoming/Outgoing	\$30
	▪ International (Clean) Incoming/Outgoing	\$100
▪ International Courier Foreign Check	\$35 each or cost, if higher	
Outgoing international collections will be assessed both the collection fee and the international courier fee. Fees imposed by the paying bank may also be assessed. Checks in an amount less than \$250 [U.S. Dollar (USD) equivalent] will not be accepted for international collection.		
Counter Check	\$1 per check	
Deposit Account Control Agreement		
▪ Setup	\$500 minimum or higher per setup – negotiated	
▪ Legal Review	\$300 per hour, 1 hour minimum	
▪ Monthly Maintenance	\$100 per account	
Deposit Assessment Fee – Per \$1,000	\$0.12	
Monthly fee assessed on the combined average ledger balances of analyzed accounts with CNB.		
Deposit Corrections	\$3.50	
Deposit Courier/Armored Carrier Service	Cost + 30%	
Deposited Checks Returned Item Advice		
▪ Special handling instructions	\$5 per account per month	
▪ Fax notification	\$6 each	
▪ Telephone notification	\$12 each	
▪ Photocopy of check	\$5 each	
Deposited Checks Returned Unpaid		
▪ Per check charged back	\$12	
▪ Per check re-cleared automatically	\$3	
▪ If re-cleared check is again returned unpaid	\$12	
Escheat/Abandoned Account Notice (as permitted by law)	\$2	
Foreign Check Deposited		
International outgoing collection	\$100	
See also Collections above		
Expedited Processing		
<u>Check Amount</u>		
[U.S. Dollar (USD) Equivalent]		
\$0–\$1,000	\$25	
\$1,001–\$25,000	\$45	
\$25,001–\$100,000	\$75	
> \$100,000	\$100	
Expedited processing available for limited currencies only. This fee is in USD and is assessed against your designated USD deposit account unless otherwise instructed.		
Foreign Currency Service - Non-Client Processing Fee	\$15 per occurrence	

<u>Category</u>	<u>Description</u>	<u>Charges and Fees</u>
<b>Other Fees (continued)</b>	Foreign Currency Denominated Deposit Account (non-interest bearing) Monthly Maintenance Fee This fee is in USD and is assessed against your designated USD deposit account unless otherwise instructed.	\$50 per account
	Legal Process Fee (attachments, levies, garnishment, subpoenas, etc.)	\$125
	Legal Review of Documents	\$300 per hour or cost, if higher 1 hour minimum
	Night Depository Annual Fee Night Deposit Bags (disposable)	\$40 \$55 per box of 200
	Photocopy Fee for Canceled Checks Clients may receive two check photocopies that include the front and back of a check at no charge, per monthly statement cycle.	\$5 per copy
	QuickBooks® Direct Connect Basic Service (Account activity and transfers) <ul style="list-style-type: none"> <li>▪ First 10 accounts No charge</li> <li>▪ Each account over 10 \$2 account</li> <li>▪ Basic Service with Bill Payment</li> <li>▪ First 10 accounts No charge</li> <li>▪ Each account over 10 \$2 account</li> <li>▪ First 20 payments No charge</li> <li>▪ Each additional payment \$0.50 per payment</li> </ul>	
	Research Fee (includes check reclamation, crime reports, legal records, and other requests)	\$50 per hour, 1 hour minimum, \$1 per page
	Signature Guarantee - Standard	\$10 per signature
	Signature Guarantee - Medallion	\$15 per signature
	Special Handling For posted or non-posted items without Positive Pay <ul style="list-style-type: none"> <li>▪ First 30 days No charge</li> <li>▪ After 30 days \$2 per item reviewed</li> <li>▪ After 60 days \$2 per item reviewed, plus \$75 per month or portion thereof</li> </ul>	
	Statements Paper Statement without Check Images Paper Statement with Check Images Fee is charged even if minimum or average balance requirements are met. Image fees are not applicable to Money Market accounts.	No charge
	Standard check images (18 images per page, front image only) Large check image (12 images per page, front image only) <ul style="list-style-type: none"> <li>▪ 50 check images or fewer \$2 per month</li> <li>▪ 51–249 check images \$2.50 per month</li> <li>▪ 250 or more check images \$5 per month</li> </ul>	No charge
	Enhanced check image (12 images per page, front and back images) <ul style="list-style-type: none"> <li>▪ 50 check images or fewer \$3 per month</li> <li>▪ 51–249 check images \$5 per month</li> <li>▪ 250 or more check images \$10 per month</li> </ul>	
	Other Statement Options <ul style="list-style-type: none"> <li>▪ Duplicate (past cycles) \$6 per statement</li> <li>▪ Multiple statements per month \$5 per month</li> </ul>	

<u>Category</u>	<u>Description</u>	<u>Charges and Fees</u>
<b>Other Fees (continued)</b>	Stop Payments	
	▪ 6-month term	\$30
	▪ Renewal, 6-month term	\$30
	▪ Post-dating hold fee	\$30
	▪ 2-year term	\$40
	▪ Renewal, 2-year term	\$40
	▪ Range stop, 6-month term	\$40
	▪ Range stop renewal, 6-month term	\$40
	▪ No term specified	
	• Setup	\$50
• Annual fee	\$20	
▪ Accepted stop payment request - Cashier's check	\$20	
	Verification of Deposit (Including written balance confirmations and credit ratings)	\$20
<i>Other fees may apply depending on the services used. Check with your Relationship Manager for more information.</i>		

#### **Miscellaneous Assessments**

- CNB reserves the right to assess a fee to its depositors to pass through some or all of the fees provided by law assessed to CNB by government agencies and government-sponsored entities. The fee may vary and will appear on a statement as "Assessment Fee."
- A Deposit Assessment Fee will be applied per \$1,000 of average ledger balance on analyzed accounts.
- Any Federal Reserve Bank large item charge for processing a check of \$1 million or more may be assessed.
- Any Internal Revenue Service charge for failing to provide an account taxpayer identification number may be passed through as a charge to the account or charged to you directly or to any other account of yours with us.

City National Bank does business in the state of Florida as CN Bank.

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<sup>1</sup> Average daily balance determined by adding each day's closing ledger balance during the statement period and dividing by the number of days in that period.

<sup>2</sup> The rate at which interest is charged, established by CNB from time to time and published as its "prime rate," will be updated within five Business Days of the date that CNB's published prime rate changes.

<sup>3</sup> Fee also applies to any setup changes (e.g., service additions or deletions).



# Account Agreement and Disclosures (for Corporate Accounts)

Effective December 4, 2022

## INTRODUCTION

In this Account Agreement and Disclosures (for Corporate Accounts): (i) "Company" or "you", "you" or "yours" refers to the owner or accountholder of a City National Bank (Corporate Deposit Account) (each, an "Account"), and unless otherwise indicated, includes any Authorized Signer or person otherwise authorized by you to transact on any Account; and (ii) "Bank", "we", "us" or "our" refers to City National Bank or, if applicable, City National Securities, Inc.; and (iii) "Affiliate" refers to Bank's managed affiliates and Royal Bank of Canada ("RBC"). Please refer to the "Glossary of Terms and Acronyms" for other definitions used herein. The Accounts governed hereby are intended for commercial use and Company agrees that no Account is held or maintained primarily for personal, family or household purposes.

## AGREEMENT FOR ACCOUNTS

### THIS AGREEMENT

This account agreement and the other documents listed below constitute the terms and conditions that govern the Accounts and related banking services (a "Service") that Bank makes available to you (collectively, the "Agreement," as amended from time to time).

- The applicable fee schedule(s) and/or fee proforma(s);
- The Treasury Management Services Disclosure and Agreement, as applicable;
- The Privacy Disclosures, which are available in the Privacy & Security section at [cnb.com](http://cnb.com);
- Any additional disclosures separately provided to Company by Bank about the Accounts and Services, including any addenda to the Agreement, as applicable; and
- Any additional documents agreed to between Company and Bank.

By accepting the terms governing Company's Account(s) and Service(s) or by using Company's Account(s) or Service(s), Company will be deemed to have agreed to the Agreement. Company is responsible for ensuring that each Authorized Signer is familiar with the Agreement. This Agreement replaces all prior agreements with Bank regarding Company's Account(s) other than agreements regarding security interests in, or services utilizing, any Account. Please keep the Agreement and any changes we may provide for your reference for as long as Company maintains an Account with Bank.

This Agreement constitutes the entire agreement between Company and Bank regarding the Company's Account(s) and Service(s), and supersedes prior oral or written representations, conditions, warranties, understandings, proposals or agreements regarding Company's Account(s) and Service(s).

### ARBITRATION AGREEMENT

#### ***Agreement to Arbitrate.***

Except as stated in the "No Waiver of Self-Help or Provisional Remedies" below, Company and Bank agree that any and all claims and disputes between or among Company and Bank (and their respective officers, directors, employees, attorneys and other agents) arising out of or relating in any way to Company's Account(s) and/or Service(s), whether based in contract, tort, statute, or otherwise (each, a "Dispute"), shall, at the election of Company or Bank, be resolved by binding arbitration.

Either Company or Bank may elect to resolve a Dispute through arbitration, even if the other party has already initiated litigation in court related to the Dispute, by: (a) making written demand for arbitration upon the other party; (b) initiating arbitration against the other party; or (c) filing a motion to compel arbitration in court. As a result, if either Company or Bank elects to resolve a Dispute through arbitration, Company gives up its right to go to court to assert or defend its claims, rights, and positions related to the Dispute.

**Governing Rules.** The Agreement shall be interpreted and enforced in accordance with the Federal Arbitration Act (set forth in

#### ***Non-Deposit Investment Products:***

- ***Are not insured by the FDIC;***
- ***Are not deposits or other obligations of the Bank and are not guaranteed by the Bank; and,***
- ***Are subject to investment risks, including possible loss of the principal invested***

Title 9 of the United States Code) to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Dispute. Company and Bank agree that all arbitrations shall be administered by the American Arbitration Association (AAA), or such other administrator as Company and Bank shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures; provided however, if the claims and/or counterclaims at issue in the Dispute total at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs, then the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes are herein referred to, as applicable, as the "Rules").

If there is any inconsistency between the terms hereof and any such Rules, the terms and procedures set forth herein shall control. Any party who fails to submit to arbitration following a proper demand to do so shall bear and agrees to pay all costs and expenses, including reasonable attorney's fees, incurred to compel arbitration. Nothing contained herein shall be deemed to be a waiver by Bank of the protections afforded to it under 12 U.S.C. Section 91 or any similar applicable state law.

**Selection of Arbitrator(s).** If the total amount of money at issue in the Dispute is \$500,000 or less, the Dispute shall be resolved by a single neutral arbitrator. In that case, the arbitrator will only have the authority to award up to \$500,000 in total, including all damages and costs of every kind. If the total amount of money at issue in the Dispute is greater than \$500,000, the Dispute shall be resolved, upon the request of Company or Bank, by a majority vote of a panel of three neutral arbitrators. If neither Company nor Bank requests a panel of arbitrators, then the Dispute shall be resolved by a single neutral arbitrator. The arbitrator(s) (a) shall be selected in accordance with the Rules; (b) must have at least fifteen years' experience as an attorney, or be a retired judge; and (c) must have expertise in the law applicable to commercial disputes.

**Arbitration Proceedings.** Any arbitration hearing shall take place in the city where the Account at issue is domiciled, unless Company and Bank agree in writing to a different location. Company agrees to submit to the jurisdiction of the state in which the arbitration hearing takes place. If all parties agree, the arbitration hearing may be conducted virtually on a platform that is acceptable to all parties. The arbitrator(s) shall apply the law in accordance with the "Governing Law" section of this Agreement. Any claims and defenses that can be asserted in court can be asserted in the arbitration. The arbitrator(s) shall be entitled to award the same remedies that a court can award, including injunctive relief. The arbitrator(s) shall give effect to statutes of limitation, waiver and estoppel, and other affirmative defenses in resolving any Dispute. Discovery shall be available for non-privileged information to the fullest extent permitted under the Rules. The arbitration award shall be in writing, sufficient to explain the essential findings and conclusions on which it is based, and may be entered as a judgment in court. Except as provided in applicable statutes or in this Arbitration Agreement, the arbitration award is not subject to review by a court and it cannot be appealed. The Rules will determine who pays the arbitration fees and expenses, unless limited by applicable law. Unless applicable laws state otherwise, each party will pay its own attorney, expert, and witness fees. This rule applies no matter which party wins arbitration. No person or party participating in an arbitration may disclose the arbitration's existence, content, subject, or results, except as required in a party's ordinary course of business or by law.

**Appeal.** If, in any Dispute, a single arbitrator awards \$0 to the claimant or more than \$100,000 against the non-claimant, then a party may file a written appeal within 30 days of award issuance with AAA or other mutually agreed-to administrator. If a party files a timely appeal, the appeal shall be heard by a panel of three neutral arbitrators. No new testimony or evidence may be presented on appeal. However, the panel shall not be bound by any factual findings or legal rulings made by the single arbitrator, and may reconsider all factual and legal issues de novo. The panel shall decide the appeal by majority vote. There shall be no appeal

in a case where the Dispute is resolved in the first instance by a majority vote of a panel of three arbitrators. Any final arbitration award will be binding on the named parties and enforceable by any court having jurisdiction.

**Validity and Enforceability.** Any determination as to whether these arbitration provisions are valid or enforceable in part or in their entirety shall be made solely by the arbitrator(s), including without limitation any issues relating to whether a Dispute is subject to arbitration; provided, however, that the enforceability of the Class Action Waiver set forth below shall be determined by a court. If any provision in this Arbitration Agreement, other than the Class Action Waiver set forth below, is found to be unenforceable, the remaining provisions herein shall remain fully enforceable. If, as a result of any provision in this Arbitration Agreement being found to be unenforceable, any Dispute is sent to any court for resolution, then to the maximum extent permitted by the laws of the relevant jurisdiction, both Company and Bank (a) waive and give up any and all rights that may exist to a jury trial, and (b) agree that the court shall be the trier of fact.

**Class Action Waiver.** Any arbitration of any dispute(s) shall be on an individual basis only. Company acknowledges and agrees that company and bank are waiving the right to participate as a class representative or class member (including the right to recover any monies or damages) in any and all class action lawsuits, whether such lawsuits are brought by company, bank, or any other party, in arbitration or in any court. In any and all arbitrations and court actions of any kind, neither company nor bank shall be entitled to join or consolidate claims by or against others, or to include any claim as a representative or member of a class, or to act in the interest of the general public or in a private attorney general capacity. If the Class Action Waiver set forth herein is found to be unenforceable for any reason, the remainder of the provisions in this Arbitration Agreement shall also be unenforceable.

**No Waiver of Self-Help or Provisional Remedies.** Nothing contained in this Agreement shall prevent either Company or Bank from applying to any court of competent jurisdiction for emergency, provisional, injunctive, or ancillary relief, such as a temporary restraining order, a temporary protective order, an attachment, an appointment of a receiver by a court having jurisdiction, or any other pre-judgment remedies. Nothing contained in this Agreement will limit the right of any party before, during or after any proceeding hereunder: (1) to exercise any right or remedy as a secured party against any collateral pursuant to the terms of a security agreement, pledge agreement or applicable law; (2) to exercise self-help remedies such as setoff; or (3) to comply with any legal process involving your accounts or other property. The institution and maintenance of an action for judicial relief or pursuit of emergency, provisional, injunctive, or ancillary remedies, or exercise of self-help or a right or remedy of a secured party, will not constitute a waiver of the right of any party to (a) submit any dispute to arbitration and/or (b) seek to compel arbitration of any dispute brought, filed, or submitted by any other party.

**Miscellaneous.** If more than one agreement for arbitration by or between Company and Bank potentially applies to a Dispute, the arbitration agreement most directly related to Company's Account or the subject matter of the Dispute shall control. This Arbitration Agreement shall survive the closing of Company's Account or termination of any Service or the relationship between Company and Bank.

#### **CHANGES TO THE AGREEMENT**

Bank may, in its sole discretion, change the terms in the Agreement by adding new provisions or by modifying or deleting existing provisions, at any time. Bank may also add, convert, substitute or discontinue accounts, products and/or services at any time. Bank will provide Company notice of any changes as required by law. Bank may, but does not have to, notify Company of any change in a product or service if Bank determines in good faith that the change is beneficial to Company or is made for security reasons.

Notice of any change may be provided by mailing notice to Company at the address in Bank's records (including with Company's account statement), posting notice on Bank's website,

providing notice through Bank's online banking service, or otherwise making it available to Company. If there is a change to the Agreement and Company continues to maintain or use the Account(s) or Service(s) after the change, Company will be deemed to have agreed to the change.

#### **GOVERNING LAW**

The Agreement and each party's rights and obligations under the Agreement, are governed by federal law and the law of the state of the Bank location where Company's Account(s), relationship or service is maintained, without regard to conflict of laws principles. Except as otherwise provided in the "Arbitration Agreement" section, if any provision of the Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. To the extent this Agreement contains variations from applicable law or regulation as allowed by law, the terms and conditions of this Agreement will govern. Notwithstanding the foregoing, any funds transfer that is a "remittance transfer" as defined in Regulation E, Subpart B, as amended from time to time, will be governed by the Uniform Commercial Code applicable to your Account.

#### **CONTRACT LANGUAGE**

English is the controlling language of the relationship between Company and Bank. Bank may translate its agreements, forms, disclosures and advertisements into another language for Company's convenience, unless Bank otherwise agrees in writing or Bank is specifically otherwise required by law, in the event of a conflict between Bank's English language materials and Bank's materials in another language, the English language version shall control. All written instructions that you give us (e.g., on a check) must be in English. We may decline to process any instruction written in a language other than English, whether issued by you or another person.

### **OPENING ACCOUNT AND ACCOUNT INFORMATION**

#### **IDENTIFYING YOU**

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. We may require identification information (including information relating to the beneficial owners of the business and individuals who will be conducting business with us on your behalf.) We may also ask you for specific information regarding the nature of your anticipated account activity, the source of your funds, the purposes of your transactions, the anticipated frequency of such transactions, the relationship you have with persons to whom you send funds and the persons who send funds to you, the ultimate beneficiaries of funds you send and receive, and other questions that may help to clarify the nature and purpose of your transactions. We may, at our sole discretion, elect not to open an Account or close Accounts if we are unable to understand the purpose of the account and its transactions, the structure of the account (e.g., trustee, estates, conservatorships, etc.), the authority of the signers, the documentation provided, the general risk associated with the establishment of the Account, or for any other reason. We may elect not to disclose the specific reason for our action. Owners or fiduciaries may also be asked at account opening and from time to time to provide us with a trust certification, court orders, and any other documents deemed necessary by us. We may decline to open an Account if we do not receive sufficient information or documentation. We may request additional information (including new signature exemplars) at any time.

#### **RELIANCE ON YOUR INFORMATION; REPORTS**

You represent and warrant that the information provided to us in connection with any Account is true and correct. You agree that we may rely on that information until you notify us of any change and we have had a reasonable time to act on the new information. You authorize us to make any inquiries that we consider appropriate to determine if we should open and maintain an Account for you. This

may include ordering a credit (or other) report (e.g., information from any motor vehicle department or state agency).

#### **TAXPAYER INFORMATION**

For an account opening, we are required by law to obtain a certified taxpayer identification number ("TIN") and, if applicable, information regarding your backup withholding status. You certify that you have provided the correct TIN for the account holder and the correct backup withholding status. If you are subject to backup withholding (or if the IRS notifies us that we do not have the correct TIN for you), we may be required to backup withhold at the current backup withholding rate on interest paid to Company's Account and pay it to the IRS. We may decline to open an account or we may close an open account for which you do not provide a certified TIN even if you are exempt from backup withholding and information reporting. Generally, we are required by law to report to the IRS interest income, dividends and other payments paid to you in connection with your account. For more information on tax matters, please consult with your tax advisor.

### **COMMUNICATIONS BETWEEN US**

#### **COMMUNICATION WITH YOU**

**WE MAY CONTACT YOU (INCLUDING YOUR EMPLOYEES, REPRESENTATIVES AND AGENTS) FOR FRAUD PREVENTION, ACCOUNT SERVICING OR OTHER PERMISSIBLE BUSINESS PURPOSES, BY MAIL, COURIER, PHONE (WHETHER MOBILE OR LANDLINE), FAX, EMAIL, TEXT MESSAGE, OR THROUGH OUR ONLINE BANKING SERVICE OR MOBILE BANKING, INCLUDING TELEPHONE NUMBERS THAT COULD RESULT IN CHARGES TO YOU. YOU AGREE WE MAY USE TEXT MESSAGING, ARTIFICIAL OR PRE-RECORDED VOICE MESSAGES, AND AUTOMATIC TELEPHONE DIALING SYSTEMS TO CONTACT THE TELEPHONE NUMBER YOU PROVIDE, AS PERMITTED BY LAW. IN ADDITION, IN ORDER FOR US TO SERVICE YOUR ACCOUNT OR TO COLLECT ANY AMOUNTS YOU OWE TO US, WE MAY SEND E-MAILS TO YOU AT ANY E-MAIL ADDRESS PROVIDED BY YOU. TELEPHONE MONITORING AND RECORDING**

We may without liability monitor, record and retain telephone conversations, electronic messages, electronic records and other data transmissions between you and us at any time without further notice to you, unless further notice is otherwise required by the laws governing this Agreement. While we may retain any telephone recording for such time as we shall determine, we shall have no liability to you if we do not retain the recording.

#### **INSTRUCTIONS RECEIVED BY FACSIMILE OR ELECTRONIC MAIL (EMAIL) OR ON TELEPHONE ANSWERING MACHINES**

We are not required to act upon instructions received by facsimile, electronic mail or on a telephone answering machine and shall not be liable or responsible to you for our failure to act on any such instruction unless we otherwise specifically agree in writing. In the event we do act on any such instruction received from you or from an authorized person acting on your behalf, you shall be bound by the instruction. An instruction received by facsimile shall not be deemed received until the instruction is actually received and reviewed by our employee or agent responsible to carry out the instruction. An instruction received by electronic mail shall not be deemed received until the instruction is actually opened and reviewed by the addressee. An instruction received on a telephone answering machine shall not be deemed received until the instruction is actually reviewed by our employee or agent responsible to carry out the instruction.

**Please remember**, transmissions by telephone (including facsimile transmissions) and electronic mail may not be secure and may be intercepted or viewed by third persons. Do not use these transmission media to communicate with us unless you are willing to assume the risk of such interception. Ensure your computer system, your other electronic devices and your Security Items are free from harmful or malicious software and secure.

#### **ELECTRONIC COMMUNICATIONS**

If you provide us with an electronic address to which we may send electronic communications, you agree that we may send to you by

electronic communication any information that the laws governing this Agreement require be sent to you in writing, provided such electronic communication does not violate the laws governing this Agreement.

## AUTHORIZED SIGNERS & ACCOUNT OWNERSHIP

### AUTHORIZED SIGNERS

We may act upon the verbal or written instructions of any one Authorized Signer on the Account and will have no liability for doing so. For some actions, we may require written authorizations. You shall notify us promptly of any change of Authorized Signers. We may continue to rely on the authority of any Authorized Signer until we have been notified in writing and given a reasonable opportunity to give effect to such change. You agree that we may continue to pay items and other transactions presented for payment signed by a person who is no longer authorized to sign on an Account unless you specifically advise us not to pay such items, in which event we may require you to issue a stop payment order for each such item or we may require you to close the Account and transfer the balance to a new Account.

You agree we may rely on signature exemplars provided by you (e.g., on a signature card) or otherwise based on our records (including our electronic records) relating to any Account or Service. You agree to provide us updated signature samples upon our request. Each Authorized Signer represents and warrants that they are fully authorized to execute all documents on behalf of Company and have provided evidence of such authority acceptable to us. **Please note:** We may refuse to recognize any resolution affecting the Account that is not on our form.

### *Multiple Signatures*

Unless we expressly agree in writing, we have no duty to review or enforce the number or combination of signatures (e.g., multiple signature requirements) on any item drawn on your Account, whether or not we have notice of such requirements. We are not required to honor your request for more than one Authorized Signer on any item or order for withdrawal drawn on your Account. You acknowledge and understand that we do not physically examine each check to determine if it is properly signed. Transactions conducted on or through online banking, mobile banking, or other electronic means and certain services, such as ACH, wire and other funds transfer or treasury management services may be authorized or conducted by a single Authorized Signer (or delegate thereof) notwithstanding any multiple signature requirements on an Account expressly agreed to by us.

### *Alterations/Forgeries*

We will have no liability to you if a transaction is conducted on or through your Account contrary to the signature requirements you have specified, provided at least one of the required signatures appears on the item. We will have no liability to you for failing to detect a forgery of the signature of an Authorized Signer or an alteration of one of your items, if the forgery or alteration is such that a reasonable person could not reasonably be expected to detect it.

### ACCOUNT OWNERSHIP CHANGE

You will promptly notify us of any change of ownership of Company or any Company Account(s). If we agree to a change in account ownership, we may require that the change be made by closing the Account and opening a new Account, that documentation supporting the change of ownership before any ownership change is permitted and any Authorized Signer on the Account is changed. You will cooperate with us to document any change in ownership. We may restrict access to the Account until documentation satisfactory to us is received and we shall incur no liability for any such restriction.

### ASSIGNMENT OF ACCOUNT

You may not assign, transfer or pledge any Account without our express written consent. We are not required to accept, act upon, or acknowledge any document which purports to assign any Company Account or any interest in it, including a notice of a

security interest. We will not be responsible or liable to you or any third party for not acting upon the terms or conditions of any such assignment unless we acknowledge the assignment in writing or enter into a control agreement under applicable provisions of law. We may charge a fee for this service. Any transfer or assignment that we consent to will be subject to our right of set-off to the fullest extent permitted by applicable law.

### DEATH OR INCAPACITY OF ACCOUNT OWNERS OR SIGNERS

You agree to notify us at once in writing of the death or incapacity of an account owner, Authorized Signer or any person authorized to transact on your Account. You agree to inform each person authorized to sign on your Account of the obligation to notify us of any such death or incapacity. Until we receive notice of death or incapacity, we may continue to handle the Account as if such person is alive and competent. When we receive notice of death or incapacity, we may place a hold on the Account and refuse to accept deposits or permit withdrawals. We may hold any funds in the Account until we know the identity of the successor owner(s) of the Account.

### POWER OF ATTORNEY AND AGENTS

If you are authorized to do so, you may appoint an agent to conduct transactions on your Account on your behalf by executing a power of attorney or providing other agency documentation acceptable to us. You are responsible for and are bound by the acts of your agent. You agree not to hold us responsible for any Loss you may incur as a result of our following instructions of an agent who appears to be acting under a valid power of attorney or other agency documentation. If you appoint an agent using a power of attorney form other than our form or other agency documentation, we must review the form or documentation to determine if we will honor it and recognize the authority of your agent. If we agree to recognize your agent, you agree that we may continue to do so until you notify us otherwise in writing or until we are presented with proof that the agency authorization has been terminated.

### OWNERSHIP DISPUTE AND ADVERSE CLAIMS

If we receive conflicting instructions or adverse claims to funds in an Account and cannot, in good faith, determine the rights of the claimants to the funds, we may, at our option, (1) restrict the Account and deny access to all or a portion of the funds without liability to anyone until the rights of the claimants are determined to our satisfaction, (2) continue to rely on the documents we have on file for the account, (3) close the Account and send the funds to the owners of the Account as stated in our records to the statement mailing address, (4) interplead all or any portion of the funds to an appropriate court after deducting our expenses for the interpleader or (5) resolve the matter in accordance with the procedures set forth in the "Arbitration Agreement" section. We may rely solely on our records to determine the form of ownership of and the Authorized Signers on an Account.

## ACCOUNT STATEMENTS AND OTHER COMMUNICATIONS

### STATEMENTS

Except as expressly provided otherwise in the Agreement, we will mail or otherwise make available to Company statements for Company's Account for each statement period and notices and other information regarding Company's Account or any Service ("Account Information") to the postal and/or electronic address associated with Company's Account. We do not provide statements for time deposits (or certificates of deposit). Any statement or Account Information is deemed received: (i) if mailed, by the 3<sup>rd</sup> Business Day after mailing; or (ii) if electronically delivered, when made available to Company.

A statement or other Account Information that is held for you to pick up will be deemed to be delivered to you at the time that we make it available for pick up. Unless prohibited by applicable law, if a Company statement is returned to us as undeliverable, we may destroy the statement at a time set by us. We have no obligation to continue to mail statements to you if a statement is returned to us as undeliverable until you provide a valid address.



## DUTY TO REVIEW STATEMENTS

You must promptly and carefully review each statement for your Account and any other Account Information and any paid items that are returned with (or described in) the statement, within 14 calendar days from the time we mail or otherwise make it available and promptly notify us if the statement reflects any error, alteration, forgery or unauthorized item or activity. In addition, you agree to promptly notify us of, and reimburse us for, any erroneous credit to your Account.

## NOTIFYING US OF UNAUTHORIZED TRANSACTIONS AND ERRORS

If you discover an error, forgery, alteration or other unauthorized activity involving Company's Account, you must promptly notify us. If you fail to notify us within the times set forth herein of an unauthorized signature, alteration, forgery, counterfeit check or other unauthorized transaction involving any Company Account, we will not be responsible for subsequent unauthorized transactions by the same wrongdoer or if done in a similar manner. If you do not report an error or an unauthorized signature, alteration, forgery, counterfeit check, or other unauthorized debit to your Account **within 60 days** after the date of the statement or the date the information about the item or transaction is made available to you, whichever is earlier, you are precluded from asserting the error or unauthorized transaction against us and the balance shown on the statement for Company's Account or other Account Information will be conclusively presumed to be correct, and you will be deemed to have released us from all liability for the items charged to your Account and for all other transactions covered by the statement or other Account Information.

## INVESTIGATION; AGREEMENT TO COOPERATE

If you provide timely notice of an error, forgery, alteration or other unauthorized transaction, we will investigate. You agree to (i) submit the claim in writing to us by completing or obtaining a declaration under penalty of perjury describing the (in an affidavit form approved by Bank, if so requested); (ii) file a police report, if applicable; (iii) complete and return to us any documents requested of you; and (iv) in all respects cooperate fully at your expense with us in our investigation of the claim.

We will have a reasonable period of time, or period of time as may be specified by law, to investigate the circumstances surrounding any claim. During our investigation, we will have no obligation to provisionally credit your Account, unless otherwise required by law. If we do provide you with provisional credit, we may reverse the credit if we determine the transaction was authorized or, to the extent permitted by law, you do not cooperate fully with us in the investigation or recovery efforts.

In addition, you agree to pursue all rights you may have, including under any insurance policy covering any Loss, and to provide us with information regarding coverage including, but not limited to, your insurance carrier, policy number, policy limits, and applicable deductibles. Your failure to cooperate with our reasonable requests shall relieve us from liability to you for any Loss you allege you may have incurred except as otherwise required by law. Our liability (if any) will be reduced by the amount of any recovery you receive or are entitled to receive for the Loss, including any insurance proceeds. If we reimburse you for a Loss and the Loss is covered by insurance, you agree to assign us your rights under the insurance policy to the extent of our reimbursement. You waive all rights of subrogation against us with respect to any insurance policy or bond.

## NOTICES

If there is more than one Authorized Signer on your Account, we may send statements and other Account Information to any one of them (unless you have otherwise instructed Bank in writing). You assume the risk of loss in the mail. Any notice we send you will be effective when mailed or otherwise made available to Company. Any notice you send us will not be effective until we actually receive it and have a reasonable opportunity to act on it.

## ADDRESS CHANGES

We may send statements, notices and other communications regarding your Account to you at the electronic or mailing address

we have in our records for your Account. If your address changes, you agree to notify us. The address will only be changed for the Account(s) you specify and will not affect any other accounts you have with us unless you specify that you want the address changed for those accounts as well. If the United States Postal Service (or one of its agents) informs us that your address has changed, we may change your address on our records to the address provided by the Postal Service, and send statements, notices and other communications regarding your account to that new address. We may destroy communications that we send and which are returned to us as undeliverable. You expressly authorize us to obtain address information from any government agency and in so doing you waive any rights to the contrary under applicable law.

## CHECKING AND SAVINGS ACCOUNTS

### PROCESSING DEPOSITS

#### *Accepting or Cashing Items for Deposit*

Unless we otherwise agreed in writing, we may accept, accept for collection only, refuse, or return all or part of any deposit to your Account at any time, from any person or entity. We may also refuse to accept all or any part of any deposit, or impose any requirements or conditions before we accept a deposit, such as requiring an acceptable form of identification, an endorsement guarantee or requiring an item to be endorsed by all parties to whom the items are payable. For example, we may refuse an item for deposit if: (i) an item is made to a third-party payee; (ii) we cannot verify an endorsement on an item; or (iii) it is a non-U.S. item (i.e., payable in currency other than U.S. dollars or not drawn on a financial institution chartered in the United States).

We are not responsible for any deposit until a Bank employee has received and verified it. The receipt received at the time of deposit is not evidence a deposit has been verified. We may reverse or otherwise adjust any credit we believe has been erroneously made to your Account at any time without prior notice to you. We generally cannot verify that checks, money orders, cashier's checks or other items are authentic, valid or issued against good funds at the time the item is presented.

If we accept an item for deposit: (i) we are not required to question the identity and authority of the person making the deposit; (ii) if your Account is overdrawn, we may use the deposit to pay the overdraft and any fees due; and (iii) the deposit is not paid for any reason or is later determined to be unauthorized, we may charge your Account for the amount of the deposit, even if this causes the account to be overdrawn. You agree and warrant that: (i) you will not knowingly deposit an item into your Account that you know is not authorized or does not contain an authorized signature of the person on whose account it is drawn; (ii) you will not deposit with us or any other financial institution an item that has been previously or on the same day deposited using electronic deposit, such as through mobile banking or other deposit imaging service. If you make such a duplicate deposit, you agree to fully reimburse us for any Loss incurred; and (iii) you will not deposit an ECI. You further warrant that any item you deposit has been created from a paper check. If you create or deposit an ECI, you agree to indemnify us for any Loss resulting from a breach of these warranties and to fully reimburse us for any Loss incurred.

#### *Deposit Slips*

You may order your deposit slips through us or you may use an outside vendor. If you order through us, we may receive compensation from our vendor. If you use an outside vendor, your deposit slips must conform to our specifications. You are responsible for any error on deposit slips provided to you by your outside vendor and any resulting Loss. Non-conforming or erroneous deposit slips from your outside vendor may cause your deposits to be refused or delayed. If errors on your deposit slips provided to you by your outside vendor are not corrected promptly, we may impose additional charges after notice to you.

#### *Checks Lost in Transit*

When you cash or deposit an item with us, we act as your agent to collect the item. The risk of Loss of an item in the process of

collection is on you. We may reverse any credit given and any interest earned or accrued for the amount of a deposited item that is lost in transit, and we may recover from any account you maintain with us the funds given to you for a cashed item which is lost in transit. You will fully cooperate to promptly assist us to find, identify or replace a lost item, including maintaining a record of the maker of items delivered to us for deposit and collection. We will not be liable to you if an item is lost in the process of collection provided we exercised ordinary care in handling the item. In no event shall we be liable to you if you cannot identify the maker of the lost item.

#### **Collection Items**

We may accept certain items (such as certain securities and checks payable in foreign currencies or at foreign locations) on a collection basis only. Collection items are routed and processed separately. If an item is accepted on a collection basis, we may charge a fee for the collection whether or not the item is paid. If an item we take for collection is drawn on a bank that requires a fee in advance, you will be charged the fee. We may not credit your Account for any item taken for collection until we receive funds. If we do credit your Account and do not receive funds, we may debit your Account for the amount of the item, even if it causes your account to be overdrawn. Items drawn on banks located outside the United States may not be paid as quickly as items drawn on banks located in the United States.

#### **Demand Drafts**

You may not deposit a demand draft (an item which does not bear the maker's signature but which purports to be drawn with the maker's authorization, also called a "remotely created item") to an Account with us without our prior express written consent. If a demand draft is deposited to your Account, you warrant that the draft is authorized according to the terms on its face by the drawer and agree to indemnify us from all Loss related to a claim that such draft was not authorized. You agree that we may restrict your Account for an amount we reasonably believe may be needed to repay the amount of any demand draft returned unpaid for any reason or returned to us with a claim that the demand draft was unauthorized. At our discretion we may place the amount of the restricted funds in a separate reserve account on our books which will not earn interest unless we otherwise agree. Our right to charge your Account for any returned demand draft is not limited to the balance of any restricted funds. We may retain the restricted funds in a reserve account for such period of time as we shall determine, even if your Account is closed, and our rights respecting the restricted funds shall survive termination of your account relationship with us. We may discontinue accepting demand drafts at any time without cause or prior notice.

#### **Cashed or Deposited Items Returned Unpaid**

If an item cashed by us for you or deposited into your Account is returned to us unpaid at any time for any reason, we may, in our discretion and without notice to you: (i) attempt to re-clear the item for payment and place a hold on any funds in your Account up to the amount of the item until final payment is determined or for the length of time permitted by law; or (ii) we may return the item to you, deduct the amount of that returned item from any account you maintain with us, including any investment account maintained with an Affiliate, together with any interest credited or received by you from that amount and we may cancel and not pay any accrued interest on that amount.

If we are unable to recover the full amount of the item and our charges from your Account, we may retain the item until payment is made. If we receive notice that an item you cashed or deposited is being returned, we may place a hold on the funds in any account of yours in order to recover the amount of the item when we receive the item back or are otherwise charged for the item. We are not required to determine if an item is returned to us on time under any applicable law or regulation. A fee may be charged for each deposited item returned.

#### **Check Endorsements**

This subsection applies if an endorsement is needed for the transfer or negotiation of an item. You authorize us to (i) supply your endorsement on any item we accept for collection, payment or deposit to your Account, and (ii) collect any unendorsed item that is

made payable to Company without first supplying your endorsement if the item was deposited to your Account. We may refuse to pay or accept any item for deposit or collection unless we are able to verify to our satisfaction that all of the necessary endorsements are present on the item. For example, we may require that all endorsers be present at the time of presentment or we may require that the endorsements be guaranteed by another financial institution acceptable to us. You agree to hold us harmless for any Loss we may suffer or incur arising from or in any way related to marks that obscure the area reserved for bank endorsements on items deposited or cashed by you.

#### **Items Returned or Claims for Forged or Unauthorized Signature or Endorsement or Alteration**

If an item cashed or deposited into your Account is returned to us with an affidavit or declaration stating that the item bears a forged or unauthorized signature or endorsement or is a counterfeit or is altered in any way; and we are requested to return funds or is advised that such an item exists and may be returned or a credible claim may be made against us, we may hold, return or deliver the funds claimed and subtract the amount of the item from any account of yours, including any investment account of yours maintained with an Affiliate, together with any interest credited or received by you from the amount and any associated fees, without prior notice to you. We are not required to question the truth of the affidavit or determine if the item and affidavit are returned to us timely or within any applicable period limiting legal action. A fee may be charged for each item returned to us.

#### **Items Missing Endorsement**

If we determine a check or other item cashed or deposited into your Account lacks a third-party endorsement, we may hold the funds until such time as the third party confirms to our satisfaction that the item was properly deposited to your Account and may subtract the amount of the item from any account of yours, including any investment account maintained with an Affiliate, together with any interest credited or received by you from the amount and any associated fees, without prior notice to you.

#### **Deposit Total Adjustments**

If your deposit ticket differs from the amount of your actual deposit, whether your deposit was made in person, electronically, through a night depository, by courier, or by any other means, we may adjust the amount of your deposit to match the actual amount of funds we receive, and a Deposit Corrections fee may be charged. The deposit adjustment will be reflected as a separate entry on your statement.

#### **Overpayments and Reversals**

If any funds to which you are not entitled are deposited into your Account for any reason, we may deduct these funds from your Account, even if this causes your Account to be overdrawn. If such funds were transferred from your Account, we may reverse the transfer. In any case, we are not required to give you notice if we take this action.

#### **Identifying the Account for Deposit**

You must correctly identify the account number for the account into which a deposit is to be credited. We may credit a deposit based solely on the account number listed on the deposit slip or instruction to credit an account, regardless of whether the name on the deposit slip or instruction matches the name of the account. If you do not identify the account, we may apply the deposit or payment to any deposit account or loan you maintain with us. You are responsible for any Loss caused by your failure to properly identify the account to which a deposit is intended to be made.

#### **Direct Deposit Plan Refund Claim**

If a refund claim is or may be received from the originator of any deposit to your Account credited pursuant to a direct deposit plan, we may debit the amount from your Account (or any other account of Company) and refund the amount to the originator at any time without prior notice to you, except as otherwise required by applicable law. We may also use any other legal remedy to recover the amount.

### **Reconstructing Lost or Destroyed Deposited Items**

If a deposited item is lost or destroyed during processing or collection (either with us or at another point in the payments system), you agree to cooperate fully with us to reconstruct the item by promptly: (i) providing us with a copy of the front and back of the item from your or the issuer's records; (ii) asking the issuer to place a stop payment on it and issue a replacement item to you (if the item has not been paid); or (iii) reviewing your records and other information and conducting any additional research as may be reasonable to determine the issuer's identity (if you do not know the identity of the issuer of the item). If you fail to cooperate with us, we may, at any time and without advance notice to you, reverse or otherwise adjust any credit made to your Account for a lost or destroyed deposited item.

### **FUNDS AVAILABILITY AND DEPOSIT HOLDS**

#### ***When Deposits Are Available for Withdrawal***

Funds from your deposits of cash and checks are available to you on the first Business Day after the day we receive your deposit. Electronic direct deposits to your Account will be available on the Business Day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay items presented for payment.

If a deposit is made at a branch on a Business Day before the office closes or before the cut-off time established for the branch, whichever is earlier, it will be considered made on the day of deposit. A deposit received by mail will be considered made on the Business Day of receipt at an authorized location for mail deposits before our established cut-off time. Deposits to the night depository will be considered made when removed and available for processing by us. Deposits made by lockbox arrangement, deposit courier and armored carrier are subject to the terms and conditions in the *Treasury Management Services Disclosure and Agreement*. Deposits received after the established cut-off time are considered received on our next Business Day and availability is determined from that day. We may change our collection schedule and funds availability policy from time to time without prior notice to you.

#### ***Longer Delays May Apply***

In some cases, we will not make all of the funds that you deposit by check available to you on the first Business Day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second Business Day after the day of your deposit or later in special circumstances. However, the first \$225 of your deposits will be available no later than the first Business Day after the Business Day on which funds are deposited.

If we are not going to make all of the funds from your deposit available on the first Business Day, we will notify you either at the time you make your deposit, or, if your deposit is not made directly to one of our employees, or if we decide to take this action after you have left our premises, we will mail you the notice by the Business Day after we receive your deposit. We will also tell you when the funds will be available.

Please refer to the "Items Presented Against Insufficient, Unavailable or Uncollected Funds" section of this Agreement.

#### ***Holds Under Special Circumstances***

Funds you deposit by check may be delayed for a longer period under the following circumstances: (i) We believe a check you deposit will not be paid; (ii) You deposit checks totaling more than \$5,525 on any one Business Day. (Deposits made on non-Business Days will be added together with the deposits on the next Business Day.); (iii) You redeposit a check that has been returned unpaid; (iv) You have overdrawn your Account (or combination of Accounts) repeatedly in the last six (6) months; or (v) There is an emergency, such as a failure of communications or computer equipment. We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh(7<sup>th</sup>) Business Day after the day of your deposit.

#### ***Special Rules for New Accounts***

If you are a new client, the following special rules may apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the Business Day we

receive the deposit. Funds from deposits of cash, wire transfers and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's and federal, state and local government checks 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. The excess of \$5,525 will be available on the seventh Business Day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second Business Day after the day of your deposit.

We may place longer holds on certain items for other reasons as set forth in the "Holds Under Special Circumstances" section. We are not responsible or liable to you if a transaction is not credited to your Account and available for use because a hold was in effect.

#### ***Holds on Other Funds***

If we cash a check for you that is drawn on another bank, we may hold a corresponding amount of funds that are already in any account you maintain with us. If we accept a check drawn on another bank for deposit into your Account and make the funds in the Account available to you, we may hold a corresponding amount of funds that you have on deposit in another account with us. These holds will be released at the time funds from the checks would normally be available to you.

#### ***Exceptions to Funds Availability Rules***

These rules do not apply to deposits of foreign items (items drawn on or payable through or at an office of depository institutions not located in the United States) or non-cash items (e.g., documentary transit items and credit cards sales drafts deposited by credit card merchants).

### **PROCESSING WITHDRAWALS**

#### ***How We Process and Pay Checks***

We may process and pay checks, other items written against your Account and other transactions by any method and in any order we consider reasonable. Please see "Order of Posting" section for more information. In most instances we process checks mechanically, relying upon scanning devices to "read" the figures on your checks. Checks sent to us electronically are paid based on the amount transmitted to us. This means a check you write may not be physically examined by us to determine if it is properly signed, drawn, endorsed or dated. Our payment practices conform to reasonable banking standards and you acknowledge that, in doing so, we are not negligent. If we do physically examine a check or other item, we reserve the right to return that item unpaid without liability to you if we cannot determine to our satisfaction that the item was authorized by you. If we question an item presented for payment we may attempt to contact you, but we are not obligated to do so and if we are unable to contact you to confirm our authority to pay the item, we may return the item unpaid without liability to you.

#### ***"Payable At" or "Payable Through" Checks***

If an item designates us as the place at which ("payable at") or through which ("payable through") the item is payable, we may pay it as a check drawn on any transaction Account of yours without presentation or notice to you unless we otherwise agree with you in writing. If you do not have a transaction Account with us or there are not sufficient funds or available credit in any transaction Account of yours to pay the item, we may return it unpaid. We may but we are not obligated to pay an item against more than one transaction Account of yours with us if no single account has sufficient funds to pay the item.

#### ***Postdated Checks, Stale-Dated Checks and Special Instructions***

We may, without inquiry or liability, pay (or refuse to pay) any of your items upon presentment if: (i) the item is post-dated (that is, a check with a date in the future), even if presentment is before the date on the item, unless you place a stop payment on the item; (ii) the item is not dated; (iii) the item is stale-dated (that is, a check that is dated more than six (6) months in the past; or (iv) special instructions, notations or legends written on the item indicate that we should refuse payment (e.g., "Void after thirty (30) days," "Paid-In-Full," or

"Void over \$100"). In addition, we may pay in U.S. dollars the amount that has been MICR-encoded on your item, even though you have purportedly drawn the item in a foreign currency.

You are responsible for Losses incurred by any person that cashes or accepts your checks or other paper items for deposit, if: (i) the loss is due to a delay in the return of the item; and (ii) the delay is caused by any special instructions, notations or legends appearing on the back of the item when it was issued or transferred by you. You are responsible for all claims or Losses that result from a restrictive legend or notation on its items. If you negotiate an item to us bearing such a notation, you acknowledge that the notation applies only to you and the maker and you will indemnify and hold us harmless from any claim or Loss alleged by anyone arising from the notation.

#### ***Items Presented Against Insufficient, Unavailable or Uncollected Funds***

If any item drawn on your Account is presented to us for payment and your Account ledger balance is not sufficient to cover the item and you do not have capacity from your overdraft protection plan (if any) to cover the item, we may, at our discretion, choose to pay the item even if this causes your account to become overdrawn, return the item unpaid or return other items being presented for payment. We may charge an Overdraft fee for each item returned for insufficient funds or paid against insufficient funds. If we pay an item and create an overdraft, we are not obligated to pay any other item which may create or increase an overdraft. If we overdraw your account and pay any item on one or more occasions, we are not obligated to continue doing so in the future. We may stop paying items that may create or increase an overdraft at any time without notice to you and you should not expect that we will pay such items unless we have previously advised you otherwise in writing. Please see the "Overdraft Liability" section.

If any item drawn on your Account is presented for payment and you have unavailable or uncollected funds in your Account to cover the item, we may return the item unpaid or return other items being presented for payment. Pending transactions, such as deposited checks with delayed availability, may result in unavailable funds, even if the ledger balance is positive and your Account is not overdrawn. Deposits for which we have not received credit from the paying bank may result in uncollected funds, even though the deposit amount may be reflected in the ledger balance.

#### ***Items Presented for Payment Before the Covering Deposit is Credited***

If any item drawn on your Account is presented to us for payment on the same Business Day the covering deposit is made with us, an intra-day overdraft may occur on your Account during the day because the covering deposit will not be posted to the Account until the end of the Business Day. The intra-day overdraft may occur when (a) an item drawn on your Account is presented to us for payment by another bank and the balance credited to the Account at the opening of business on the day the item is presented, including accessible funds from any overdraft protection plan with us is less than the amount of the item, (b) you make a covering deposit over the counter or through our night depository, electronic deposit or any other means before the cut-off time, (c) the covering deposit is credited to your Account the same day the item is presented or on the day following the presentation of the check, (d) no hold is placed for uncollected funds and/or (e) the item is paid rather than returned. Deposits made by lockbox arrangement, deposit courier and armored carrier are subject to the terms and conditions in the *Treasury Management Services Disclosure and Agreement*. We may close your Account if you have repeated intra-day overdrafts on your Account. An Overdraft fee may be charged for an intra-day overdraft.

#### ***Checks Presented by Electronic Means (Electronic Check)***

Sometimes checks that you write may be converted into an electronic check and we will receive an electronic debit for the transaction amount. When we receive the electronic debit, we charge it to your Account. It is possible that we may receive the debit immediately after the business enters the transaction so you may have a reduced right to place a stop payment order and you may incur an overdraft if you do not have sufficient funds in your

Account at the time of debit. You agree that a determination of your account balance for purposes of making a decision to dishonor an item for insufficiency of available funds may be made by us at any time between the receipt of such presentment or notice and the time of return of the item, and no more than one such determination need be made. An Overdraft fee may be charged when a check presented by electronic means is dishonored. We do not have a copy of the check if it is presented by electronic means.

#### ***Copies of Items Presented for Payment***

If a photocopy of a check or other item that appears to be drawn on your Account is presented to us for payment in place of the original, we may pay the photocopy without your prior consent if the photocopy is accompanied by a representation that the original item is lost or destroyed and by an indemnification from a financial institution. We shall incur no liability to you or anyone else in the event the original item is later presented to and paid by us. You may have rights against other parties. This section does not apply to Substitute Checks.

#### ***Items Presented for Cash Payment***

If the person to whom you have written a check or other item drawn on your Account presents the check or item to us for immediate payment in cash, by cashier's check or otherwise, we may require the person to provide us with identification satisfactory to us and we may charge the person presenting the check a fee for this payment service. If the person does not provide satisfactory identification or agree to pay the fee and we refuse to immediately pay the check or item as presented, our refusal is not a dishonor of the check or item. We are not required to cash a check made payable to, or indorsed by, persons whom we cannot identify to our satisfaction. We are not liable to you for refusing to cash or accept the check, or for charging a check cashing fee.

#### ***Check Stock***

You may order your checks through us or you may use an outside vendor. If you order through us we may receive compensation from our check vendor. If you use an outside vendor, your checks must conform to our specifications and we shall have no liability to you if we are unable to process such checks by automated means. Non-conforming or erroneous checks from your outside vendor may cause your checks to be refused, returned or delayed, and you agree to reimburse us for any Loss we may incur related thereto. We may charge an Overdraft fee for each returned check and may impose additional charges if the errors are not corrected promptly. You must notify us promptly if a check you write or a blank check of yours is lost or stolen. If a blank check is lost or stolen or any unauthorized transaction is attempted or conducted on your Account and we ask you to close your account and open a new account, you shall do so. If you refuse to close your account as we request, we will not be liable to you for any unauthorized transactions on your account thereafter.

#### ***Limitation on Cash Withdrawal***

At our discretion, we may limit the amount of any large cash withdrawal from your Account at any time unless you have provided us reasonable advance notice. We may require that you arrange to receive the cash to be withdrawn at our central cash vault or other location designated by us with adequate security (such as, by armored transport acceptable to us at your risk and expense). You are solely responsible for the security of the cash withdrawn and in your possession.

#### ***Demand Drafts and Other Items Resulting From Voluntary Disclosure***

If you provide your account number to a third party to enable the party to prepare a demand draft drawn against your Account, you authorize us to pay such draft when presented to us even though it does not bear your signature and may exceed the amount you authorized. We are not obligated to honor demand drafts and may refuse to do so at any time without notice to you, even if we have honored similar items previously. Furthermore, if you voluntarily disclose your account number to another person verbally, in writing or by other means, and we determine the context of such disclosure implies your authorization to debit your Account, you will be deemed to have authorized the person to issue items drawn on

your Account, including an electronic debit. We may, without liability, pay such items against your Account.

#### **Consumer ACH Debit Entry**

Under the ACH operating rules, certain types of ACH debit entries may only be presented on a consumer account (i.e., a consumer ACH debit entry). We will have no obligation to pay, and no liability for paying, any consumer ACH debit entry on your Account.

#### **OVERDRAFTS AND ORDER OF POSTING**

##### **Overdraft Liability**

We may, at our option without notice to you, pay or refuse to pay any item if it would cause your Account to be overdrawn, without regard to whether we may have previously honored or dishonored such an item. Your Account is considered overdrawn when its ledger balance is negative. This may occur when items are presented to us for payment and there are insufficient funds in your Account to cover the item, and we make the decision to pay the item. Your Account also may become overdrawn if there are insufficient funds to cover account maintenance fees, service fees or returned items. You agree that any overdraft on your Account is immediately due and payable and you agree to reimburse us for any costs and expenses (including attorney's fees) we incur for recovering the overdraft and any related fees and interest, whether you signed or initiated the item that created the overdraft or not and whether you benefited from the proceeds of the item creating the overdraft or not. On a Business Day when we determine there are sufficient funds in your Account to pay one or more (but not all) items presented for payment on your Account, the order in which we post such items may affect the number of items paid and the overdraft and returned item fees assessed.

You can avoid fees for overdrafts and returned items by making sure that your Account ledger balance is sufficient to cover your outstanding transactions. We recommend that you enroll in an optional overdraft protection plan, such as the Commercial Credit Sweep Service. Information on our overdraft protection plans is available in the "Overdraft Protection for Corporate Accounts."

##### **Order of Posting**

At the end of each Business Day, we process and post all transactions that we received that day. Each type of transaction is assigned its own category that determines the sequence in which the transaction will be processed and posted. We generally post all deposits and credits to your Account before we deduct any payments, fees or other debits. Unless otherwise specified below, we post all payments, fees or other debits within an individual category in ascending dollar amount order and then proceed to process and post all such debits in the next category in the same manner.

We generally process and post common debit transactions in the following order: 1) Transfers to another Bank account, including online banking transfers; 2) Overdraft fees, returned item fees, and automatic payments to a Bank loan; 3) Fees for certain requested services (such as fees for Coins Deposited Exceeding \$100 and Wire Principal Protection Service); 4) Zelle® person-to-person payments; 5) Wire transfers and any related fees; 6) Preauthorized or scheduled debits to a third party, such as ACH payments and online bill payments; 7) Checks and in-person withdrawals, which are combined and processed as one category and, within the category, in-person withdrawals and checks without serial numbers are posted in ascending dollar amount order, followed by checks with serial numbers, which are posted in serial number order; 8) ATM and debit card transactions and any related fees; and 9) Monthly account maintenance and activity fees. The law allows us to process your account transactions by any method and in any order that we consider reasonable. We may change the method or order at any time without notice to you.

#### **STOP PAYMENT ORDERS**

##### **Stop Payment Orders on Checks You Write**

You or any Authorized Signer on your Account may request a stop payment on a check or other item drawn against your Account in a time and manner allowing us a reasonable opportunity to act on it before we pay, cash, or otherwise become obligated to pay your check or item. The order may be given either in person at one of

our branches, by calling the number listed on your account statement, by using our online banking service, or as we otherwise allow.

We require the following information to stop payment on an item (also required for postdated checks): (i) the Account number; (ii) the check number; (iii) the check date; (iv) the exact amount of the check; and (v) the exact payee name(s). If any of the information is not correct, we are not responsible or liable to you or to anyone else if we do not stop payment on the item and we pay it upon presentment.

If an item on which you order payment stopped is converted to an electronic transaction (such as an electronic check) and the transaction is charged to your Account through the automated clearing house, we may be unable to stop payment on the transaction and we shall incur no liability to you for paying the transaction.

A stop payment order is valid for six (6) months only and must be renewed by you at six (6)-month intervals thereafter to remain effective. Each renewal is treated as a new stop payment order. If a stop payment order is not renewed and the item is presented for payment after the order expires, the item may be paid and charged to your Account. At the time the stop payment order is placed, you may request that the stop payment order remain valid for a longer period than six (6) months, subject to Bank's agreement. We may charge a fee to accept or renew a stop payment order.

If we pay an item over a valid stop payment order, we may require you to provide an affidavit describing in detail your dispute with the payee. We may be responsible to you for the amount of your Loss up to the face amount of the item, but no more. You must establish the amount of your Loss because of the payment. If we pay you for your Loss, you agree to assign us your rights against the payee or any other holder of the item up to the amount we pay you and you agree to cooperate with us in any investigation we conduct and in any recovery action we undertake.

If we stop payment and return your item unpaid, you understand that the person holding your item may still be able to enforce payment against you as a "holder in due course." If we or an Affiliate is a holder or transferor of your item and we determine that we or an Affiliate is a "holder in due course" of the item or has given value for the item, we may charge the item against your Account or offset the amount of the item against any other account of yours.

##### **Stopping Payment on a Check We Issue**

An item that we issue, such as a cashier's check, teller's check, or an item that we certify or otherwise guarantee for payment, is our primary obligation. You do not have the right to order us to refuse to pay the item. If the item is lost, stolen or destroyed and you have the right to claim the amount of the item, where permitted by law you may make claim for the amount by giving us a Declaration of Loss or similar form acceptable to us. If we accept a Declaration of Loss we may delay paying you the amount of the item for the period permitted by law following the date of issue of the original item. If the item is presented to us for payment during this period, we may pay the item to a person entitled to enforce it without further liability to you. If we pay you the amount of the item and a later claim by a person having the rights of a holder in due course under the law is made on the item, you are obligated to make payment to that person or reimburse us if we pay that person.

#### **TERMS FOR INTEREST-BEARING ACCOUNTS**

##### **Interest on Funds**

The interest rate and associated annual percentage yield (APY) are established by us and may vary as often as daily. The APY assumes no withdrawal of credited interest and no change in interest rate for a full year. All interest-bearing accounts are variable rate accounts unless otherwise specified in writing. At our discretion, we may change the interest rate and APY on your Account at any time without notice. The interest rate and APY for a particular type of account may differ depending on the account balance. For example, we may establish a rate and APY for two or more balance ranges or balance tiers, which may differ by account type. Two or more tiers may be offered at the same rate. Tier rates may vary and may be higher or lower than a preceding tier. We may change tiers

at any time without notice. The rate and APY for all balance tiers for an account type are disclosed upon request. Unless otherwise indicated, the interest rate and APY assigned to the tier that corresponds to the entire balance for savings accounts and to the collected funds balance for interest-bearing checking and money market accounts will be applied to all such balances. Your Account must remain open through the time interest is credited to receive accrued interest.

#### **How Interest is Calculated**

We calculate interest on a 365-day year basis (or for hybrid accounts, on a 365/366-day year basis) using the daily balance method, by which the daily periodic rate is applied each day to the collected funds balance in the account after all transactions for the day have been posted.

*For all interest-bearing checking and money market accounts (excluding hybrid accounts).* Funds from items deposited (other than cash or items drawn on us) begin to accrue interest on the Business Day we receive credit for the items (collected funds). Cash and funds from items drawn on us begin to accrue interest on the Business Day of deposit. Interest accrues daily and is compounded and credited on the last day of the statement period, but no more frequently than monthly.

*For hybrid interest-bearing checking accounts.* The balance (if any) in excess of the balance required for the earnings credit allowance to cover the monthly fees will be eligible to accrue interest. Interest is calculated and credited on a monthly basis after account analysis for such account is finalized.

*For all savings accounts.* Funds from items deposited begin to accrue interest on the Business Day of deposit if deposited before the established cut-off time or, if made later, on the next Business Day. Interest accrues and compounds daily and is credited on the last day of the statement period, but no more frequently than monthly.

### **CERTIFICATES OF DEPOSIT**

#### **Required Opening Deposit, Interest Rates and Yields**

Time accounts (CDs) are payable at the expiration of a specified term, no less than 7-calendar days after the date of deposit. We may also refer to time accounts as certificates of deposit or CDs even though we may not issue a paper certificate when opening the account or require a paper certificate to close the account. The maturity date is printed on your deposit receipt. Please refer to your deposit receipt for more information.

#### **How Interest is Calculated**

We calculate interest on a 365-day year basis (360-day basis for Public Funds Certificates), using the daily balance method, by which the daily periodic rate is applied each day to the principal in the account. Interest begins to accrue on funds deposited on the Business Day of deposit if deposited before our established cut-off time or, if made later, on the next Business Day.

#### **Interest on Funds**

CD accounts earn a simple rate of interest compounded only if and when interest is posted to the account. You may choose to have your interest post monthly, quarterly, semiannually or annually. For accounts with a term of less than one (1) year, you may choose to have interest posted at maturity, in which case, interest will not be compounded.

The interest rate stated on your deposit receipt will remain in effect until the maturity of the account, unless otherwise specified in writing.

The APY assumes interest remains on deposit for the term of the certificate. Interest may be withdrawn without penalty at any time prior to maturity after it is credited to your account. Any withdrawal will reduce earnings. At maturity, any interest becomes principal.

#### **Renewals**

A single maturity account does not automatically renew. Interest is not earned after maturity.

An automatic renewal account renews on its maturity date for the same period as originally selected unless we notify you of a different term. If the CD has a term of greater than one (1) month,

we will notify you in advance of the renewal and will tell you when the rate will be known. The interest rate at renewal will be determined by us on or before the renewal date.

For CDs with a term of 32 days or more, you will have a 10-day grace period after the maturity date to advise us if you do not want the account to automatically renew or to withdraw funds without penalty. For CDs with a term of less than 32 days, the grace period will be one (1) Business Day, not to exceed four (4) calendar days. No interest is paid on funds withdrawn during the grace period. If the account is not automatically renewed, the funds on deposit will not earn interest after maturity.

#### **Transaction Limitations**

No deposits to or withdrawals of principal from the CD may be made prior to maturity, unless otherwise specified in writing. Interest credited to the account before maturity may be withdrawn without penalty. At maturity, any interest becomes principal.

#### **Early Withdrawal Penalty**

We may permit withdrawal of funds held in a CD before maturity but we are not required to do so. If we permit withdrawal of such funds, we may assess an early withdrawal penalty which will be equal to or more than the minimum early withdrawal penalty required by law, if any. We may permit one early withdrawal without a penalty following the death or court-declared incapacity of an account owner, or as otherwise permitted or required by law.

If withdrawal of principal is permitted, the following penalties may apply:

- For CDs with a term of seven (7) to 31 days, the penalty is the greater of: (a) seven (7) days' interest; (b) all interest earned since the most recent issue or renewal date; or (c) all interest which could have been earned during one-half of the maturity period.
- For CDs with a term of 32 to 179 days, the penalty is 30 days' interest.
- For CDs with a term of 180 days to one (1) year, the penalty is 90 days' interest.
- For CDs with a term of over one (1) year, the penalty is 180 days' interest.

Each penalty is calculated on the amount withdrawn.

Deposits in tax-qualified plans are subject to plan disclosures and the plan withdrawal penalty stated in the disclosures when applicable. For funds held in the plan as a CD, a penalty for early withdrawal as described above will also apply.

#### **Notice for Withdrawal**

Except for certain interest-bearing demand deposit accounts that are, by their terms, payable on demand, federal law requires that we reserve the right to require not less than seven (7) days' prior written notice before a withdrawal is made from any interest-bearing account and to require that the funds from any deposit made to any such interest-bearing account remain on deposit not less than seven (7) days.

## **GENERAL ACCOUNT INFORMATION AND TERMS**

### **BANK AND CLIENT ACCOUNT RELATIONSHIP**

The account relationship between you and us is based on the Agreement. For a deposit account, the account relationship is that of a debtor (us) and a creditor (you). No fiduciary, quasi-fiduciary or other special relationship exists between you and us.

### **BREACH OF WARRANTY**

If you breach any warranty you make to us under the laws governing this Agreement or with respect to any item, you will not be released or discharged from any liability for the breach so long as we notify you of the breach within 120 days after we learn of the breach. If we fail to notify you within this 120-day period, you will be released from liability and discharged only to the extent our failure to notify you within this time period caused a Loss to you.

## CHECK IMAGES

In most cases we retain an image of each check paid against your Account and identified on your statement. We generally do not receive the original check and have no obligation to retain any original check received. You may request an image of any check or a larger image of any check identified on your statement by calling the telephone number printed on your statement. A Photocopy fee may be charged for check image requests. If the check image is unavailable or of poor quality, we are not liable to you for any Loss.

## COMPANY'S INSURANCE COVERAGE

Many businesses carry special insurance for employee fraud and/or embezzlement. If you do, we reserve the right to require you to file a claim with your insurance company before making any claim against us. In such event, we will consider your claim only after we have reviewed your insurance company's decision, and our liability to you, if any, will be reduced by the amount your insurance company pays you.

## COMPLIANCE WITH LAW

### *General.*

You agree to comply with applicable laws and regulations, including all laws and regulations applicable to your Account(s), transactions, or related third-party transactions. You specifically acknowledge that you are responsible for compliance with the tax laws and regulations applicable to you; for timely filing all required tax returns and other documents with each taxing authority having jurisdiction over you; and, for paying your applicable taxes. We reserve the right to require you to certify your compliance with such laws and regulations to us upon our request. You shall not use any Account you maintain with us or any Service we provide to you to violate any applicable law or regulation. Your obligation of compliance includes compliance by any beneficial owner of your Account. If we reasonably believe that you are violating or may have violated this subsection in any way, we may close your Account(s) and end the banking relationship between you and us.

### *Office of Foreign Assets Control.*

You hereby represent and warrant that (i) no Relevant Person is located, organized, domiciled, or resident in a Sanctioned Country or otherwise a Sanctioned Person; and (ii) each Relevant Person shall comply with Relevant Law in connection with use of the Account(s) and Service(s). You agree to promptly notify us if any such representation becomes untrue. You further agree not to access your Account(s) from a Sanctioned Country, and not to use or permit the use of Account(s) and Service(s) in connection with any transaction that violates, or that has the purpose of evading, Relevant Law. If we, in our sole discretion, are uncertain regarding the legality of any transaction, we may refuse the transaction or freeze the amount in question while we investigate the matter.

As used here: (i) "Relevant Law" means U.S. Sanctions and all laws, statutes, rules, regulations, orders, and ordinances issued, promulgated or administered by authorities of governments, regulatory authorities and supervisors applicable to your account(s), transactions, or related third-party transactions related to bribery, corruption, money laundering, fraud, or the funding of terrorist activities, including, without limitation, the Bank Secrecy Act, the USA PATRIOT Act, the U.S. Foreign Corrupt Practices Act of 1977, and the U.K. Bribery Act 2010; (ii) Relevant Person means, with respect to an account, an owner, Authorized Signer, or any other person delegated authority with respect thereto; (iii) Sanctioned Country means a country or territory that is target by country-wide, territory-wide U.S. Sanctions; (iv) Sanctioned Person means an individual or entity with whom a U.S. citizen, U.S. permanent resident, entity organized under the laws of the U.S. or person in the U.S. is prohibited or restricted by U.S. Sanctions from engaging in trade, business, or other activities; and (v) U.S. Sanctions means all laws, statutes, rules, regulations, orders, and ordinances issued, promulgated or administered or enforced from time to time by any U.S. governmental authority (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury) with respect to financial and economic sanctions or trade controls.

## *Unlawful Internet Gambling.*

You acknowledge and agree that no Company Account or Service will be used for any unlawful Internet gambling (e.g., "restricted transactions" as defined in the Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG issued thereunder). If we identify or suspect a prohibited transaction, we may block or otherwise prevent or prohibit such transaction.

## *ERISA Status.*

You will notify us in writing, in advance of the account opening, if any Account or monies you hold or deposit with us are, or will be subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), together with all the rules promulgated thereunder, or Section 4975 of the Internal Revenue Code of 1986, as amended, (the "Code"), together with all the rules promulgated thereunder. We may in our sole discretion and subject to such further conditions as we may impose, including, without limitation, execution of further documentation in a form and manner acceptable to us, permit the holding of such accounts or deposits or receipt of funds. You represent and warrant to us on a continuing basis that any transaction in connection with the account shall not result in a prohibited transaction under ERISA (or the Code) or shall otherwise be exempt, and you further agree to indemnify and hold us harmless from any loss, cost, tax or claim arising therefrom.

## CONFIDENTIALITY

We will not release information concerning Company's Account(s) or Services to others without your consent except as otherwise stated in the Privacy Disclosures and as we are required or permitted to do so by law. You agree that we may share information about you with Affiliates as permitted by law and with our vendors who require information necessary to provide the Accounts and Services to you.

## "CUT-OFF" TIMES

We may establish certain times during each Business Day after which an item or transaction presented to us will be considered presented on our next Business Day (the "cut-off" time). Cut-off times may vary by transaction type or by banking location.

## ELECTRONIC FUND TRANSFER SERVICES

### *General*

By opening an Account with us each person designated as an "Authorized Signer" or otherwise designated as a person authorized to initiate an electronic fund transfer is authorized to initiate electronic fund transfers from the Account.

Electronic fund transfers which are not consumer electronic fund transfers governed by the *Electronic Fund Transfer Act* and Regulation E are governed by the Uniform Commercial Code ("UCC") applicable to your Account, the rules any funds transfer system through which the transfers are made, as amended from time to time, including without limitation, the National Automated Clearing House Association and any regional association ("Nacha") and Clearing House Interbank Payments Systems ("CHIPS"), and by the terms and conditions stated herein. These fund transfers include transfers to or from accounts through the Federal Reserve Bank system by means of Fedwire or, internationally, through SWIFT (the Society for Worldwide Interbank Financial Telecommunication), transfers through the automated clearing house that are subject to the ACH applicable rules or other fund transfer systems and transfers between accounts at our different branches ("on us" transfers). The terms and conditions that follow apply if you request that we act as the "Originating Bank" for a "payment order" from you or as the "Beneficiary Bank" for a payment order to you as these terms are defined in the UCC. These terms do not generally apply to transfers originated by check, draft or other written item. The following terms are in addition to, and not in place of, any other agreements between you and us regarding funds transfers such as the *Treasury Management Services Disclosures and Agreement*.

Electronic fund transfers may be initiated by payment order in the form of a written communication received directly or by facsimile transmission, orally, by telephone or electronically. If an Authorized Signer uses a facsimile signature, we may rely and act upon the signature as stated herein. Each payment order shall be

authenticated by means of a security procedure established by agreement between you and us for the purpose of verifying that a payment order or communication amending or canceling a payment order is from you or for the purpose of detecting error in the transmission or the content of the payment order or communication.

***Fund Transfer Payment Order Security Procedures; Exceptions.***

We make available a variety of means to authenticate payment orders initiated through our Treasury Management Services. If you do not choose to use our Treasury Management Services to initiate and authenticate a payment order, you and we agree that a callback procedure shall be the security procedure that will be used to authenticate your payment order. You shall make available a person authorized to verify payment orders for electronic fund transfers by means of a callback. If no person is available to respond to our callback, we may delay or refuse processing the payment order and the electronic fund transfer without liability to you. If you refuse to agree to authenticate a payment order by means of a security procedure which we make available to you and you do not authenticate the payment order by means of an agreed security procedure, the electronic fund transfer shall be deemed authorized by you and we shall not be liable to you if it is later determined that the payment order was unauthorized or erroneous.

Any Authorized Signer on your Account may initiate a payment order for a fund transfer between accounts established in the same name with us by you when the Authorized Signers on the accounts are the same and no callback or other security procedure will be required.

You may authorize a periodic transfer to a designated person or to an account at another bank and, after the initial transfer is authenticated by means of a security procedure, we may continue to initiate the periodic transfers as you initially instructed without use of a security procedure until you tell us to stop.

***Fund Transfer Cut-Off Times.***

We may establish daily "cut-off" times that may vary by branch and may also vary by transaction type. Payment orders for transactions received after the cut-off time are considered received on our next Business Day.

***Right to Limit the Amount of a Fund Transfer.***

You may establish a limit on the amount of any payment order to transfer funds from your Account. We reserve the right to limit the amount of any payment order to or from your Account at any time without prior notice to you. We may, but we are not obligated to, advise you in advance of any limitation we shall establish but we may, thereafter, change the limit at any time without notice to you. We shall incur no liability to you for delaying the initiation of, or refusing to initiate, any fund transfer which may exceed any limitation established hereunder.

***Right to Reject a Fund Transfer.***

We reserve the right to reject a payment order to transfer funds from your Account or a payment order to transfer funds to your Account, including an "on us" transfer. We will notify you if we reject a payment order from your Account no later than our next Business Day. We are not obligated to notify you if we reject a payment order to your Account, although we may attempt to do so.

***Reliance on Instructions.***

We are entitled to rely upon electronic fund transfer instructions received from any such person by any means when confirmed in accordance with the security procedure to which you and we agree. Instruction may be given to transfer funds by any one Authorized Signer or any authorized person without regard to the ownership of the account to which the funds are transferred and without regard to the number of signers required to withdraw funds from the account.

***Reliance on Identification Numbers.***

If you send a payment order, you must accurately identify the account number that will receive the funds from the order, each beneficiary of the payment order and each beneficiary's bank. If you select the intermediary bank, it must also be accurately

identified. We, any intermediary bank and the beneficiary's bank may process a funds transfer instruction **solely** on the basis of the account number provided, even if that number does not correspond to the beneficiary's bank or the named beneficiary of the instruction at the beneficiary's bank.

***Notice of Incoming Fund Transfers.***

If you are the beneficiary of a fund transfer, we are NOT required to give you notice of the receipt of the fund transfer before the end of our next Business Day. We will provide notice on your account statement.

***Incoming Third-Party Transfers.***

We have no obligation to accept fund transfers for persons or entities that do not maintain account relationships with us. An such transfers may be rejected without notice.

***Cancellation or Amendment of Fund Transfers.***

A payment order may not be cancelled or amended after we have accepted it. If we attempt to cancel or amend a payment order at your request, we shall incur no liability if we are unable to do so.

***Unauthorized Fund Transfers.***

You are obligated to pay us for an unauthorized payment order for a fund transfer, including any amendment or cancellation request, if the payment order is received by us, purports to come from you, and is acted upon by us in compliance with a security procedure agreed upon by you and by us. Such a payment order is effective as if made by you even though the order was not transmitted or authorized by you.

***Duty to Report Unauthorized and Erroneous Fund Transfers.***

You agree to exercise ordinary care to determine whether a fund transfer to or from your Account was either erroneous or not authorized, and will notify Bank of the facts within a reasonable time not exceeding fourteen (14) days after we send or otherwise make available to you the statement for your Account on which the transfer appears or you otherwise have notice of the transfer, whichever is earlier. If you do not report an unauthorized or erroneous fund transfer within this timeframe, you are precluded from asserting the error or unauthorized transaction against us.

***Erroneous Payment Orders.***

You are obligated to pay us for an erroneous payment order, including any amendment, which you actually give us even if we did not comply with our agreed security procedure and the error would have been detected had we complied. We have no obligation to detect errors in payment orders (for example, an erroneous instruction to pay a beneficiary not intended by you or to pay an amount greater than the amount intended by you, or an erroneous transmission of a duplicate payment order previously sent by you). Should we detect an error on one or more occasions, it shall not be construed as obligating us to detect errors in any future payment order.

***International Fund Transfers.***

You may select the intermediary bank(s) through which an international fund transfer payment order will be processed to reach the beneficiary's bank. If you do not designate the intermediary bank(s), we will select the intermediary bank(s), including one or more banks with which we have made prior arrangements to handle international fund transfers (wire transfers). Unless otherwise directed by you, we will instruct the intermediary banks to deduct, and authorize subsequent intermediary banks to deduct, their charges for their service and expenses from the proceeds of the fund transfer payment order. We may receive a fee from any intermediary bank as additional compensation for our service in processing the fund transfer payment order. NOTE: If the beneficiary of an international fund transfer payment order must receive a specific amount, you must contact us in advance to determine the additional amount, if any, to be included to pay any intermediary bank's charges for service and expenses. If you do not wish to have intermediary bank charges for service and expenses deducted from the amount the beneficiary's bank will receive, you must contact us to make alternative payment arrangements.



### **International Fund Transfers Currency Conversion and Exchange Rate Risk.**

Foreign currency fund transfer transactions may require conversion of foreign currencies from or to U.S. Dollars. We may use our current buying or selling rates as applicable when processing a foreign currency wire transfer requiring conversion by us from or to U.S. Dollars, including receiving a foreign currency fund transfer returned to us for any reason. When you initiate an international fund transfer in U.S. Dollars through us to a beneficiary's account at a foreign bank, unless you specify otherwise, at our option we may convert or arrange with any intermediary bank to convert your U.S. Dollar fund transfer to the foreign currency of the beneficiary's account at a buying rate determined by us or the intermediary bank processing your fund transfer order. We may retain or share in any foreign currency exchange proceeds we or the converting intermediary bank receives as additional compensation for our service in processing the fund transfer order. In the event the fund transfer is converted and the beneficiary or the beneficiary's bank requires the payment be received in U.S. Dollars, the fund transfer will be re-converted and settled in U.S. Dollars and any loss or gain in the foreign exchange re-conversion to U.S. Dollars will be for our account or the account of the intermediary bank and at no re-conversion cost to you. NOTE: Transactions other than in U.S. Dollars are subject to exchange rate risk. You carry the exchange rate risk.

*In addition, if you initiate an international fund transfer through us that require currency conversion, we reserve the right to cancel or correct the transaction in the event we determine in good faith that either a system error, market movement resulting in significant exposure to Bank or a mistake occurred in any part of the transaction, including but not limited to a rate quote, which mistake is demonstrably apparent as in error. We will advise you of any correction or cancellation.*

### **Interest Compensation.**

If we are obligated to pay you for loss of interest as a result of an error of ours or a delay in processing your payment order, we may pay interest at our savings account rate.

### **ACH Transactions.**

The following terms also apply to payment orders to or from your Account that are transmitted through an ACH: (i) your rights as to payments to or from your Account will be governed by the laws that govern your Account; (ii) credit given by a receiving bank to its customer for a payment from your Account is provisional until final settlement has been made or until payment is considered received under the laws that govern your Account; (iii) If a final settlement or payment is not made or received, the receiving bank will be entitled to a refund from its customer and you, as the originator of the payment, will not be considered to have paid your customer; (iv) if a payment is made to your Account and we do not receive final settlement or payment is not received under the laws governing the Account, you will not be considered to have received payment and we will be entitled to reimbursement from you for that payment; and (v) you hereby authorize any Origination Depository Financial Institution to initiate pursuant to ACH Operating Rules, ACH debit entries to your Account for electronic presentment or representation of items written or authorized by you.

### **FACSIMILE SIGNATURES**

If you use a facsimile signature (often called a "signature stamp," "automatic laser check signature" or mechanical signature) or a Company logo or other mark in lieu of a signature, we may rely and act upon such signature, logo or mark as your authorized signature, without regard to when or by whom or by what means such signature, logo or mark may have been made or affixed to an item deposited to, drawn or otherwise debited to your Account. You are responsible for any withdrawal from your Account that bears or appears to us to bear a facsimile signature, logo or mark that resembles or purports to be the signature of an Authorized Signer. If you or your agent has provided a facsimile signature exemplar to any Affiliate, you authorize such Affiliate to provide the facsimile signature exemplar to us and we may rely upon it to conduct transactions on your behalf. We will not be liable to you if use of the facsimile device (or other device utilized to affix the signature) was

unauthorized. You agree to reimburse us (and we may charge your Account) for all Losses related to our reliance on the facsimile signature, logo or mark.

### **FEES AND CHARGES**

#### **General**

You agree to pay Bank's fees and charges for your Account(s) and Services as provided in the Agreement, including the applicable fee schedules and information separately provided. You are also responsible for any fees or charges assessed by others for transactions requested or initiated by you to any account you maintain with us. You also agree to pay an amount equal to any applicable taxes, however designated, exclusive of taxes based on the net income of Bank.

#### **Payment of Bank Fees and Charges; Finance Charges**

We may directly debit your Account or invoice you for Bank fees and expenses and taxes incurred in connection with your Account and any Service. If an earnings credit allowance accrues on the Account, we will periodically apply your accrued earnings credit allowance to Bank fees and expenses as described in the "Account Analysis; Earnings Credit Allowance" section, and debit your Account (or any other account you maintain with us) or invoice you for any amount by which the fees and expenses exceed the accrued earnings credit allowance on your Account. We may also debit your Account (and any other account you maintain with us) for attorneys' fees and any other fees and expenses we incur in exercising our rights under this Agreement. If there are insufficient funds in your Account to cover the debit, we may overdraw your Account. You agree to promptly pay any invoiced amount. Payments and other reductions of amounts owed will be applied first to that portion of outstanding fees attributable to charges for accrued and unpaid interest, then to other fees and expenses. Debiting of service fees occurs on the day of each calendar month we separately disclose to you, or if the disclosed day is not a Business Day, on the next succeeding Business Day.

#### **Account Analysis; Earnings Credit Allowance**

Account Analysis is a service which offsets eligible treasury management and depository fees and charges by an "earnings credit allowance" determined by us based upon the value to us of your eligible deposit account balances. At the end of each monthly account analysis cycle, we apply an annualized "earnings credit rate" to the eligible deposit balances in your Account(s) to calculate the monthly earnings credit allowance. We reserve the right to change the earnings credit rate at any time without notice to you. The earnings credit allowance so determined is then applied to the eligible Bank fees and charges assessable against your analyzed Account(s) during the month to cover or reduce the assessable fees and charges. Standard settlement is monthly. Any fees and charges not covered by the earning credit allowance are assessed against your Account(s). Any unused earnings credit allowance is not available for withdrawal and not available to carry forward, except as otherwise agreed. From time to time, we may review your Account(s) to determine, at our discretion, if the Account Analysis service is appropriate for you. Based on the review, we may convert your Account(s) to analyzed status or to non-analyzed status, without notice to you unless required by law. If you deposit funds that is held for the benefit of a third party in your Account on which Bank fees and charges are offset by means of an earnings credit allowance, you represent that our use of the earnings credit allowance or any interest credited to such account will not violate any law, regulation, or agreement with the third party.

#### **Deposit Insurance Coverage**

The FDIC charges each insured bank a fee to cover its share of the cost of providing deposit insurance to depositors. The FDIC does not charge a bank's depositors for deposit insurance or require banks to pass the cost of deposit insurance on to their depositors. The FDIC does, however, permit a bank to recoup the cost of deposit insurance from its depositors, so long as the fee the bank charges its depositors does not reveal information that could be used to determine the bank's confidential supervisory ratings or mislead depositors by implying the FDIC is charging the fee. While we do not currently assess a recoupment fee, we reserve the right

to assess such a fee to partially recover insurance premiums it pays to the FDIC for deposit insurance.

#### **FOREIGN CURRENCY ITEMS**

We may refuse to accept for deposit or collection items or wire transfers payable in a currency other than United States dollars or drawn on a financial institution not chartered in the United States. If we accept such an item or transfer, you accept all the risk associated with currency value fluctuation (exchange rate risk) and any delayed or late return of such item. In addition, a fee may be charged for this service. Items drawn on banks outside the United States may not be paid as quickly as similar items drawn on banks located in the United States and may be returned unpaid at a later time than similar items drawn on banks located in the United States. You assume the risk of a delayed or late return even if we make the funds available to you. You agree that we may use our current buying or selling rates respectively when processing a foreign currency item or wire transfer and may recover from your Account any Loss or fee incurred by us when processing such an item or transfer for you.

#### **FORCE MAJEURE**

Neither Company nor Bank shall be deemed to be in default of any of its obligations under this Agreement if its performance is delayed, hindered or becomes impossible because of any act of God or of any public enemy, hostilities, war (declared or undeclared), guerilla or terrorist activities, act of sabotage, blockade, earthquake, flood, landslide, avalanche, tremor, ground movement, hurricane, storm, explosion, fire, labor disturbance, riot, insurrection, strike, sickness, accident, civil commotion, epidemic, pandemic, act of government or its agencies or officers, power interruption or transmission failure or any cause beyond the control of either party (each, a "Force Majeure Event").

#### **FREEZING YOUR ACCOUNT**

We may freeze or restrict access to your Account and other accounts that you maintain or control with us if we decide to close your Account or we suspect any suspicious, unauthorized or unlawful activities, without liability to anyone. During this time, we may either accept or return deposits, checks and other items. We will provide notice to you as soon as reasonably possible, which may be after we freeze or restrict your access to the account(s).

#### **HEADINGS**

Headings in this document are for reference only and are not binding.

#### **INACTIVITY AND UNCLAIMED ACCOUNTS**

We may consider an Account with no deposit or withdrawal activity for a period of time determined by us to require special monitoring for inactivity. We may hold and not mail the statements on the Account. Normal service charges will continue to apply. If any Account requires special handling for inactivity and is unclaimed by you for the period required for escheat under applicable state unclaimed property law, we shall deliver the balance of the Account to the state as required by its law or, when applicable, as required by agreement between the states. A fee may be charged for mailing a notice of escheat. Upon escheatment, the Account is closed, no interest accrues thereafter, and we have no further responsibility or liability to you for the funds. You must file a claim with the state receiving the funds to recover funds and we shall not be required to recover the funds for you.

#### **LARGE CURRENCY TRANSACTION REPORTS**

We are required by law to report to FinCEN, a bureau of the U.S. Department of the Treasury, large domestic transactions in currency or coin and large foreign transactions that involve the movement of currency or coin or other monetary instruments into or out of the United States. We may report these transactions without notice to our clients.

#### **LEGAL PROCESS**

We may accept and comply with any legal process (such as a levy, notice of garnishment, attachment, tax levy, injunction, restraining order, or subpoena for records) that we reasonably believe is valid, whether served in person, by mail, or by electronic notification at any Bank location. We may, but are not required, to notify you of the receipt of legal process. We will not send a notice if we believe

the law prohibits us from doing so (e.g., a grand jury subpoena). You are responsible to assert any third party rights to the funds in any account maintained by you with us and we have no obligation to ascertain or assert the rights of such third parties. We have no liability to you if we accept and comply with legal process as provided herein or by law.

We may hold or hold and turn over funds or other property as directed by the legal process, subject to our right of setoff and any security interest we may have in the funds or other property. We do not pay interest on the funds during the period we hold them pursuant to legal process. If we hold or turn over funds, we may return checks and other items unpaid and refuse to permit withdrawals from your Account with no liability to you. If the legal process applies to a CD, we may charge the applicable early withdrawal penalty for funds taken from the CD.

If the legal process directs us to release information about one or more, but not all, accounts that are reported on a combined statement, we may release the entire combined statement. If the legal process directs us to release information within a certain timeframe, we may release the entire statement or other record which contains information within the requested timeframe and which may include information outside of the timeframe requested.

We may charge a legal process fee for handling such legal process and any associated costs at once against any account you maintain with us, including the account that is the subject of the legal process.

#### **LIMITATION ON ACTIONS**

Unless otherwise required by law, any action or proceeding by you to enforce an obligation, duty, or right arising under the Agreement or by law with respect to your Account or any Service must be commenced no later than one (1) year after the day the cause of action occurs. Nothing herein will serve to lengthen any shorter time frames required for you to act as set forth in contract or statute.

#### **LIMITATION ON LIABILITY**

##### **General**

We are not liable to you for: (i) taking any action authorized or permitted by this Agreement, even if such action may cause you to incur fees, expenses or damages; (ii) errors that do not result in a financial Loss to you; (iii) any claim, cost, Loss or damage caused by a Force Majeure Event; provided that we shall have acted reasonably under the circumstances; or (iv) the misconduct, mistake, default, neglect or insolvency of another financial institution, entity or person.

Our liability for a claim will be limited to the face value of an item or transaction improperly dishonored or paid or the actual value of any deposits not properly credited or withdrawals not properly debited.

Without regard to care or lack of care of either you or us, if you do not discover and report an error or an unauthorized signature, alteration, forgery, counterfeit check, or other unauthorized debit to your Account **within 60 days** after the date of your statement or the date the information about the item or transaction is made available to you, whichever is earlier, you are precluded from asserting the error or unauthorized transaction against us.

**IN NO EVENT SHALL WE BE LIABLE TO YOU FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGE OF ANY KIND AS A RESULT OF OUR BREACH OF ANY OBLIGATION OR TERM ARISING UNDER THIS AGREEMENT WITH YOU OR IN CONNECTION WITH THE ACCOUNTS YOU MAINTAIN WITH US OR THE RELATED SERVICES, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.**

In the event you incur a Loss arising from any transaction by or through us, any Loss recovery you receive shall apply to and first be credited to the amount for which we would otherwise be liable to you. Our liability for any Loss you allege shall be further reduced by the amount of all insurance proceeds you receive or are entitled to receive. In the event we pay you for your Loss, at our request you agree to assign to us your rights under any applicable insurance policy.

### **Limitation on Liability for Online Banking, Mobile Banking and Other Electronic Services**

Except as otherwise expressly may be provided in the Agreement, you understand and agree that your use of an online banking, mobile banking, or other electronic service is at your sole risk and that the service and any information, computer equipment and computer software made available to you for use in connection with the service are provided on an "as is," "where is" and "where available" basis and are subject to change at any time upon such notice as is otherwise required by law or regulation. We make no warranty that a service will be uninterrupted, timely, secure or error-free unless otherwise expressly stated in the Agreement. To the fullest extent permitted by law, we disclaim all representations, warranties and conditions of any kind as to a service and all information, computer equipment and computer software included in or accessible from a service. No license to you is implied in these disclaimers.

Failure to protect Security Items may allow an unauthorized person access to your accounts and/or your information relating to them, and enable that unauthorized person to conduct transactions on your accounts. To the maximum extent permitted by applicable law, you agree to assume full and complete liability arising from unauthorized use of Security Items.

Your failure to install, maintain and/or regularly update anti-virus, antimalware and anti-spyware identification and removal software and other such security measures as they become commercially available shall relieve us from responsibility for any Losses to you attributable to such failure, except as may otherwise be required by law.

You are required to and shall maintain commercially reasonable internal controls, including, but not limited to, segregation of certain duties, such as accounts payable and accounts receivable and initiation and confirmation of transactions, to help prevent the misuse of your accounts. We shall not be liable to you for any Losses arising by reason of your failure to maintain the security of your computer system and, for business customers, your internal controls.

We have established security procedures to be followed in connection with online, mobile and other electronic services using the Internet ("Security Procedures") for the purpose of verifying that a payment order or other instruction is from you. You understand and agree that the Security Procedures are chosen by you and are intended to determine whether (1) access to the online, mobile or other electronic service is by authorized persons, and (2) any instructions or other transmissions received by us through the Internet ("Instructions") are authorized, but that the Security Procedures are not (unless otherwise specified in writing) intended to detect any errors in the content or transmission of such Instructions. You shall promptly notify us of any suspected breach of security of the online, mobile or other electronic services (whether or not involving Bank employees) of which you have knowledge. We will distribute passwords, verification codes or other Security Items, which are a part of and included in the Security Procedures, directly to you. You agree to be bound irrevocably by any Instructions received by us through the online, mobile or other electronic service and accepted and authenticated by us in compliance with the Security Procedures, whether or not the Instruction was authorized. When you use an online, mobile or other electronic service, you acknowledge that you have been advised of the various Security Procedures employed by us, that you understand and agree to them, and that the Instructions issued to us will employ the Security Procedures. You agree that the Security Procedure and Security Items used by you are a commercially reasonable method of providing security against unauthorized payment orders. We reserve the right to change the Security Procedures upon reasonable written notice to you, provided that we may change the Security Procedures immediately without prior notice if we determine that such action is necessary to address a security risk, in which case we shall notify you of the change as soon as is practicable after the change. Any change to the Security Procedures undertaken or proposed by us shall not

reduce or impair the level of security provided for the online, mobile or other electronic services.

Except for Losses we have explicitly agreed to assume in writing, and except to the extent prohibited by applicable law, you agree you are responsible for and you shall defend, indemnify and hold us harmless from and against any and all Losses arising out of or relating to your use of our products and services by online, mobile or other electronic means.

### **Additional Limitation on Liability for Fund Transfers**

We will not be liable to you if we fail to credit, or are delayed in crediting, a fund transfer to your Account or if we fail to transmit or delay transmission of your payment order because of circumstances beyond our reasonable control. In addition, we will not be responsible to transmit a payment order that, on our opinion, may violate any law, rule, regulation or guideline of any government authority, and we will not be liable to you or anyone else for our refusal to do so. Our entire liability, and your sole remedy, for any failure or delay shall not exceed the lesser of your actual damages or the fees actually paid to us by you for our fund transfer service and associated account maintenance fees during the six (6) months preceding the date of the alleged failure or delay.

### **NO THIRD PARTY BENEFICIARY**

No person or entity will be deemed to be a third party beneficiary under this Agreement.

### **NOTICE OF SEVERABILITY**

The terms and conditions set forth in this document each stand alone and the fact that one or more of them may be determined to be unenforceable or invalid with respect to one or more accounts or relationships you have with us shall not affect the enforceability and validity of the remainder, except as may be otherwise provided in or limited by the Arbitration Agreement section.

### **PHOTOGRAPHY**

Some of our facilities are monitored by security cameras. By entering or using our facilities you agree that your image may be recorded by a camera and may be used by us for security and investigative purposes or otherwise as permitted by law. For example, we may share images with law enforcement agencies in the event of a breach of security, attempted fraud or otherwise as permitted by law.

### **PROTECTION AGAINST UNAUTHORIZED ITEMS.**

We offer services that provide additional means for controlling the risk from unauthorized items, including Positive Pay and ACH fraud filter.

We may recommend you use such services or other fraud prevention practices to reduce your exposure to fraud from time to time. If we expressly recommend that you use one or more of these services or practices (including any service that we offer after the date of the Agreement) and you either (1) decide not to use the recommended service(s) or practice(s) or (2) do not use such service(s) or practice(s) in accordance with the terms applicable to such service or practice, then you will be deemed to have assumed the risk of any Loss that could have been prevented if you had used the recommended service(s) or practice(s) properly.

### **RECORDS**

We are required by law to keep certain of our records of transactions conducted by clients for a stated period of time. We are not liable to you for failing to do so or if the records are illegible or otherwise unavailable. If there is a discrepancy between your records and our records, our records will be deemed conclusive.

### **RIGHT OF SETOFF**

You acknowledge and agree that we may setoff against any account you maintain with us [(including matured and unmatured time Account(s)) or with any Affiliate for any obligation you owe us at any time and for any reason as permitted by applicable law. These obligations include both secured and unsecured debts and debts Company owes individually or together with another person. If your Account is an unmatured time account, we may deduct any early withdrawal fee that may be due as a result of our exercise of the right of setoff. We may consider this Agreement as your consent to our assertion of the right of setoff under applicable laws. The

rights described herein are in addition to and apart from any other rights, including any rights granted under any security interest that you may have granted us.

## **RIGHT TO CLOSE ACCOUNT**

### ***By Company***

You may close your Account at any time, unless: the Account is an interest-bearing account with a stated maturity or the Account requires a notice period for withdrawal and we do not waive these requirements; the Account is pledged to us or to another; the Account is not in good standing (e.g., does not have a negative balance or any restrictions) or the Account may not be closed for other reasons. If there is more than one signer on your Account, any one signer may close the Account. If you close your account in the first 90 days after opening, an early account closure fee may be charged except where prohibited by law.

### ***By Bank***

We may, in our sole discretion, close your Account(s) and/or terminate our account relationship, in whole or in part, with you at any time for any reason. In addition, we reserve the right to close your Account(s) and terminate our relationship immediately if we determine that your conduct or the conduct of anyone acting on your behalf toward any of our staff is discourteous, disrespectful, harassing or discriminatory. If we close your Account for cause, such as improper or unsatisfactory activity in the Account, we may report that fact to third parties as permitted by law. If there are overdrafts or other amounts owing to us, we may also pursue collection efforts to recover such amounts.

### ***Account Closing***

When an Account is closed, all services related to the Account end as well. If we close your Account and there is a balance remaining in the Account, we may send a check in the amount of the balance payable to Company by mail to Company's address shown in our records. We may return deposits, checks and other items that we receive after your Account is closed without liability to you. [If your Account is an interest-bearing account, it will cease earning interest from the date on which you request it to be closed or the date when we exercise our right to close, whichever is earlier.]

Whether you or we close your Account, you agree to maintain on deposit in the Account sufficient funds (determined in our sole discretion) to cover outstanding items to be paid from such account, chargebacks and our fees and expenses. This Agreement shall continue to govern your Account even after it is closed.

## **SECURITY INTEREST**

To secure your performance of this Agreement, you grant us a lien on and security interest in your Account(s) and your accounts with any Affiliate. We may consider this Agreement as your consent to our asserting our security interest under applicable laws.

## **STANDARD OF CARE**

We will meet our standard of care for your Account(s) and Service(s) by exercising ordinary care in the transaction at issue. When we take an item for processing by automated means, "ordinary care" does not require us to examine the item. In all other cases, "ordinary care" requires only that we follow standards that do not vary unreasonably from the general standards followed by similarly situated banks. Our policies and procedures are general internal guidelines for our use and do not establish a higher standard of care for us than is otherwise established by the laws governing this Agreement. A mere clerical error or an honest mistake will not be considered our failure to perform any of its obligations. If we waive any of our rights as to you or your Account on one or more occasions, it will not be considered a waiver of our rights on any other occasion.

## **SUB-ACCOUNTS**

In order to accommodate our internal accounting and regulatory reporting, we may establish sub-accounts within your Accounts. This will not affect your account number, balance requirements, monthly statement, your use of your Account or the way you earn interest and will not be reflected on your statement.

## **SUSPICIOUS ACTIVITY**

We are required by law to report to the government any transaction conducted by any individual or business or other organization that we suspect is illegal. We report suspected illegal activity without notice to our clients.

## **USURY SAVING CLAUSE**

It is never our intention to violate any law or regulation that limits the amount we may lawfully charge for any of our services. To the extent that any fee or charge we assess is determined to be in violation of applicable law or regulation, the fee or charge shall be deemed reduced or eliminated to be in compliance and the amount charged in excess of that permitted, if any, will be refunded to you by credit to your Account or reduction of future fees.

## **WAIVER OR DELAY**

We may waive or delay enforcement of any term, condition or right we may have stated in this Agreement and our other agreements with you on a one-time basis even though we have not done so before and may not do so again and without prejudice to any other term or condition or right we may have under such agreements. We may revoke any waiver upon notice to you.

## **SUBSTITUTE CHECKS**

### **GENERAL**

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.

You agree that you will not transfer a substitute check to us, by deposit or otherwise, if we would be the first financial institution to take the substitute check (i.e., it has not been previously endorsed by another bank), unless we have expressly agreed in writing to take it. If you do transfer a substitute check to Bank, you agree to give us the same warranties and indemnities that we, as a reconverting bank, would give under applicable law or regulation and you agree to reimburse us for any Losses we may incur. If the substitute check is an electronic representation (instead of the original check), you agree to reimburse us for all Losses we incur because the substitute check does not meet applicable standards or causes duplicate payments.

## **PROTECTING YOUR ACCOUNT**

You agree to comply with your obligations as stated in the Agreement and take reasonable steps to ensure the integrity of your internal procedures with respect to your Account and items drawn on, or deposited into, your Account. To help prevent embezzlement and protect your Account, Bank recommends the following:

- Do not provide your Account number or any other account information to anyone you do not know or to anyone over the telephone, email or the Internet, unless you are positive you know the person and you want the person to be able to conduct transactions on your Account.
- Review your bank statements upon receipt. If you do not receive a bank statement when you should, contact us at once. If there is anything in your statement that does not look right, contact us at once.
- If you order checks and do not receive them promptly, contact us at once.
- Store your check stock, check images and statements securely and notify us at once if a check or statement is missing.
- Use tamper-resistant check stock.

- Do not give anyone a blank check that you have signed
- Carefully shred or otherwise destroy cancelled checks, check images, bank statements, deposit slips and receipts before discarding them.
- Be disciplined in the management of your Accounts. Check them often even if you have not initiated transactions and report suspicious activity to the bank right away.
- Separate bank account responsibilities. Do not allow the same person who reconciles your bank statement to also issue checks on your Account.
- Watch for out-of-sequence checks and checks made payable to cash or to a bank. Watch for checks not used to pay your debts such as a check payable to a credit card company or utility. These are some classic red flags for embezzlement.
- Conduct a regular review of your transaction activity for unexpected fluctuations.
- Consider maintaining separate accounts and segregating employees for accounts payable and accounts receivable.
- Notify the Bank immediately when an Authorized Signer or other employee who was authorized to transact business on or in connection with your Accounts and Services, so their access can be removed.
- Conduct thorough background checks on employees who have financial responsibilities or access to your Accounts and financial documents.
- Provide cyber-security training and share fraud protection and other important information with all company users.
- Monitor security threats and periodically assess network and security risks. Develop a cyber-incident response plan and test it regularly.
- Maintain insurance coverage (e.g., embezzlement, cybersecurity, etc.) appropriate to your financial risks
- Take full advantage of bank-related security products and alerts (e.g., Positive Pay and ACH blocks and filters).
- Encrypt sensitive data, whether transmitting or simply storing it.
- ACH transaction and wire transfer security is especially critical - Use security tokens only when releasing an ACH or wire transaction, never at login. We will never initiate a communication to request entry of security tokens. If you enter a token to complete a transaction and you get an error message, you are logged off the system or you do not get a confirmation contact us IMMEDIATELY. There is increased likelihood your computer has been hacked.

## GLOSSARY OF TERMS AND ACRONYMS

**ACH** – Automated Clearing House.

**Authorized Signer** – A person who has your actual or apparent authority to transact on your Account and to give other instructions to us with respect to your Account, whether or not such person has signed the signature card or other documentation for your Account. We may continue to recognize an Authorized Signer's authority until we have received and had a reasonable time to act upon your written modification or revocation of such authority. An Authorized Signer acts on behalf of Company when taking an action on the Account.

**available balance** – Your account balance at the opening of the Business Day, plus or minus certain account activity during the day, and minus any holds. The available balance is the amount available for withdrawal. Please note that the available balance does not reflect every transaction you have initiated or we previously authorized that has not yet posted to your account.

City National Bank is a subsidiary of Royal Bank of Canada.  
City National Bank Member FDIC  
ID 66539E (10/2022)

**Business Day** – Every day is a Business Day, except Saturdays, Sundays and bank holidays we observe.

**collected funds** – Funds deposited to your Account for which we have received credit. Please note that the collected funds balance does not reflect every transaction you have initiated or we previously authorized. Uncollected funds may not be available for withdrawal.

**computer system** – any computer hardware, computer software, computer network and/or systems, and/or any other hardware and/or software and firewall.

**Corporate Deposit Account** - any corporate deposit account opened under this Agreement, that is not held or maintained primarily for personal, family or household purposes. It is available to business entities, including corporations, professional corporations, limited partnerships, general partnerships, limited liability partnerships, limited liability companies, professional limited liability companies, charitable organizations, embassies, consulates and diplomatic missions, statutory trusts, unincorporated associations of persons, public agencies and foreign business entities.

**ECI** – an electronically created item that is an electronic image that has all of the attribute of an electronic check but is not originally derived from a paper check.

**electronic check** - A check that has gone through a process where the check is used as a source of information for the check number, account number, and the bank identification number to convert the check into an electronic debit. The information is then used to make a one-time electronic debit from your account (an electronic fund transfer).

**electronic communication** – A message transmitted electronically in a format that allows visual text or images to be displayed on equipment such as a computer monitor or smartphone.

**FDIC** – Federal Deposit Insurance Corporation.

**FinCEN** – Financial Crimes Enforcement Network.

**IRS** – Internal Revenue Service.

**item** – An item is an order, instruction or authorization to withdraw or pay funds or money from an account. Examples include checks, drafts and electronic transactions including ACH and wire transfers. Unless prohibited by law or regulation, an item also includes any purported order, instruction or authorization to withdraw or pay funds or money from an account.

**ledger balance** – The ledger balance is the balance in an account at the end of each Business Day after all credits and debits presented that day and any applicable fees have been posted to the account. It is the beginning balance for the next Business Day and does not reflect any pending deposits, debits and adjustments that have not posted. The ledger balance may not be the same as your available balance or your collected funds balance.

**Losses** – Any losses, damages, liabilities, costs and expenses (including attorneys' fees).

**MICR** – Magnetic Ink Character Recognition.

**PIN** – Personal Identification Number.

**Privacy Disclosures** – Our privacy notice and other privacy statement(s)/disclosure(s), which are available in the Privacy & Security section at [cnb.com](http://cnb.com).

**Security Item** – Each of your usernames, PINs, tokens, passwords, codes, marks, signs, public keys or other means of identification used in connection with your online, mobile and other electronic access to our products and services over the Internet.

**TIN** – Taxpayer Identification Number



Member Federal Reserve System  
(504)



# Overdraft Protection for Corporate Accounts

## Overdraft Protection: Peace of Mind

Avoid the fees, hassle and embarrassment of rejected transactions or overdrafts in your checking account with a Commercial Credit Sweep Line of Credit.

Your City National overdraft protection is linked to your City National checking account. Commercial Credit Sweep Line of Credit acts like an insurance policy against overdrafts by automatically advancing funds to cover checking account overdrafts up to your available credit.

The best means to avoid overdrafts is to keep sufficient funds in your checking account to cover all transactions. City National Bank does not encourage you to present transactions for payment against insufficient or uncollected funds in your account. Commercial Credit Sweep Line of Credit is offered to you as a means to allow us to pay the transactions up to the limits of the protection and avoid overdrafts. Without Commercial Credit Sweep Line of Credit, at our discretion, we may pay transactions that overdraw your checking account but we are not obligated to do so. We reserve the right to close any account when checks or other items are repeatedly drawn against insufficient or uncollected funds or credit. Overdrafts in account must be repaid at once.

HOW OUR OVERDRAFT OPTION WORKS	
Features	Commercial Credit Sweep
Product summary description	A larger line of credit with negotiated terms and conditions linked to your checking account. We automatically transfer the exact amount of funds from the line of credit to maintain the established Target Collected Balance in the linked checking account. Collected funds from deposits and other credits in the checking account that exceed the Target Collected Balance are automatically transferred back to the line of credit to reduce any outstanding balance.
Who would benefit	Commercial clients that want to minimize interest expense.
% of available credit eligible to provide overdraft protection	100%
Advance increments	The exact amount needed to cover an overdraft or bring the checking account to its Target Collected Balance, up to the amount available in the Commercial Credit Sweep line of credit.
Maximum Potential Overdraft Coverage Amount	Negotiable
Minimum Line of Credit Amount	Negotiable
Repayment	Subject to the terms and conditions relating to the Commercial Line of Credit.
Automatic payment feature	Automatic payment for the minimum amount due monthly is required.
Annual Fee	Negotiable
Monthly Fee	\$200, assessed to the linked checking account
Transfer Fee	None
Interest Rate	Negotiable
NSF/OD Fees*	Assessed on the linked checking account only when items paid or rejected exceed both the balance in the checking account and amount of credit available in the Commercial Credit Sweep line of credit.
Notes	Requires loan application and credit approval.

\*Please refer to Fee Schedule: Corporate Banking Products & Services.





## INTRODUCTION

This Treasury Management Services Disclosure and Agreement (this "Agreement") and the other Service Documentation (described below) contain the terms and conditions under which City National Bank provides treasury management services (the "Services").

**Terms Used to Refer to the Client and City National Bank.** When we refer to our "client" or "you" or "your" or "yours," we mean you, our client, using a Service, and anyone acting on your behalf with express or apparent authority. When we refer to "CNB," "City National," "the Bank," "we," "us" or "our," we mean City National Bank and our directors, employees, affiliates, agents and vendors. When we refer to an "affiliate," we include our own managed affiliates and Royal Bank of Canada ("RBC") and the subsidiaries it controls. City National is a subsidiary of RBC.

# TREASURY MANAGEMENT SERVICES DISCLOSURE AND AGREEMENT

## AGREEMENTS FOR THE SERVICES

### SERVICE DOCUMENTATION

You agree to use the Services in accordance with the terms and conditions in the "Service Documentation", which includes:

- This Agreement;
- The account agreement and other documentation (collectively, the "Account Agreement") governing the account(s) (each, an "Account" or collectively, "Accounts"), as applicable;
- The Privacy Disclosures available in the Privacy & Security section at *cnb.com* ;
- User guides, terms of use, software licenses, processing descriptions, procedures, instructions, online help screens, or other documentation (collectively "User Documentation") provided to you by us from time to time related to the Services, including any addenda to the Agreement, as applicable; and
- Any additional documents agreed to between you and us in writing with respect to the Services.

The Service Documentation is designed to be used together and they explain the terms of the Services and your rights and responsibilities when you use the Services. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. You are responsible for knowing and understanding the terms and conditions stated in the Service Documentation for the Services you use. You are responsible for ensuring that anyone acting on your behalf with respect to the Services is familiar with the Service Documentation.

If you need another copy of any document which is a part of the Agreement or further information about our products and services, please contact your Relationship Manager. You may also call us at the telephone number listed on your statement or visit us at our website, *cnb.com*.

### RULES GOVERNING A SERVICE

In addition, each Service may be subject to the applicable provisions of the Operating Rules of the National Automated Clearing House Association ("NACHA Rules") and the rules of any other funds transfer system or clearing house through which funds are sent when we provide a Service, as the same may be amended from time to time; and applicable federal law and regulations. You agree to comply with and be bound by the rules applicable to the Service you use.

### CHANGES TO THE SERVICE DOCUMENTATION AND/OR SERVICES

We may change the Service Documentation at any time. The change may include adding new terms or deleting or changing existing terms. We may also add, convert, substitute or discontinue Services at any time. We will provide you notice of any changes as required by law. We may, but do not have to, notify you of any change in a Service if we determine in good faith that the change is beneficial to you or is made for security reasons.

Notice of any change may be provided by mailing notice to you at the address in our records (including with your account statement), posting notice on our website, providing notice through our online banking service, or otherwise making it available to you. You agree that your use of a Service following our providing you notice as stated above means that you accept and agree to be bound by all of the terms and conditions of the amended terms and conditions of this Agreement. Do not use a Service if you do not accept and agree to be bound by all of the terms and conditions of this Agreement as amended.

#### **GOVERNING LAW**

The Agreement, the Services, and your and our rights and obligations under the Agreement, are governed by the applicable laws as set forth in the "Governing Law" provision of the then current Account Agreement. If any provision of the Service Documentation is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. To the extent the Service Documentation contains variations from applicable law or regulation as allowed by law, the terms and conditions of the Service Documentation will govern.

### **COMMENCING A SERVICE**

#### **DEPOSIT RELATIONSHIP**

Prior to commencing a Service, you will open and maintain with us one or more Accounts as we shall require to provide you a Service. You agree to maintain the Account(s) in good standing at all times with sufficient available funds to conduct transactions on the Account(s), to comply with the rules governing the Account(s), and to pay any fees associated with the use or maintenance of the Accounts. If a Service requires us to extend credit to you or on your behalf, the provision of such Service will be subject to you satisfying the credit approval and other eligibility criteria.

#### **SERVICE REQUIREMENTS**

You will furnish us all Data we require in order to provide a Service. The Data must meet our specifications and be delivered within the time we require. You are responsible for the accuracy, completeness and authenticity of all Data submitted to us. You will make and retain copies of all Data provided to us.

If applicable, you will provide samples of the checks, drafts, deposit slips or files purchased or created by you for use in connection with a Service for our approval at least fifteen (15) days prior to proposed use or as required by terms of the Service.

#### **IDENTIFYING YOU**

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.

This means 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 or to the beneficial owners of the business and individuals who will be conducting business with us on behalf of a business or entity. We may request additional information (including new signature exemplars) at any time.

\*As used in this "Identifying You" Section, Account means a formal banking relationship established to provide or engage in services, dealings, or other financial transactions, including a deposit account, a transaction or asset account, a credit account, or other extension of credit, and a relationship established to provide a safe deposit box or other safekeeping services, or treasury management, custodian, trust, and international services.

#### **YOUR INFORMATION**

In addition to information we may request or disclose as described in the Account Agreement, you agree to provide us information about your financial situation from time to time as we may reasonably request. You shall immediately advise us of any material adverse change in your financial condition.

We may share your personal information and our experience with you for our everyday business purposes, including to process your

transactions, maintain your Accounts, report suspicious or other unusual transactions, respond to court orders and legal investigations, to report to credit bureaus and with third parties, as permitted by law. You understand you cannot limit this sharing and as a condition for and by doing business with us you agree, authorize and consent to such sharing. Further, as data shared with and maintained by government agencies and credit bureaus is not maintained within our control, you understand and agree that we shall have no responsibility or liability to you in the event such shared data is misused or is compromised in any way. The foregoing does not limit your right to advise us of data you believe may be inaccurate nor relieve us of our obligation to correct data we determine to be inaccurate. For further information, please refer to our Privacy Disclosures.

#### **AUTHORIZATION**

You and each signer of an agreement or document on your behalf represents and warrants to us that (a) the signers of an agreement for a Service and the signers of all related documents have the power and authority to execute and deliver the agreement and the related documents on your behalf and, when executed, the agreement and related documents are binding upon you; (b) you have obtained all necessary authorizations from each person or entity owning or holding an Account set up on a Service to conduct each transaction which is provided by the Service, including, but not limited to, authorizations to debit the account for a transaction originated by use of the Service; and (c) you have the authority to give to us these representations and warranties.

### **COMMUNICATIONS BETWEEN US**

#### **EMAIL COMMUNICATIONS**

If you attempt to communicate with us by email, we may not read your email immediately. You should not rely on email if you need to communicate with us immediately. Emails sent through the Internet are generally not secure and could be intercepted by a third party. For your protection, avoid sending private or confidential information via email. We are not responsible for the acts of unauthorized persons.

#### **NOTICES**

Any notice required or permitted to be given under this Agreement must be in writing and will be deemed effective upon receipt. Notices may be sent to your place of business as determined from our records. Notices to us should be sent to us at City National Bank, 350 South Grand Avenue, Los Angeles, CA 90017 Attention: Treasury Management Solutions.

### **SECURITY, ACCESS AND EQUIPMENT**

#### **EQUIPMENT, HARDWARE AND SOFTWARE**

The provision of a Service may require that you maintain equipment, hardware and software that is compatible with our systems or the systems of our vendors and maintains at least the level of security and other specifications we require. We may change our requirements from time to time and you are responsible to meet our requirements. Unless we provide otherwise, you are solely responsible for the selection, installation, maintenance and operation of your equipment and software. You will, at your own cost and expense, maintain in good working order all your equipment, hardware and software necessary for a Service and implement, on a regular basis, back-up measures to a Service. We assume no responsibility with respect to any errors, failures, or malfunctions of your equipment (e.g., computer), hardware or software, or for any computer virus or related problems that may occur with your use of any equipment or telecommunication network or that may occur with your use of a Service.

To use a Service, you must have your own ISP or other means of accessing the Internet, the necessary computer equipment, and a compatible browser supporting 128-bit encryption. We do not endorse or provide an ISP or other means of accessing the Internet. If you obtain an ISP or other means of accessing the Internet, you may incur charges from your ISP or other Internet access provider.

We are not responsible for the actions or inactions of your ISP or other Internet access provider. Software, ISP or other Internet access provider requirements may change from time to time and may affect your ability to access a Service. We are not responsible for any security breach, compromise, intrusion, misuse and/or failure on or involving your Computer System through which you access a Service, including, without limitation, any virus, worm, Trojan horse, malware, spyware, or other similar harmful or malicious software, program or application on your Computer System. Furthermore, we are not liable for (a) any unauthorized access to your accounts via a Service, (b) any unauthorized transactions that may occur on your Accounts and/or (c) any Losses to you arising by reason and/or as a result of any such security breach, compromise, intrusion, misuse and/or failure of your Computer System. Except as otherwise expressly provided in this agreement, you understand and agree that your use of any Service is at your sole risk and that any Service and any information, computer equipment, hardware and computer software made available to you for use in connection with a Service, is provided on an "as is," "where is," and "where available" basis, and are subject to change at any time without notice to you. You have knowledge that we make no warranty that a Service will be uninterrupted, timely, secure or error-free unless otherwise expressly stated in this agreement. To the fullest extent permitted by law, we disclaim all representations, warranties and conditions of any kind (express, implied, statutory or otherwise, including, but not limited to, the warranties of merchantability, fitness or suitability for a particular purpose, title and non-infringement of proprietary rights) as to any Service and all information, computer equipment, hardware and computer software included in or accessible from a Service. No license to you is implied in these disclaimers.

If we provide any software with a Service, you understand and agree that it is for your exclusive use and may not be transferred, assigned or otherwise made available to any other party. By accessing any Service and using the software provided you agree that you will not: (a) modify, adapt, translate, or sublicense the software (including offering the software to third parties on an applications service provider or time-sharing basis); (b) assign, loan, resell, transfer or distribute the software, or related materials or create derivative works based upon the software or any part thereof; and (c) copy the software in whole or part, except as expressly permitted by us or use trade secret information contained in the software to develop software to interface with the software. You agree not to (and not to permit others to): (i) decompile, disassemble, or otherwise reverse engineer the software or (ii) remove, alter or obscure any confidentiality or propriety rights notices (including copyright notices) on or within the software or any copies of the software.

#### **SECURITY OF YOUR COMPUTER SYSTEM**

In order to maintain security (including secure communications) and reduce fraud, you agree to protect the security of your Security Items to access and/or use your Accounts via a Service. Among other things, you agree to maintain and regularly update the security of your Computer System through which you access a Service, including, without limitation, by installing, maintaining and regularly updating antivirus and antispyware identification and removal software and other deterrent systems reasonably necessary to prevent unauthorized access to your Computer System. You shall take all reasonable precautions to prevent the introduction of any disabling procedures (including, but not limited to, a software lock, malicious logic, worm, Trojan horse, bug or time bomb, etc.) into your software or our software that might disrupt our equipment or software, or the equipment or software of other users of this Service. You are responsible for your failure to maintain or update the protection of your Computer System and we shall not be liable to you for any loss arising by reason of your failure to do so.

Your failure to install, maintain and/or regularly update antivirus and antispyware identification and removal software shall relieve us from responsibility for any losses to you attributable to such failure, except as may otherwise be required by law.

Except to the extent required by applicable law, we shall not be liable to you for any losses arising by reason of your failure to maintain the security of your computer system or Security Items.

We reserve the right to block your access to a Service in order to maintain and/or restore security to the Service, *cnb.com* website (and/or CNB-related websites) and/or any other CNB systems if we believe in our sole and absolute discretion that any of your Security Items has been or may be obtained or is being used or may be used by any unauthorized person or that you are not complying with the requirements herein.

Without limiting this provision in any way, you acknowledge and agree that a Service may require you to communicate with us via email, the Internet and/or other electronic means and that such communications could fall victim to interception and/or access by unauthorized third parties. We require you to utilize prudent and reasonable computer hardware and software security measures and Security Items and to follow the minimum security practices and procedures set forth in the Service Documentation or otherwise provided to you from time to time ("Minimum Security Standards") in order to reduce the risk of unauthorized access to and use of your Account(s) via a Service by unauthorized or third parties.

You acknowledge and agree that your failure to utilize such computer hardware and software security measures and security items and/or to follow such minimum security standards shall relieve us of any liability to you for unauthorized access to and/or use of your Accounts or unauthorized transactions initiated on your Accounts through a Service.

You agree that complying with the Minimum Security Standards shall not relieve you of your obligation and responsibility to exercise independent judgment about security and additional steps or procedures needed to prevent cyber fraud, unauthorized access to and/or use of your Accounts via a Service. Accordingly, you agree to take all additional commercially reasonable security measures in using the Service as circumstances may dictate over time. You further agree to take all commercially reasonable security measures necessary to prevent disruption to the operations of our systems and any Service.

#### **SECURITY OF PASSWORDS, USER NAMES AND PERSONAL IDENTIFICATION NUMBERS**

You understand that all Security Items that we may require you to use and the security instructions we may require you to follow in connection with a Service are part of our security procedures ("Security Procedures") for the Service and are confidential. You are responsible for maintaining the confidentiality and security of your Security Items that we may require you to use and the security instructions we may require you to follow in connection with the Minimum Security Standards, and you are responsible for the use of such Security Items. You agree to safeguard the Security Items and security instructions at all times and to establish and maintain procedures to assure their confidentiality. You agree not to disclose the Security Items and security instructions to any person or entity except your authorized personnel with a need to know. As part of our Security Procedures, we may establish additional requirements, such as a dollar limitation for transactions initiated by you. If we establish such a requirement, we will notify you. You will advise us immediately in the event you believe a Security Item or security instruction has been compromised by unauthorized disclosure.

If required for a Service, you shall appoint an Administrator or contact person authorized to act on your behalf in assigning Security Items and functionality and in originating or confirming instructions for a Service. If permitted by a Service you may appoint more than one Administrator. You agree to notify us at once in writing of any change in your Administrator or contact person, or any of them. See "Responsibility of Client and Administrators" section for further details.

You agree to train your employees and agents, as applicable, regarding the risks associated with any sharing or disclosure of Security Items and security instructions and will maintain procedures to prevent unauthorized disclosures and use of Security Items and security instructions. Your failure to provide such

training and/or to maintain such procedures which contributes to a Loss or damage to you or onto your Account shall relieve us of responsibility or liability for the Losses or damage otherwise attributable to us, to the extent of your contribution.

You understand that our Security Procedures are not intended to detect errors in the content or transmission of your requests, and any actions we may take to detect an erroneous transaction or unauthorized request or instruction are determined at our sole discretion. Such actions shall not be deemed a part of our standard Security Procedures and we are not liable to you if we do not take such action(s) or any of them in each circumstance.

### **SERVICE COMMUNICATIONS**

You understand that one or more of the Services may require you to contact us using the Internet or other electronic means. You understand that the Internet and other electronic means of communication may enable the communication to be accessed by unauthorized third parties. You understand that the equipment and software security levels we require, including the use of SFTP and the use of the Security Items and security instructions, are intended to minimize the risk of access by unauthorized third parties. Your failure to maintain our required security levels or your failure to use our required Security Items and to follow our required security instructions shall relieve us of any liability to you for unauthorized access to your Accounts or unauthorized transactions initiated on your Accounts arising by reason of your failure.

### **RELIANCE ON SECURITY ITEMS**

We may require that you initiate or authenticate transactions under a Service, including, but not limited to, transactions involving the deposit or the withdrawal of funds from any Account set up on a Service, using one or more Security Items as part of the applicable Security Procedures. All uses of the Services using the Security Item(s) will be deemed to be authorized by and binding on you, except as otherwise provided in the Service Documentation. With respect to payment orders, you agree that the Security Procedures (including the Security Item(s)) offered by us are commercially reasonable security procedures in view of the size, type and frequency of payment orders issued by you. You agree to be bound by any transaction, whether or not authorized, issued in your name and accepted by us in compliance with the Security Items in accordance with the applicable Security Procedures. You understand that any such transaction will be deemed an authorized transaction upon which we are entitled to act upon without further investigation or confirmation and without regard to the signing authority or multiple signature requirements on the Account.

If a third party by whatever means obtains your Security Items, we are authorized to rely upon and assume without further inquiry that the party to whom you disclose such Security Items is authorized to do anything that you can do with the Security Items at any time. We are not liable for any Losses arising from the use of your Security Items by any such third party whether the use is within the scope of your intended authorization or not. Failure to protect security items may allow an unauthorized person access to your Accounts and/or your information relating to them, and enable that unauthorized person to conduct transactions on your Account. To the maximum extent permitted by applicable law, you agree to assume full and complete liability arising from unauthorized use of security items.

### **SECURITY PROCEDURES (ONLINE AND MOBILE)**

We have established Security Procedures to be followed in connection with Services provided via online, mobile or other electronic means for the purpose of verifying that an instruction, including funds transfer instructions and payment orders (an "Instruction"), is from you. You agree that the Security Procedures (including the use of Security Items, if applicable) offered by us, and selected by you, are commercially reasonable security procedures in view of the size, type and frequency of Instructions issued by you. You acknowledge that the Security Procedures are not (unless otherwise specified in writing) intended to detect any errors in the content or transmission of such Instructions. You shall promptly notify us of any suspected breach of security of the online banking or mobile banking services (whether or not involving Bank employees) or your systems (including your email) of which you

have knowledge. If applicable, we will distribute Security Items, which are a part of and included in the Security Procedures, directly to you.

You agree to be bound irrevocably by any Instruction received by us and accepted and authenticated by us in compliance with the Security Procedures, whether or not authorized, and we are entitled to act upon such Instruction without further investigation or confirmation and without regard to the signing authority or multiple signature requirements on the Account.

We reserve the right to change the Security Procedures upon reasonable written notice to you, provided that we may change the Security Procedures immediately without prior notice to you if we determine that such action is necessary to address a security risk, in which case, we shall notify you of the change as soon as is practicable after the change.

### **RESPONSIBILITY OF CLIENT AND ADMINISTRATORS**

A Service may require or permit that you designate one or more administrators (e.g., Client Administrator, Service Administrator, Systems Administrator, User Administrator, etc.) (referred to herein as, "Administrator"). You understand that an Administrator may do the following:

- Designate other persons to be Administrators with full or limited access and use rights
- Delegate access and/or use rights to the applicable Service to other persons (e.g., a delegate, User or User Administrator)
- If applicable, assign Security Items to other Administrators and/or users for access and use of applicable Service (including for the origination and confirmation of payment orders and other instructions)
- Request that Accounts be added/removed from the Service with requested functionality
- Request that modules be added/removed from the Service

You agree to notify us at once of any change in any Administrator or contact person designated by you. We may require such notification to be in writing. Please refer to the User Documentation for the applicable Service for further information.

**Please Note:** You and your Administrator(s) are responsible to monitor and control the actions of any person you or any Administrator provides with access and use rights to the Services. You and your Administrator(s) are responsible for ensuring that Security Items are known only to and used only by the person or persons you intend to be properly authorized to access and use a Service.

You understand that transactions using the Services, including transactions on any linked Account, within the scope of the authority granted to or by you or an Administrator, are transactions authorized by you, whether or not authorized by you. Any person who is assigned Security Item(s) for a Service will be able to conduct transactions on any Account set up for that Service. Transactions include, but are not limited to, viewing information from the Accounts set up on the Service, transferring funds between Accounts set up on the Service and transferring funds from such Accounts to third parties, depending on the Service being provided. You understand and agree that any Administrator may assign Security Items to persons not otherwise authorized to sign and conduct transactions on one or more Accounts set up on the Service, without regard to the signing authority or multiple signature requirements on any such Account, and such transactions, initiated in accordance with our requirements for a Service using Security Items are deemed authorized.

**FAILURE TO PROTECT SECURITY ITEMS MAY ALLOW AN UNAUTHORIZED PARTY ACCESS TO YOUR ACCOUNTS AND YOUR ACCOUNT INFORMATION, AND ENABLE THAT PARTY TO CONDUCT TRANSACTIONS ON YOUR ACCOUNT. YOU ASSUME THE RISK OF UNAUTHORIZED USE OF SECURITY ITEMS. YOU ARE RESPONSIBLE FOR THE ACTS OF EACH OF YOUR**

ADMINISTRATORS AND OTHER DELEGATES/USERS, AND YOU ASSUME THE RISK OF LOSS FOR ALL SUCH ACTS.

#### **INTERNAL CONTROLS**

We strongly recommend that all clients maintain reasonable internal controls with respect to the Services. You are required to and shall maintain commercially reasonable internal controls, including, but not limited to, segregation of certain duties, such as accounts payable and accounts receivable and initiation and confirmation of transactions, to help prevent the misuse of your Accounts and the Services. **WE SHALL NOT BE LIABLE TO YOU FOR ANY LOSSES ARISING BY REASON OF YOUR FAILURE TO MAINTAIN COMMERCIALY REASONABLE INTERNAL CONTROLS.**

#### **RELIANCE ON DATA; DATA DELIVERY; SAFEGUARDING DATA**

We are entitled to rely and act upon the Data submitted by you to us and we shall have no obligation or responsibility to audit, check or otherwise verify the Data. If the Data submitted by you to us is incomplete, not in our required format or if we discover an error in the Data, we may delay performance of a Service and, at our option, require you to correct, complete or resubmit the Data. If Data is delivered late to us for any reason, we may also delay performance of a Service. Any delay allowed hereunder may be for such time as we determine. We shall be entitled to additional compensation for our cost or expense attributable to a delay. We will attempt to notify you prior to incurring any additional expense for which you will be liable but we are not required to do so.

Data furnished by you to us in connection with a Service will be safeguarded by us to the same extent that we safeguard our own similar data. We acknowledge your Data to be your proprietary information and we will not use your Data without your prior consent except to provide a Service, as set forth in the Service Documentation and for other purposes as required or permitted by law.

#### **RELIANCE ON THIRD PARTIES**

The provision of a Service may depend upon your or our ability to obtain and provide access to third-party networks, including telecommunication networks. In the event any third-party network is unavailable or in the event we determine, at our discretion, that we are unable to continue providing any third-party network access, we may discontinue the related Service or may provide the Service through an alternate third-party network. In such situations, we shall have no liability for the unavailability of access.

If an ISP is required for us to provide you a Service you must obtain your own ISP and you are responsible for the ISP fees. We do not endorse or provide an ISP.

You may use a messenger or other courier or armored carrier approved and authorized by us, to deliver to us or to receive from us Data and banking transactions. You acknowledge that any such courier is your agent, unless otherwise stated, and that we shall have no responsibility or liability for any Data or transaction until the Data or transaction is actually received and receipted by us at our designated location. Additionally, once your agent takes possession of any Data or transaction from us, we relinquish control of, and shall bear no liability for, any such Data or transaction. Even if we shall agree to pay for the cost of the courier, you assume all risk of loss of Data or transactions while in the possession of the courier. You are responsible for reconstruction of all your Data or transactions in the event of its destruction or loss.

### **GENERAL TERMS AND CONDITIONS**

#### **BUSINESS PURPOSE**

You understand that the Services are intended for you to use for business purposes. You agree that the Services will not be used for any personal, family or household purpose.

#### **DUTY TO REVIEW**

You shall promptly review the reports and statements provided to you by us for accuracy and completeness. You shall immediately notify us of any error in a report or statement provided to you. Reports and statements for which no notice of error is received within ten (10) Business Days shall be deemed correct.

#### **DEADLINES**

A Service may be subject to deadlines or processing cut-off times as described in the applicable User Documentation for the Service or otherwise communicated to you by us from time to time. Instructions or Data received after a deadline or cut-off time are deemed received on our next Business Day. We may accept and attempt to process instructions or Data received by us after our deadline or cut-off times, but we shall have no obligation to do so and shall not be responsible if we accept and attempt to process instructions or Data and are unable to do so until our next Business Day.

#### **FUNDS TRANSFERS**

Electronic fund transfers which are not consumer electronic fund transfers governed by the Electronic Fund Transfer Act and Regulation E are governed by the Uniform Commercial Code ("UCC") applicable to your Account(s), the rules and regulations of the fund transfers system through which the funds are sent and by the terms and conditions stated in this disclosure. These fund transfers include transfers to or from accounts through the Federal Reserve Bank system by means of Fedwire or, internationally, through SWIFT (the Society for Worldwide Interbank Financial Telecommunication), transfers through the automated clearing house that are subject to the ACH applicable rules or other fund transfer systems and transfers between accounts at our different branches ("on us" transfers). The terms and conditions that follow apply if you request that we act as the "Originating Bank" for a "payment order" from you or as the "Beneficiary Bank" for a payment order to you as these terms are defined in the UCC. These terms do not generally apply to transfers originated by check, draft or other written item.

Any Authorized Signer on an account may initiate an electronic fund transfer from the Account by means of a payment order unless you and we have otherwise agreed. Electronic transfers may be initiated by payment order in the form of a written communication received directly or by facsimile transmission, orally, by telephone or electronically. If an Authorized Signer uses a facsimile signature, we may rely and act upon the signature as stated under the Account Agreement. Each payment order shall be authenticated by means of a security procedure established by agreement between you and us for the purpose of verifying that a payment order or communication amending or canceling a payment order is from you or for the purpose of detecting error in the transmission or the content of the payment order or communication.

If a funds transfer instruction (as defined in Division 11 of the California Uniform Commercial Code) is received, deemed authorized and processed by means of the Security Procedures you agree upon for the Service, you acknowledge that you are responsible to pay the amount of the funds transfer even if the instruction is in error or is fraudulent. You acknowledge that the recipient of a funds transfer instruction may pay solely on the basis of the account or other identifying number in the instruction even if the name of the beneficiary or financial institution and the number on the records of the recipient do not agree. You acknowledge that we are not responsible to provide you notice of an incoming funds transfer upon receipt and that we may provide notice to you on your account statement.

#### **OTHER FRAUD SAFEGUARD SERVICES**

From time to time, we may develop or otherwise make available to you services that are designed, among other things, to detect and/or deter or to enable you to detect or deter specific instances of unauthorized, altered, counterfeit or fraudulent transactions, checks or other items, on your Accounts (each a "Fraud Safeguard Service"). These Fraud Safeguard Services include, by way of example and not exclusion, our ACH Fraud Protection Service

(including ACH Filters with ACH Positive Pay and ACH Blocks) and our Check Positive Pay Service (with or without Payee Verify).

You acknowledge that your failure to use a Fraud Safeguard Service following our request that you do could substantially increase the likelihood of fraudulent activity on your Accounts and that it is neither manifestly unreasonable nor unreasonable under the circumstances for us to require you to use such Fraud Safeguard Service. Accordingly, you agree that if you fail to implement any Fraud Safeguard Service or follow procedures required by it, or you fail to follow other precautions or procedures reasonable for your particular circumstances following our request that you do, you will be deemed to have assumed the risk of any Loss that could have been prevented if you had used the Fraud Safeguard Service or procedures properly and you will be precluded from asserting any claim against us for paying any unauthorized, altered, counterfeit or other fraudulent item that the Fraud Safeguard Service or other precaution was designed to detect or deter, and we will not be required to re-credit your Account or otherwise have any liability for paying any such item.

#### **PROPRIETARY RIGHTS**

You acknowledge that all computer programs, systems and software used in providing a Service and all information relating to them, including but not limited to User Documentation, is our property and has great commercial value to us. You shall not disclose information about this property without our prior written consent, and you shall not acquire any proprietary interest or right in this property as a result of your use of a Service. This provision shall survive the termination of the Service and the Agreement.

#### **CONFIDENTIALITY**

You and we acknowledge that all information concerning the other party provided in connection with a Service shall be maintained in confidence and shall not be used or disclosed to any third party without prior written consent, except as may be necessary to perform a Service or as required or permitted by applicable law or regulation.

#### **FEES AND EXPENSES**

You shall pay our fees, charges and other costs and expenses for each Service as specified in the applicable schedule of fees and charges or other document(s) provided to you from time to time as well as the fees and charges of others necessary to provide a Service. We reserve the right to change our fees and charges on reasonable notice to you.

#### **LIMITATION OF LIABILITY AND INDEMNITY**

We will only be liable to you for actual damages incurred as a direct result of our failure to exercise ordinary care in providing the Services, which requires us to follow standards that do not vary unreasonably from the general standards followed by similar situated banks. A mere clerical error or mistake will not be considered a failure by us in performing an obligation. Furthermore, except in the case of our gross negligence or intentional misconduct or to the extent prohibited by applicable law, our liability to you arising out of or relating in any way to the Services or this Agreement will in no event exceed the greater of the total amount of fees incurred or charged hereunder in the immediately preceding twelve (12) month period.

Except as otherwise required by applicable law or expressly provided in the Service Documentation, in no event will we be liable to you for (i) the acts of any third parties, including any failure of performance, error, omission, interruption, or other failure of operation of a service provided by any third party or (ii) any consequential, incidental (including court costs and attorneys' fees), indirect, special, exemplary or punitive losses or damages or for any loss of profits, loss of business, loss of revenue, loss of goodwill or loss of opportunity resulting from business interruption or loss, use and/or misuse of Data, whether any claim is based on contract or tort, or whether the likelihood of such Losses or damages was known to us and regardless of the form of the claim or action.

We are not liable for any Losses arising from the use (regardless of whether such use is authorized or unauthorized) of your Security Items, including, without limitation, any Losses arising from the theft or compromise of a Security Item and/or a third party's duplication and/or use of Security Item.

You acknowledge that it is not possible for each Service to be totally free from operator, programming or equipment error, and that errors in processing and compiling Data may occur. You agree to review and verify all results and to maintain controls to determine the accuracy of Data transmission and for the detection of errors. Unless otherwise required by law, our sole responsibility for any reporting errors caused by us will be to reprocess the Data for the period in question and to submit corrected reports at our own expense.

As a condition precedent to our liability hereunder, you must immediately notify us in writing of any alleged failure to exercise care or breach to you arising under this Agreement but in no event later than ten (10) Business Days following the day on which such alleged failure or breach was or could reasonably have been discovered by you.

#### **FORCE MAJEURE**

We will not be liable for any failure to perform or delay in performing a Service if the failure or delay was caused by circumstances beyond our reasonable control, including, but not limited to, an accident, labor unrest, flood, fire, pandemic, electrical or mechanical failure, software defect, computer failure, an act or omission or delay by you or any third party (including, but not limited to, an act or omission of any ISP or any telephone or telecommunications carrier), legal constraint, government order, or act of God (each, a "Force Majeure Event"). If we determine that any funds transfer or communications network, ISP or other system used to provide a Service is unavailable, inaccessible or otherwise unsuitable for use by us or you, we may, upon notice to you, suspend or discontinue the Service.

#### **INDEMNIFICATION**

Except in the case of our negligence or intentional misconduct in providing any Service to you or to the extent prohibited by applicable law, you will defend, indemnify and hold us harmless from all Losses, claims, demands, cause of action, settlements, judgments or recoveries of third parties that arise, directly or indirectly, out of: (i) any act or omission by you or any agent, courier or authorized representative of yours; (ii) any material breach in a representation, warranty, covenant, or obligation of yours contained in this Agreement; (iii) the performance of a Service in accordance with the Service Documentation, including without limitation any warranty we are required to make to a third party in connection with a Service; and/or (iv) if a Service includes a license or sublicense of any software, any use or distribution by you of the software that is inconsistent with such license or sublicense.

You will promptly furnish written proof of loss to us and notify us if you become aware of any third party claim related to a Service. You will cooperate fully (and at your own expense) with us in recovering a loss. If you are reimbursed by or on behalf of us, we will be subrogated to all your rights.

We shall indemnify and hold you harmless against any and all third-party claims that your authorized use of the Services infringes or violates any United States patent, copyright, trade secret or other proprietary right of any third party. We shall defend and settle, at our sole expense, all suits or proceedings arising out of the foregoing, provided that you have given us prompt written notice of any such claim and provided you reasonably cooperate with us and allow us to control the defense and settlement negotiations. We shall not enter into any settlement or compromise which creates any liability or obligation (whether legal or equitable) on your part without your prior written consent. If a Service, or any portion of the Service, is held, or in our reasonable opinion is likely to be held, to infringe or violate any United States patent, copyright, trade secret, or other proprietary right of any third party, we may at our option and sole expense: (a) secure for you the right to continue use of such Service; (b) replace such Service with a substantially equivalent service not subject to such claim; or (c) modify the

Service so that it becomes no longer subject to such claim. Notwithstanding the foregoing, we shall have no liability for any third party claim of infringement based upon: (a) your failure to implement any change to the Service provided by us if such infringement would have been avoided by your implementation of such change; (b) your use, operation or combination of the Service with a program, data, equipment or documentation not recommended or provided by us, if such infringement would have been avoided but for such use; or (c) your use of the Service in a manner beyond the scope of the Service if such infringement would have been avoided but for such use. The foregoing constitutes our entire liability and your sole and exclusive remedy with respect to any third-party claims of infringement of such intellectual property rights

#### **TERMINATION**

Either you or we may terminate a Service and/or the Agreement at any time, with or without cause, upon reasonable notice to the other party. We may terminate the Agreement or terminate or suspend any Service immediately if: (a) we determine that you are in material breach of any term or condition stated herein; (b) if you or we close an Account required to be maintained to enable us to perform any Service; (c) there is a material adverse change in your financial condition which, in our opinion, may affect your ability to perform one or more of your obligations under this Agreement; (d) you become insolvent or the subject of a bankruptcy or dissolution proceeding; (e) we are uncertain as to any person's authority to give us instruction regarding your Account or any Service; or (f) your Account(s) or any Service becomes inactive as determined by us. In addition, we may suspend a Service immediately, if: (1) we determine the confidentiality of a Security Item or the security instructions is compromised; or (2) we have reason to believe that an unauthorized transaction has taken or may take place involving your Account or a Service.

If any Service is terminated for any reason, you will, with respect to that Service, (i) immediately cease using the related Security Items, and (ii) return to us all related Security Items and security instructions we provided to you or, at our option, destroy any related Security Items and security instructions.

**Please Note:** The terms related to limitation of liability, indemnification, and proprietary rights in the Service Documentation shall survive the termination of any Service or any part of the Service Documentation.

#### **DISPUTES**

Maintaining a good relationship with you is very important to us. If you have a problem, misunderstanding or concern about your Account, a Service we provide you or any matter that involves your relationship with us, you should contact us immediately. We often find your telephone call, email or visit to your branch gives us the opportunity to resolve the matter as quickly as possible. However, if you and we are not able to resolve differences informally, you agree that by opening or maintaining a deposit account or safe deposit box, by entering into any agreement with us which incorporates the terms and conditions of this Agreement, or by accepting a banking service from us, that, at our request or at your request, any and all disputes between you and us, regardless of when they arose, will be resolved using the "Dispute Resolution" provisions of the Account Agreement.

Except as otherwise provided in the Account Agreement governing the Account(s), or required by applicable law or, in the case of ACH transactions, NACHA Rules, any claim, action or proceeding against Bank for Losses arising from a Service must be brought within one year from the date of the act or omission.

#### **COMPLIANCE WITH LAW**

It is our policy to comply with the laws and regulations applicable to us and we expect our clients to comply with the laws and regulations applicable to them. You agree that you shall not use any Service or initiate any funds transfer or other payment using any Service in violation of any applicable law or regulation. You further agree that you shall not use any Service for any Internet or illegal gambling transactions. Federal regulation requires us to

identify, block or otherwise prevent or prohibit unlawful Internet gambling.

You acknowledge and agree that no Service can be used to conduct transactions in any country or territory, or with any individual or entity, that is subject to economic sanctions administered and enforced by OFAC. Additionally, you have verified that none of the Administrators (i) are a Sanctioned Person or a Sanctioned Entity, (ii) have its assets located in Sanctioned Entities, or (iii) derive revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities.

You specifically acknowledge that you are responsible for compliance with the tax laws and regulations applicable to you; for timely filing all required tax returns and other documents with each taxing authority having jurisdiction over your tax affairs by reason of your citizenship, residence or domicile; and, for paying your applicable taxes.

We reserve the right to require you to certify your compliance with any such laws and regulations to us upon our request. If we believe you are violating or may have violated this provision, we may exercise our right to freeze or block any related transaction, suspend and/or terminate any Service and/or terminate the relationship between you and us.

#### **ASSIGNMENT**

These terms and conditions inure to the benefit of and are binding upon you and us and each party's successors and assigns. No assignment may be made by you without our prior written consent. Nothing in these terms and conditions restricts our right to effect an assignment by merger, reorganization, sale of corporate assets or other corporate change.

#### **NOTICE OF SEVERABILITY**

The terms and conditions set forth in the Service Documentation each stand alone and the fact that one or more of them may be determined to be unenforceable or invalid with respect to one or more Accounts, Services or relationships you have with us shall not affect the enforceability and validity of the remainder.

#### **WAIVER OR DELAY**

We may waive or delay enforcement of any term, condition or right we may have stated in this Agreement and our other agreements with you on a one-time basis even though we have not done so before and may not do so again and without prejudice to any other term or condition or right we may have under such agreements. We may revoke any waiver upon notice to you.

## **SERVICE TERMS AND CONDITIONS**

### **ACCOUNT RECONCILEMENT PROCESSING ("ARP") SERVICE**

This Service enables you to monitor, track and reconcile activity in your designated Account. This Service features the following options: Full ARP, Partial ARP, and Deposit Reporting.

#### **Full ARP**

You designate an Account for this Service and select a regular accounting cycle cutoff for the Account. On or before the Business Day that you issue checks against your designated Account, and in accordance with the deadlines and specifications outlined in the User Documentation for this Service, you provide us with the issue date, check number and amount of each check that you issue ("Issue Input"). Your Issue Input is electronically matched with the paid check activity in your designated Account. Issue Input may be provided to us through our Business Suite Service or by SFTP. See "Internet-Based Business Service" section for further details.

At the end of the accounting cycle you have selected, we provide you with a Statement of Activity and a variety of accounting reports ("Reports") detailing your account activity during that accounting cycle. Please refer to the User Documentation for this Service for further detail on Reports.

### **Partial ARP**

You designate an Account for this Service and select a regular accounting cycle cutoff for the Accounts. At the end of the accounting cycle you have selected, we provide you with a Statement of Activity and a variety of Reports detailing your account activity during that accounting cycle. Please refer to the User Documentation for this Service for further detail on Reports.

### **Deposit Reporting**

You designate an Account for this Service and select a regular accounting cycle cutoff for the Accounts. Through the use of MICR printing on your deposit slips, you assign a unique number in the serial field of your deposit slips for each of your depositing locations. At the end of the accounting cycle you have selected, we provide you with a Statement of Activity and a variety of Reports that track your deposit activity. Please refer to the User Documentation for this Service for further detail on Reports.

### **AUTOMATED CLEARING HOUSE ("ACH") SERVICE**

This Service enables you to transfer funds from your designated Account to a third-party account (a "Credit Entry") or transfer funds from the account of a third party to your designated Account (a "Debit Entry"). A Credit Entry and a Debit Entry are hereinafter referred to collectively as "Entries" and individually as an "Entry" and each Entry is an ACH funds transfer. Entries must be processed through your designated Account. The "third party" in each case is hereinafter referred to as "Receiver." You may also create an addendum to be sent with the Entries with information pertaining to the ACH funds transfer. Accounts used for offset and chargebacks of Entries must be domiciled at CNB. This Service provides different means for the creation and transmission of ACH records ("ACH Files") which we use to create Entries. You may create and transmit ACH Files through one of our Internet-Based Business Services. You may create preformatted ACH Files through your own software and deliver the ACH Files to us by uploading ACH Files into one of our Internet-Based Business Services or by transmitting over the Internet by SFTP. Your designated vendor may create Entries for payments from the payment information provided to the vendor by you, and the vendor may transmit these Entries on your behalf to us for processing through the ACH network.

All initiation and transmission of Entries are governed by NACHA Rules and Division 11 of the Uniform Commercial Code governing your Account, as amended from time to time. You act as Originator and we act as the Originating Depository Financial Institution ("ODFI") with respect to Entries. Unless otherwise defined, capitalized terms used in the User Documentation for this Service have the meanings provided in the NACHA Rules. We may process the Entries solely on the basis of the account number you provide even if that account number does not correspond to the third party's financial institution or to the name of the third party at the third party's financial institution. You agree to be bound by the NACHA Rules.

You may not use this Service for an Originator as a Third Party Processor without our prior approval. If you are providing this Service for an Originator as a Third Party Processor you (i) may be subject to additional requirements, (ii) are bound by the requirements of the NACHA Rules, and (iii) are responsible to enter into agreements binding the Originator to the NACHA Rules. If you do not provide settlement services to your Originator, you are warranting that you have obtained authorization from your Originator authorizing CNB to settle ACH offsetting and chargeback entries to the Originator's account.

We may process your Entries either directly or through any mechanism we select. With respect to each Entry, you represent and warrant that, on its Effective Entry Date, on the origination date, and on the date we credit or debit your Account, you have obtained appropriate authorization from each Receiver and the Entry conforms to the authorization requirements of the NACHA Rules for the payment type you are originating, and all consumer payments comply with the notice requirements set forth in the NACHA Rules, the Electronic Funds Transfer Act and Regulation E, as applicable. You also represent and warrant that you will not originate Entries in

violation of the laws of the United States. For each Entry initiated you represent and warrant that you are in compliance with all applicable Originator obligations and ODFI warranties as they relate to your actions as an Originator, as defined in the NACHA Rules. You agree to indemnify us for any loss, liability, cost or expense we suffer or incur as a result of any breach by you of these representations and warranties, including, but not limited to liability for fines assessed under the National System of Fines for NACHA Rules violations.

Your use of this Service may be subject to credit qualification. Once approved for this Service, you may originate CCD, CTX or PPD Entries. Other payments types, including all check conversion, Telephone or Internet Entries must be separately approved by CNB, and a separate credit qualification will be required. You are required to code your ACH Entries correctly in accordance with NACHA Rules. Failure to do so may result in suspension or termination of your Service.

If you are originating Internet Entries, you will conduct the annual security audit as required by the NACHA Rules at your expense and provide a certification letter annually of your compliance with this requirement. The offering and continuance of our providing Internet initiated ACH Entries processing is dependent upon the receipt of a successful annual audit.

If you originate International ACH Entries requiring currency exchange, you assume all responsibility for risk due to foreign exchange conversions. You agree to immediately settle any and all international returns for the U.S. Dollar amount as presented to CNB. International ACH Origination requires credit qualification, and credit prefunding is not permitted for these Entries. International ACH Entries are subject to required regulatory screening, and may be delayed due to this process.

We generally debit your Accounts for a Credit Entry (including Debit Entry reversals) on the Settlement Date, unless you are prefunding your Credit Entries. Prefunding your Credit Entry means that you pay for each Credit Entry by such time before the Settlement Date as we may require. We reserve the right at any time, without notice, to require payment before we process any Credit Entry. We may, at our discretion, provide you with provisional credit for a Debit Entry credited to your Account or we may hold such funds in your Account pending verification of final payment. If we do provide you with provisional credit, we may reverse the credit if we do not receive final payment.

If we reject an Entry you submit, we will attempt to notify you promptly on or before its scheduled Settlement Date, but we shall have no liability to you for any such rejection or for any loss resulting from failure to provide any such notice. If we receive an ACH File after our processing deadline, we will not be responsible for failure to meet the deadlines of the ACH distribution network for processing and transmitting Entries. At your request we will make reasonable efforts to reverse or delete any Entry in accordance with NACHA Rules, but we will have no responsibility for the failure of any other person or entity to honor your request.

Returned Entries will be processed and charged back to your designated Account. Returned Entry reports will be made available on or after the date of settlement of the chargeback. It is your responsibility to fund your Account to cover any Debit Entry returns processed. An excessive rate of unauthorized returns, as defined by the NACHA Rules or as we shall determine, may result in suspension or termination of your Service.

You may terminate this Service by notifying us in writing of your intention to discontinue services and indicating the date on which the last origination items will be initiated by you. Entries received and in process as of the termination date will be processed through the ACH network and offset settlement will be applied to your designated Account. You agree to maintain and appropriately fund your designated Account for all transactions in process as of the date of termination. Returns will continue to be received for originated Entries for up to sixty (60) days following the settlement date of your last originated transaction for transactions subject to Regulation E return provisions. You agree to maintain and fund your designated Account until expiration of the return timeframe.



By originating ACH transactions with us, you agree that we may arrange to audit your ACH practices and controls at our discretion upon proper notification to you. Such an audit will be arranged through your management. The timing of the audit will be arranged between your Bank representative and your firm, and is planned to ensure that processing is managed in accordance with NACHA Rules and/or Bank policy.

#### **ACH FRAUD PROTECTION SERVICE – ACH FILTERS WITH ACH POSITIVE PAY AND ACH BLOCKS**

This Service consists of two offerings: ACH Filters with ACH Positive Pay ("ACH Filters") and ACH Blocks. These options permit you to define which ACH Entries will or will not post to your Account and apply to all incoming ACH Entries to your Account. ACH Entries received prior to the setup of an ACH Block or ACH Filter may be paid in accordance with the NACHA Rules.

##### ***ACH Filters with ACH Positive Pay***

ACH Filters allow you to define which ACH Debit or Credit Entries are authorized, and to view and decision any Entries that are not pre-authorized through the ACH Positive Pay application. To use the ACH Positive Pay application, you will define whether you want to filter only ACH Debit Entries, or both ACH Debit and Credit Entries. You will also provide a default decision of either "Pay" or "Return" for non-pre-authorized Entries for which you do not enter a decision in the ACH Positive Pay application. In addition, you may choose to pre-authorize ACH Entries by defining the Standard Entry Class code and ACH Originator ID for each authorized transaction.

The ACH Positive Pay application is available each Business Day for any non-pre-authorized items. Authorized users may view and decision ACH Entries for which they are entitled. If so entitled, a user may request that a filter be added for future transactions from the same originator. These future transactions will be considered authorized ACH Entries. Any ACH Entry not decided by the daily cut-off time will be processed with the default decision provided by you.

When you modify or delete an existing ACH Filter on the ACH Positive Pay system, it may take up to three (3) Business Days for that request to go into effect. Please monitor your account activity after making a request to modify or delete a filter. If an item has paid because the modification or deletion has not yet been processed, you may request the item be returned within one (1) Business Day from posting by contacting Client Services. ACH Filters do not expire. **Please Note:** ACH Filters override any ACH Block Orders on an Account.

##### **ACH BLOCKS**

ACH Blocks allow you to define which ACH Entries will not post to your Account. An ACH Block may be set for all ACH Entries, Debit or Credit Entries, a specific type of entry (Standard Entry Class), a particular ACH Originator (Company), or a specific ACH Entry (each, an "ACH Block Order"). By establishing an ACH Block Order, you authorize the automatic return of ACH items that meet the criteria of the ACH Block Order without notice to you. **Please Note:** The ACH Positive Pay application is not available with ACH Block Orders. ACH Block Orders do not expire, with the exception of specific ACH Entry Block Orders which expire in six (6) months unless extended by you. ACH Filters override any ACH Block Orders on an Account.

##### **BUSINESS BILL PAY**

This Service enables you to initiate bill payments online electronically (as described in the applicable User Documentation) to almost any person or merchant (i.e., your payee) with an address in the United States set up on the system. The payments initiated may be one-time payments scheduled for the current day, one-time payments scheduled for a future date, or recurring payments scheduled for a specified period into the future. The payment will be made out of the Account that you select at the time that the payment is initiated. While payments to most payees can be made using this Service, we reserve the right to refuse to make payments to certain payees. We recommend that you do not use this Service to pay insurance, alimony, child support, tax and other court-directed or government payments, fines or penalties.

Each payment you initiate will have a "Deliver By" date, which represents the date by which the payee will receive the payment. Upon payment initiation, this Service will default to the earliest Deliver By date for each payee, which will fall between two (2) and four (4) Business Days from the date that you initiate the payment. Additionally, you can submit an "Expedited Payment," which will allow a Delivery By date of either the current or next Business Day. Expedited payments will result in an additional fee. You understand and agree that you must select a Deliver By date that is absolutely no later than the payment due date provided to you by your payee. If the actual due date falls on a non-Business Day, you must select a Deliver By date that is at least one (1) Business Day before the actual due date.

#### **BILL PAY SERVICE WITH INTERNET-BASED BUSINESS SERVICES**

This Service enables you to initiate bill payments through an Internet-Based Business Service (such as QuickBooks Direct Connect or EASI Link) to almost any person or merchant (i.e., your payee) with an address in the United States set up on the system. The payments initiated may be one-time payments scheduled for the current day, one-time payments scheduled for a future date, or recurring payments scheduled for a specified period into the future. The payment will be made out of the Account on the "Payment Date" selected at the time that the payment is initiated. Upon payment initiation, the payment will be processed on the "Payment Date" if possible or the next Business Day. While payments to most payees can be made using the Bill Pay Service, we reserve the right to refuse to make payments to certain payees. We recommend that you do not use any of the Bill Pay Services to pay insurance, alimony, child support, tax and other court-directed or government payments, fines or penalties.

##### **BOOK2BANK®**

This Service provides you access to your designated Accounts at City National through an online application that is compatible with your accounting software and allows you to directly conduct banking transactions using your computer. The specific banking transactions available through Book2Bank are more fully described in the User Documentation. Book2Bank works in conjunction with third-party accounting systems or software determined compatible by us.

##### **CASH VAULT SERVICE**

###### ***Armored Carrier Services***

In conjunction with Cash Vault Services and Deposit Courier Services, you may use the services of your Agents (i.e., armored carriers) to safely transport cash and related documents to and from your business and Bank, subject to our approval. Such services are contracted by you and your Agent, and Bank is not a party in any contract between you and your Agents, and is not responsible for notifying you of any changes in such contract. To the extent that Bank policy or regulations require notifications to be timely, such requirements do not apply to notifications from your Agents.

###### ***Standard Cash Vault Service***

This Service is designed to provide your business with efficient cash processing services by having your coin and currency deposits and orders processed directly through our cash vault or other designated site (the "Cash Vault") by your armored carrier service provider acting as your agent (as used with the Cash Vault Service, "Agent").

You may (a) deliver shipments of checks, cash and other items (each a "Deposit Shipment") in undamaged deposit bags ("Deposit Bags") to the Cash Vault via your Agent, or (b) request in writing or by telephone or fax ("Cash Request") that we make available to your Agent at the Cash Vault and in an amount designated in the Cash Request, shipments of cash (each a "Cash Shipment") in bags ("Cash Bags") with a packing slip bearing the amount of the Cash Shipment.

Your Agent must be approved and authorized by us. You assume the risk of loss for shipments in transit with your Agent. We may accept a Deposit Shipment from, and deliver a Cash Shipment to, any person we reasonably believe to be your Agent. We will have no responsibility for any Deposit Bag or its contents delivered to

the Cash Vault or otherwise delivered to us until such Deposit Bag is accepted by us in accordance with the User Documentation for this Service and the contents are verified by us. We will have no responsibility for any Cash Bag or its contents after the Cash Bag is delivered to your Agent or a person we believed to be your Agent. The charge for this Service may include pass-through fee(s) ("base pricing") of your Agent plus a Bank fee based on a fixed percentage. If your Agent changes the base pricing or other applicable terms between you and your Agent, your Agent may notify you of such changes directly. Bank will provide you notice of changes if Bank changes its fixed percentage in accordance with the terms of this Agreement.

You agree to follow our procedures for preparing, packaging and delivering deposits. If a Deposit Shipment is received at the Cash Vault on a Business Day before our established cut-off time, the aggregate amount of the deposits in such Deposit Shipment will be provisionally credited on that Business Day to your Account, as specified on the deposit slip for that Deposit Shipment. If a Deposit Shipment is received at the Cash Vault on a Business Day after the "cut-off time," the aggregate amount of the deposits in that Deposit Shipment will be provisionally credited on the next succeeding Business Day to your Account, as specified on the deposit slip for that Deposit Shipment. Deposits are subject to verification. We will not deposit any checks, cash or other items received in any Deposit Shipment unless the account number of the Account into which the deposit is to be made is specified on the deposit slip for that Deposit Shipment. Your Agent will not deliver any deposits except deposits to your Account(s) set up for this Service.

If the aggregate amount of the checks, cash and other items in any Deposit Shipment, as verified by us, is less than that reported on the deposit slip covering that Deposit Shipment, we will debit the Account specified on such deposit slip by such difference and report such difference to you. If that Account has an insufficient balance for such debit, we may debit any other accounts of yours with us for such difference. If we are unable to recover the entire amount of the difference from your accounts, you agree to reimburse us for such difference (or any portion thereof) upon demand. If the aggregate amount of the checks, cash and other items in any Deposit Shipment, as verified by us, is more than that reported on the deposit slip covering such Deposit Shipment, we will credit the Account specified on such deposit slip for such difference and notify you of such difference. At our discretion, we may elect not to make nominal adjustments to your accounts to correct errors that either understate or overstate the amount of the deposit. With respect to any Cash Shipment made available to your Agent, you should notify us immediately in accordance with the Cash Vault User Documentation of any difference between the amount specified on the packing slip for that Cash Shipment and the amount, as verified by you, of the Cash Shipment. In the event that such difference cannot be resolved, our count of the amount of the disputed Cash Shipment will be conclusive and binding on you.

On the Business Day prior to the specified delivery date of the Cash Shipment, we will debit your designated Account for the aggregate amount of the Cash Shipment and report such debit on the packing slip for such Cash Shipment. We are authorized to act upon any Cash Request we receive in accordance with the User Documentation for this Service. We have no obligation to verify, and will not be liable for our failure to verify or investigate, any Cash Request, and we will not incur any liability with respect to any action we take in reliance upon any Cash Request that we believe to be authentic. We have no obligation to release a requested Cash Shipment or any portion thereof to your Agent unless there are sufficient collected funds in the appropriate Account at the time the Cash Shipment is to be made available to your Agent to fully cover the amount of such Cash Shipment. You will hold Cash Shipments in the custody of two (2) or more employees until the contents are verified. Contents must be verified by strap on the day of receipt and by piece count within two (2) Business Days of receipt. Discrepancies must be reported to us in accordance with our procedures.

### **Remote Cash Vault Service**

The Remote Cash Vault Service requires the use of certain types of smart safes which have currency acceptors and which are provided by your vendor (collectively, the "Equipment"), and enables you to receive provisional credit for the United States currency properly deposited by you into the Equipment's currency acceptors. The Equipment and your vendor must be approved by us. You assume the risk of loss for shipments in transit with your vendor.

Following our receipt of a transmission report from the Equipment stating the amount of currency inserted into the Equipment's currency acceptors (each, a "Report"), we will provide provisional credit to a designated Account for the amount stated in the Report. The provisional credit will only be credited to the Account on a Business Day prior to the applicable cut-off time provided by us. A Report received after the cut-off time or on a day that is not a Business Day will not be processed until the next Business Day. If the Equipment also has a manual envelope drop, deposits made using the manual envelope drop do not receive provisional credit as stated above and are processed and credited in accordance with the standard deposit processing procedures in the standard Cash Vault Service.

To use this Service, you (i) will have the Equipment at your location pursuant to an agreement with a vendor acceptable to us ("Vendor Agreement") and the Equipment must be acceptable to us for use for this Service; and (ii) will use the Equipment for this Service in accordance with the terms and provisions in this Agreement, the Vendor Agreement and as otherwise instructed by us from time to time. You acknowledge that the Equipment is provided by a third party, and that we have no obligation or liability whatsoever with respect to the Equipment other than as expressly stated herein.

The Equipment will be serviced and the currency deposits picked up by your Agent based on a schedule agreed to by us, and delivered to the Cash Vault, where your currency deposits in the Equipment will be verified.

If, upon verification, the amount for which provisional credit was granted based upon a Report is *less than* the amount in the Report, we will debit the designated Account for the difference without notice to you. If such Account has insufficient funds to cover the debit, we may debit any other Account of yours for the difference. In the event we are unable to recover the full amount of the difference as stated above you agree to promptly reimburse us for the difference (or any portion thereof) in immediately available funds upon demand by us, without setoff or counterclaim. If, upon verification, the amount for which provisional credit was granted based upon a Report is *more than* the amount in the Report, we will credit the designated Account for the difference without notice to you. Currency received other than United State currency will be deducted from the amount in the Report for the apparent amount for which it was included and an adjustment will be made as stated above. If we are unable to verify because of a delay or inability of your vendor to pick up and/or deliver the currency deposits to the Cash Vault, we may reverse any related provisional credit granted. If such Account has insufficient funds to cover the debit, we may debit any other Account of yours for the difference.

Foreign currency will be held for return to you without entry and a fee may be charged. In addition, in the event the amount in a Report is less than the verified amount and the Vendor Agreement provides any guarantees or other protection for the contents of the Equipment, including but not limited to currency deposited through the currency acceptors, we reserve the right to require you to file a claim with such vendor before making any claim against us. Further, if the Equipment cannot be serviced and/or picked up based on the scheduled agreed to by us for any reason, including a Force Majeure Event, or if there is physical loss of the currency/coin in the Equipment due to theft, burglary or other crime before we are able to verify the currency/coin, we may reverse any provisional credit provided to you without notice to you.

You agree to provide us immediate notice of any change to your Vendor, default or breach of the Vendor Agreement by you or the vendor, or the termination of the Vendor Agreement. In addition to the standard termination rights set forth in the Service

Documentation, if the Vendor Agreement is terminated for any reason, this Service will automatically terminate, unless otherwise agreed to by us.

### **Currency Orders**

We provide an automated change order system ("VRU") that enables you to order currency and coin by telephone or online. A daily cash order limit may be specified, and you agree that you will not exceed that limit without our prior written consent. To access the VRU, use of Security Items, including a client ID and PIN, also known as the Cash Vault Customer ID, are required for security purposes. If your Security Item is used to access the system, the order will be deemed authorized, whether or not authorized by you. You authorize us to act upon the request for coin and currency made in accordance with our Security Procedures. You will identify each company location and personnel authorized to place coin and currency orders with us. You agree to promptly notify us in writing of any change to your Agent. We may continue to rely on the authority of your Agent until we have been notified and given a reasonable opportunity to give effect to such change. We may refuse to accept or release coin and currency without such notice.

We will determine and assign to you a new relationship cash order limit. If the total amount of coin and currency orders for all of your locations exceeds this limit, we will have no obligation to ship any amount in excess of this limit, and we may determine, at our sole discretion, which of your locations will receive delivery of that portion of that order that does not exceed such limit. You may select a separate cash order limit for each of your locations. We reserve the right not to ship coin and currency orders exceeding a location's cash order limit without your express prior instructions to do so on each occasion. You may authorize us to ship all orders and disregard location cash order limits, provided, however, that we will have no obligation to ship to your locations any amount in excess of your relationship cash order limit.

### **CITY TAX SERVICE**

This Service enables you to transfer funds from your designated Account via touch-tone telephone or the Internet to pay your federal payroll taxes to the IRS and to pay certain other federal, state or other taxes listed in the User Documentation for this Service. Your use of this Service may be subject to credit qualification.

The tax payment transfers ("Tax Payments") initiated by you through this Service are processed via electronic funds transfer. When you make a Tax Payment, you authorize us to originate an ACH Debit Entry to your designated Account in the amount of the Tax Payment. All Tax Payments must be made in accordance with the User Documentation for this Service and the NACHA Rules.

For federal Tax Payments, we originate an ACH Debit Entry to your designated Account for credit to an impound account maintained by us. The Electronic Federal Tax Processing System ("EFTPS") then initiates a debit entry to our designated bank impound account for the amount of your taxes. If our ACH Debit Entry to your Account for your federal taxes is returned for any reason, the ACH Debit Entry from the taxing authority to the impound account may be returned, and you may be subject to fees and penalties.

For state and local taxes, an ACH Credit Entry is used and will originate an ACH Credit Entry to the account of the governmental agency or entity owed the tax.

In performing this Service, we are acting as your authorized reporting agent. You must provide us with all information, authorizations and agencies requested by us to perform this Service, and you must do so in accordance with the deadlines and specifications listed from time to time in the User Documentation for this Service.

Providing Tax Payment instructions to us is your responsibility and is at your expense and risk. We will provide a toll-free telephone number or Internet web address to enable you to submit your instructions to us via touch-tone telephone or Internet. If telephone service or Internet access is interrupted for any reason you must provide your Tax Payment instructions to us or the tax authority to which the payment is due by other means.

Tax Payments must be initiated at least one Business Day prior to the Tax Payment due date as described in the User Documentation for this Service. Any Tax Payment initiated on any Business Day after the processing deadline we establish, or any time on a non-Business Day, will be deemed initiated on the following Business Day. If you do not initiate a Tax Payment in accordance with the timeframes and deadlines set forth in the User Documentation for this Service, we shall have no liability for any penalty imposed by any taxing authority. Our record of your Tax Payment instructions shall be deemed correct and complete.

We have no obligation whatsoever to verify, and will have no liability for failing to investigate or verify, any instruction for a Tax Payment that is made in accordance with the User Documentation and Security Procedures for this Service.

### **CLIENT ACCOUNTING SOFTWARE AND BANK SYSTEMS INTEGRATION SERVICES**

With these Services, we offer the ability for you to integrate your Accounting, General Ledger, Enterprise Resource Planning ("ERP"), Client Resource Management ("CRM") and other systems and to connect them to various City National interfaces which you may use to enhance and expedite your payables and receivables process.

These Services are provided using certain Security Procedures, designed to confirm that the banking transactions instructions transmitted to us by you are authentic. These Security Procedures may include, but are not limited to, site identification, third-party accounting software client identification, account identification, transaction thresholds by dollar amount established by you (or, if you do not establish a dollar amount, a default transaction dollar amount threshold established by us), and requirement of certain Security Items to confirm and release the transaction if a transaction dollar amount exceeds the threshold. The Security Procedures applicable to transactions below the threshold amount will be explained to you prior to implementation of this Service and you understand and agree that banking transactions initiated by you and authenticated using the Security Procedures are deemed authorized by you.

You understand that persons authorized by your accounting system's system administrator or any Administrator may conduct transactions directly through use of this Service when the transaction is below the established threshold dollar amount and you agree that all such transactions are deemed authorized. You may limit your risk by lowering the established threshold amount which may slow transaction processing. If the transaction instruction is at or above the threshold amount you establish, we shall be entitled to rely upon it if the transaction is confirmed by use of Security Items in the manner determined between you and us.

Any transaction instruction or confirmation received by us shall be deemed authorized and you shall be responsible for the transaction when the security procedures are used to originate it. You shall notify us at once if any user is no longer authorized to give transaction instructions or confirmations and we shall not be liable or responsible to you until we receive written notice that the user is no longer authorized and we have had time to act on the notice.

You are responsible to maintain the security of the user identification and passwords of all persons authorized to access the designated Accounts through this Service.

You are responsible for the accuracy of the data transmitted to us using this Service. You understand when using this Service to initiate payment orders, you must identify the account number that will receive the funds from the order, each beneficiary of the order and each beneficiary's bank. We, any intermediary bank and the beneficiary bank, may process a payment order solely on the basis of the account number even if that number does not correspond to the named beneficiary or the beneficiary's bank.

You are responsible to maintain good and sufficient collected funds in or available credit on each Accounts from which you instruct us to transfer money and we are not obligated to process a payment order or other instruction if you do not have sufficient collected funds on deposit in or available credit on the Accounts at the time the payment order or instruction is received.

You understand that while we determine the third-party accounting systems and software compatible with this Service, we are not responsible for these systems or software or computer hardware you choose.

We will not be liable or responsible to you for any errors or loss or unauthorized access to your accounts attributable to the third-party accounting system or software or computer hardware to the extent that the error or loss or unauthorized access is not directly attributable to the Service..

### **CONTROLLED DISBURSEMENT SERVICE**

Currently, we offer two types of Controlled Disbursement Services: the standard Controlled Disbursement Service and the Third Party Controlled Disbursement Service, which are described below.

#### ***Controlled Disbursement Service***

This Service provides you with pre-notification of checks that post to your Account each Business Day. This Service requires that you: (i) designate an Account with us as your "Concentration Account"; (ii) designate another CNB account(s) as your "Controlled Disbursement Account(s)"; (iii) enroll in, and use, the Positive Pay Service with Payee Verify; (iv) enroll in, and use, the Partial Account Reconciliation Service; and (v) enroll in, and use, Business Suite for this Service. Your Controlled Disbursement Account(s) will be Zero Balance Accounts and linked to the Concentration Account. Zero Balance service fees applies.

You will issue checks from your Controlled Disbursement Account. When these checks are presented to us for payment each Business Day (as defined by us), we will use reasonable efforts to provide you with early morning notification and presentment reports, directly through Business Suite, of the total amount of the checks that have been presented to us for payment that Business Day. This information is provided directly by the Federal Reserve Bank, and its accuracy is not guaranteed by the Federal Reserve Bank or us. The daily report will not include items presented for payment over-the-counter or during the Business Day, such as same-day settlement items. If presented, such items may be paid from the Controlled Disbursement Account, possibly resulting in an overdraft and may be subject to overdraft fees. The reports may reflect items that do not actually post to the Controlled Disbursement Account on the Business Day that the report is made available (e.g., checks that require special handling), and we have no liability for Losses that you may incur from the inclusion of those items in the reports.

Prior to issuance of any checks and upon each reorder of check stock you shall comply with the check stock quality test procedures specified by the us. All checks must meet MICR Specifications published for this Service. Failure to comply or use of check stock which has failed the test may subject you to reject handling and/or manual processing fees. You shall also be responsible to safeguard the security of blank checks and to promptly notify us if an issued check or any blank check stock is lost or stolen. If blank check stock is lost or stolen you shall place a stop payment or range-stop payments on such compromised check stock and/or close the relevant account.

As you issue checks, you shall create an issue file with the payee name, issue date, serial number and dollar amount of each check. You shall upload the issue file to Business Suite or transmit it to us no later than the check issue deadline on the day on which any check is released by you for delivery.

You must maintain in your Concentration Account good, sufficient and collected funds to cover all checks presented for payment against your Controlled Disbursement Account and other charges associated with your use of the Service. At the close of each posting day, we will transfer funds into the Controlled Disbursement Account by debiting your Concentration Account and crediting your Controlled Disbursement Account for that amount to fund the checks and adjustments posting to your Controlled Disbursement Account. In the event that your business is closed on a regular banking day, you agree to pre-fund your Concentration Account with the amount reasonably estimated as your average daily disbursement activity amount. Alternatively, we may require you to draw from your established line of credit to

cover the items presented against your Controlled Disbursement Accounts that Business Day.

If the amount of collected funds available in your Concentration Account is not sufficient to pay all checks presented for payment against your Controlled Disbursement Account, we may return checks with the return reason of "Non-Sufficient Funds". We will have no obligation to pay items presented for payment against your Controlled Disbursement Account if such payment will result in an overdraft; provided, however that you will repay to us any overdraft and associated service fees which we may incur in performing the Service or electing to make a disbursement which results in an overdraft. In the event you fail at any time to maintain sufficient collected funds in your Controlled Disbursement Account and associated Concentration Account, we may terminate this Service without notice to you.

Your Controlled Disbursement Account may be used only for disbursements by check and, if approved by us, for ACH Entries. You agree that no wire transfers, deposits or other transactions may be initiated into or out of your Controlled Disbursement Account. All checks paid against the Controlled Disbursement Account will be deemed to have been properly paid for all purposes if we are not notified otherwise in writing within the time period.

You will follow the written stop payment procedures contained in the User Documentation for this Service provided to you by us. You acknowledge that the Service is not intended for use to pay obligations on a delayed basis.

You will receive statements of all activity in your Controlled Disbursement Account(s) in accordance with the section "Duty to Review" herein. You acknowledge that this Service requires your attention to the checks being issued and paid against the Controlled Disbursement Account. All checks paid against the Controlled Disbursement Account will be deemed to have been properly paid for all purposes if we are not notified otherwise in writing within the time period stated. You hereby release and discharge us from any liability in connection with the payment of any check with respect to which Bank is not timely notified as stated above.

You acknowledge that your failure to use Positive Pay with the Payee Verify service could substantially increase the likelihood of undetected fraudulent activity on your Account and that it is neither manifestly unreasonable nor unreasonable under the circumstances for us to require you to use our payee verify service upon request. You agree that if you fail to implement and use the Positive Pay service properly, you will be precluded from asserting any claim against us for paying an unauthorized, altered, counterfeit or other fraudulent item that the Positive Pay service was designed to detect or deter, and we will not be required to re-credit your Account or otherwise be liable to you for paying such item.

#### ***Third Party Controlled Disbursement Service***

This Service provides you with pre-notification of checks that post to your Account each Business Day. This Service requires that you: (i) designate an Account with us as your "Funding Account"; (ii) designate another account as your "Controlled Disbursement Account" at another bank (such disbursement bank, the "DB"), designated by us; and (iii) enroll in, and use, the DB's payee positive pay service. **Please Note:** You are required to maintain the Controlled Disbursement Account and the payee positive pay service with DB, subject to the DB's terms and conditions.

You will issue checks from your Controlled Disbursement Account, with the DB acting as the paying bank for such checks. Checks issued for payment against your Controlled Disbursement Account must include language as described in the Magnetic Ink Printing Specifications. Both bank names must appear in the same size characters. When these checks are presented to the DB for payment each Business Day (as defined by the DB and/or us), the DB will provide you with early morning notification, either directly or through us, of the total amount of the checks that have been presented to the DB for payment that Business Day.

Prior to issuance of any checks and upon each reorder of check stock you shall comply with the check stock quality test procedures

specified by the DB. Failure to comply or use of check stock which has failed the test may subject you to reject handling and/or manual processing fees. You shall also be responsible to safeguard the security of blank checks and to promptly notify us and/or the DB if an issued check or any blank check stock is lost or stolen. If blank check stock is lost or stolen you shall place a stop payment or range-stop payments on such compromised check stock and/or close the relevant account.

As you issue checks, you shall create an issue file with the payee name, issue date, serial number and dollar amount of each check. You shall upload or transmit the issue file to the DB no later than the DB's deadline on the day on which any check is released by you for delivery.

Each Business Day, the DB may debit our master account with them and credit your Controlled Disbursement Account for that amount to fund the checks and adjustments posting to your Controlled Disbursement Account that Business Day. We will then debit your Funding Account for that amount. Alternatively, we may transfer directly to your Controlled Disbursement Account the amount necessary to cover the checks and adjustments posting to your Controlled Disbursement Account that Business Day and debit your Funding Account for that amount. In the event that your business is closed on a regular banking day, you agree to pre-fund your Funding Account with the amount reasonably estimated as your average daily disbursement activity amount.

You must maintain in your Funding Account good, sufficient and collected funds to cover all checks presented for payment against your Controlled Disbursement Account and other charges associated with your use of the Service. If the amount of collected funds available in your Funding Account is not sufficient to pay all checks presented for payment against your Controlled Disbursement Account, the DB and/or we may return checks with the return reason of "Non-Sufficient Funds". Neither the DB nor CNB will have any obligation to pay checks presented for payment against your Controlled Disbursement Account if such payment will result in an overdraft; however, you will repay to us and/or the DB any overdraft and associated service fees which we or the DB may incur in performing the Service or electing to make a disbursement which results in an overdraft. In the event you fail at any time to maintain sufficient collected funds in your Controlled Disbursement Account and associated Funding Account, we may terminate this Service without notice to you.

Your Controlled Disbursement Account may be used only for disbursements by check and, if approved by us, for ACH Entries. You agree that no wire transfers, deposits or other transactions may be initiated into or out of your Controlled Disbursement Account.

You will follow the written stop payment procedures contained in the User Documentation for this Service provided to you by us and the DB from time to time. You acknowledge that the Service is not intended for use to pay obligations on a delayed basis. You expressly understand and agree that any stop payment order for any check written against any account maintained by you with the DB under this Service will be delivered to the DB, and that we will not maintain a record of such stop payment orders.

You will receive statements of all activity in your DB account(s). You will examine the statements promptly and will notify us in writing of any errors or discrepancies in the payment of any check, including but not limited to forged endorsements, maker's signatures, or alteration of amount, within ten (10) days from your receipt of the statement. You acknowledge that this Service requires your attention to the checks being issued and paid against the Controlled Disbursement Account. All checks paid against the Controlled Disbursement Account will be deemed to have been properly paid for all purposes if we are not notified otherwise in writing within the time period stated. You hereby release and discharge us and the DB from any liability in connection with the payment of any check with respect to which the DB is not timely notified as stated above.

You acknowledge that your failure to use the DB's payee positive pay service could substantially increase the likelihood of undetected fraudulent activity on your account and that it is ID 66508E (Rev 06/2023)

neither manifestly unreasonable nor unreasonable under the circumstances for us to require you to use DB's payee positive pay service upon request. You agree that if you fail to implement and use the DB's payee positive pay service properly, you will be precluded from asserting any claim against the DB or us for paying an unauthorized, altered, counterfeit or other fraudulent item that DB's payee positive pay service was designed to detect or deter, and neither the DB nor we will be required to re-credit your account or otherwise be liable to you for paying such item.

#### DEPOSIT COURIER SERVICE

This Service enables your Account's check-only deposits to be picked up by a courier and delivered directly to our designated site, expediting the crediting of your Account. You will prepare, package and deliver the deposits in accordance with the procedures in the User Documentation for this Service. For this Service, the courier you select is your "Agent" but must be approved by us.

Your Agent may deliver shipments only to our authorized site(s). We may refuse to accept any shipment that: (i) is not delivered in a properly sealed, undamaged shipment bag; or (ii) we deem, at our discretion, to be unauthorized or from an unauthorized source. You assume the risk of loss for shipments in transit with your courier. We assume no responsibility for shipments until we provide a receipt to the courier. Our receipt shall not be deemed a confirmation of any shipment contents. All deposits are accepted subject to verification by us. Unless otherwise agreed, you shall not include cash in any shipment. We are not responsible for cash found in a shipment unless actually received and verified by us. An additional fee may be charged if cash is found in a shipment. If we have a question about a deposit you make, we can refuse to process the deposit until our question is resolved. We reserve the right to adjust (debit or credit) your Accounts if we determine that the amount declared on your deposit slip is wrong due to a computation error or other error. For nominal adjustments see the discussion under "Cash Vault."

We will provisionally credit your Account for the amount of the checks declared by you on the deposit slip as follows: (i) same day credit for deposits delivered to our authorized site before the established cut-off time on any Business Day; and (ii) next Business Day credit for deposits delivered on any Business Day after the established cut-off time or on any non-Business Day. The frequency of courier transportation of deposits from the branches to the vault varies from branch to branch. As a result, there could be a delay in verifying your deposit, depending on which branch, if any, you use for submitting your deposit. All deposits are subject to verification. In most cases, adjustments to your Accounts and notification to you will be made within three (3) Business Days. Deposited funds availability is subject to our availability schedule.

The charge for this Service includes pass-through fee(s) ("base pricing") of your Agent plus a Bank fee based on a fixed percentage. If your Agent changes the base pricing or other applicable terms between you and your Agent, your Agent may notify you of such changes directly. Bank will provide you notice of changes if Bank changes its fixed percentage in accordance with the terms of this Agreement.

#### DEPOSIT ESCROW SUB ACCOUNTING SERVICE

This Service provides qualified users, approved by us at our sole discretion, the ability to create a "Master Account" which is linked to one or more separate "Subsidiary Accounts", in order to separately account for the funds maintained in each Account, to allocate funds between such Accounts, and for other tracking and reporting purposes. Each authorized signer on the Master Account will have full transactional authority on each Subsidiary Account. You authorize us to rely on any request that we believe in good faith to be both genuine and authorized or signed by an authorized signer. **You understand, acknowledge and agree that we are not acting as an escrow or exchange agent or in any other**

**fiduciary capacity with respect to this Service, your Master Account or any related Subsidiary Account.**

As used in this subsection: (i) “Master Account” refers to the Account maintained with us in your name and TIN as designated on the Treasury Management Application for the DESA Service (the “Application”); and (ii) Subsidiary Account refers to the Account(s) maintained with us in your name and TIN, on behalf of your customer (“Customer”), or in the name and TIN of Customer, as designated on the Application or otherwise provided to us in writing and approved by us. This Service, the Master Account and the Subsidiary Accounts are governed by the terms of the Service Documentation, including the Application. You represent and warrant to us that: (i) you are duly authorized to open, operate and transact on your Master Account and each Subsidiary Account in connection with this Service; (ii) you have obtained all necessary approvals and authorizations from your Customer to open, operate and transact on each Subsidiary Account, either in your name and TIN or in the name and TIN of such Customer, and to provide tax certifications and other Customer information to us, on behalf of such Customer; (iii) you are authorized by your Customer to endorse and deposit any items payable to Customer, into the Subsidiary Account (or any other account held for the benefit of or in trust for such Customer), and to transact on the Subsidiary Accounts, including making withdrawals. You must immediately notify us in writing if your authorization is revoked by your Customer or otherwise no longer in effect or if your relationship with Customer is terminated for any reason. We may continue to rely on your authority until we have been notified and given a reasonable opportunity to give effect to such change.

Subsidiary Accounts can be opened in either your name and TIN or in your Customer’s name and TIN, in accordance with our standard requirements. For each new Subsidiary Account that is opened in your Customer’s name and TIN, you shall provide to us the full legal name and TIN of such Customer, along with a completed W-9 Certification form signed by such Customer. Each Subsidiary Account will be a separate Account, established by you on behalf of your Client. At the time of opening a Master Account or Subsidiary Account, you will designate whether or not such Account is an interest bearing account or a non-interest bearing account. We reserve the right to designate or require a different account type at any time. You should note that non-interest bearing accounts cannot be designated as an Interest Split Account on the Application under the Section 1031 Exchange Relationship DESA offering. For interest-bearing accounts, the interest rate to be paid is established by the Bank and may change from time to time. You agree that any applicable statutory requirements related to the rate of interest to be paid to your Client(s) may or may not be supported by the Bank, and it is your sole responsibility to ensure compliance with any local, state, or federal requirements related to the minimum rate of interest to be paid on funds deposited to Master or Subsidiary Accounts.

Interest earned on interest-bearing Subsidiary Accounts will be subject to taxation as ordinary income to your Customer. We will produce a Form 1099-INT issued in the name of your Customer and will report earnings on the Subsidiary Account to the IRS. The 1099-INT forms and/or statements will be mailed directly to the last address shown on our records for each Customer, and you will be provided with 1099 interest summary reports. You agree to keep us apprised in writing of any changes in each Customer’s information (i.e., name, address, TIN). You understand that your failure to do so will put the Subsidiary Account on back-up withholding, and that a Subsidiary Account may be subject to back-up withholding under certain other circumstances. You agree that we will not be liable for incorrect or otherwise erroneous TINs certified by you on behalf of your Customers.

**Please Note:** Only the authorized signers on the Master Account (or other persons authorized by you) may access and

transact on the Subsidiary Accounts. Your Customer is not entitled to open, access or transact in any Subsidiary Account, even if their name and TIN is on the Subsidiary Account. However, if we receive a claim to a Subsidiary Account from your Customer or another third party, we may exercise any of our rights set forth in the “Ownership Dispute and Adverse Claims” section in the *Account Agreement and Disclosures*.

You will promptly furnish us such documentation, as we may request, in form and substance satisfactory to us, evidencing your authority to open and operate your Master Account and any related Subsidiary Account. You must notify us of any errors within ten (10) days of the date we mail or make available to you the confirmation of the opening of any Subsidiary Account. We shall not be liable for any damages resulting from erroneous Master Account or Subsidiary Account information, unless you give us prompt notice as indicated above, and you exercise ordinary care in attempting to prevent and detect such erroneous information. In addition, if you have any ownership or partnership changes, you will furnish us additional information or documentation that we may reasonably request.

We select the account cycle between 28 and 31 days (not necessarily a calendar month), which is the cycle on which your Master Account and all of your Subsidiary Accounts will operate and which may be referred to in this Agreement and in the User Documentation as a “month” or “months” or “monthly.” In addition to the standard bank statements for the Accounts, we will provide you with monthly statements for this Service, which will show the current balance as of the date of the statement of your Master Account and each open Subsidiary Account, and all financial activity for each such Account during the month covered by the statement.

You shall be fully responsible for reimbursing us for any obligations owed to us arising from the operation of any Master Account or related Subsidiary Accounts that has been closed or that has an insufficient balance to cover such obligations. As collateral security for any and all obligations owing to us arising from the operation of this Service, you hereby grant to Bank a continuing security interest in any and all present and future funds in each Master Account and each Subsidiary Account.

In addition to the general indemnification provision, you will defend, indemnify and hold us harmless from all Losses, claims, demands, cause of action, settlements, judgments or recoveries of third parties that arise out of: (i) your breach of any representation or warranty made in connection with this Service, (ii) our reliance on any representation made by you or any instruction issued by you or on your behalf, in connection with this Service or the operation of your Master Account and any related Subsidiary Account, and (iii) any claim or assertion that any item (including third-party items) was not properly endorsed.

***Additional Terms for Attorney/Client Relationship DESA Service***

Our Attorney/Client Relationship DESA Service enables attorneys and law firms to establish Subsidiary Accounts when they are acting as a trustee (e.g., on behalf of estates and trusts or pursuant to court settlements). You understand and agree that it is solely your responsibility to ensure that the Master and Subsidiary Accounts you establish meet the legal, regulatory, or other requirements for your business, including any titling, interest rate, reporting or other requirements and obligations.

This Service is not intended to address Interest on Lawyer Trust Account (“IOLTA”)/ Interest on Lawyer Account Fund (“IOLA”) needs. Contact us directly to request more information about IOLTA/IOLA options.

**Additional Terms for Landlord/Tenant Relationship DESA Service**

Our Landlord/Tenant Relationship DESA Service enables landlords, property owners and management companies (collectively, "Landlord") to establish Subsidiary Accounts for individual units or apartments (e.g., for security deposits or other tenant funds). You, as Landlord, are responsible for instructing us as to the appropriate type of account to be opened in order to meet state or local laws applicable to your establishment of accounts to hold tenant security deposits or other tenant funds. You agree that you are fully responsible for ensuring that interest ultimately paid on tenant funds held in a Subsidiary Account, if any, is in the amount required by state or local law. We will not pay interest directly to your Customers. We shall have no responsibility for Landlord's payment of interest to its tenants or Customers.

**Additional Terms for Section 1031 Exchange Relationship DESA Service**

Our Section 1031 Exchange Relationship DESA Service enables entities acting as Qualified Intermediaries (as defined in the Treasury Regulations) and performing transactions involving the tax-deferred exchanges of certain property ("Section 1031 Exchange") to manage the proceeds from one or more Section 1031 Exchanges ("Exchange Funds"). This includes the ability to designate a separate interest-bearing account (each an "Interest Split Account") for the purpose of receiving interest rate splits from Subsidiary Accounts. An Interest Split Account must be an interest bearing account held with us. The Interest Split Account may be the Master Account.

In the event that two Customers are involved with a single Section 1031 Exchange, you agree to open a separate Subsidiary Account for each Client, with the Exchange Funds being distributed across each Subsidiary Account by you, as instructed and per the interest arrangement designated on the Application. We will assign an interest rate to each Subsidiary Account, as agreed upon between you and us, based on your request. Interest will be calculated on each Subsidiary Account as set forth in the Account Agreement.

We will follow standard policy for back-up withholding on Subsidiary Accounts as required under certain circumstances. If required, we will issue a Form 1099-INT to the Client identified on each Subsidiary Account for the total earnings attributable to the Exchange Funds held within that Subsidiary Account, based on the interest rate assigned to that Subsidiary Account.

You agree that each Subsidiary Account will be opened and operated in connection with a Section 1031 Exchange by a Client in accordance with Section 1031(a) of the Internal Revenue Code and the Treasury Regulations thereunder, as well as any agreements entered between you and each Client. In addition to the representations and warranties made above, you further agree that: a) each Client has authorized you to act as a Qualified Intermediary (as defined in the Internal Revenue Code and Treasury Regulations) in connection with a Section 1031 Exchange, and b) you have filed all required notices (if any) with the Internal Revenue Service regarding your status as a Qualified Intermediary. We may request, and you agree to provide, documentation related to a Section 1031 Exchange for which the Exchange Funds are held in Subsidiary Account(s) at the Bank, including but not limited to agreements between you and Client that provide evidence of the Section 1031 Exchange services being performed by you for Client, and/or agreements between you and Client disclosing the processing instructions that we are performing on the Subsidiary Account(s), as requested by you to us.

You agree that all instructions to us related to your Master Account and any Subsidiary Account as outlined herein will be

in full compliance with Section 468B of the Internal Revenue Code.

**EASI LINK® SERVICE**

This Service provides you access to your designated Accounts at City National using an exclusive City National developed interface as a single point of entry through which you may directly conduct banking transactions using your computer and your compatible third-party accounting system provider or software. The specific banking transactions available through EASI Link are more fully described in the applicable User Documentation. EASI Link works in conjunction with third-party accounting systems or software determined compatible by us. You select your third-party accounting system or software provider.

**EASI Link Deposit Direct Send Service**

Our EASI Link Deposit Direct Send Service ("DDS Service") enables you, the user, to convert original paper checks that are drawn on or payable through United States financial institutions into digitized images ("Images") and to electronically transmit the Images to us for deposit into one or more designated Accounts with us for collection thereafter by us. We may also convert an Image into a "substitute check" as defined by federal law. Images transmitted to us electronically for deposit are not deemed received until we accept the transmittal at our banking location. You may only use the DDS Service for the purpose of transmitting to us at our designated location the Images you intend to be deposited into your designated checking Accounts with us.

When we review and process your file, we may reject, and are not obligated to accept for deposit, any Image we determine to be an Exception Item. We will attempt to notify you promptly of any Exception Item. You agree we need take no further action respecting any Exception Item and you will not attempt to retransmit for deposit an Image of a check previously determined by us to be an Exception Item without our prior consent. You agree that when an Image is determined to be an Exception Item, thereafter you may only deposit to your Account the original paper check on which the Exception Item was based. You acknowledge and agree that even if we do not identify an Image as an Exception Item, the substitute check or purported substitute check created by us from the Image you transmit may nevertheless be returned to us because, among other reasons, the substitute check or purported substitute check is deemed illegible by the bank upon which it is drawn or any intermediate collecting bank. Our failure to identify an Image you transmit to us as an Exception Item shall not preclude or limit your obligations stated below. You represent and warrant to us that: (i) you shall use the DDS Service only for paper checks payable or endorsed to you, drawn on a financial institution in the United States in U.S. Dollars and intended for deposit by you to your Account with us; (ii) you shall destroy the original paper check from which you create an Image transmitted electronically to and received and accepted by us for deposit to your Account using our DDS Service in accordance with instructions from us. You shall maintain control over and responsibility for retention and destruction of any such original paper check; (iii) you shall not transmit to us or to any other person or entity for deposit or credit any Image of an original paper check you have previously transmitted electronically to us for deposit into your Account with us which we accepted for deposit or which you previously transmitted to and accepted by any other person or entity for deposit; (iv) you shall not deposit to any Account of yours with us or any other deposit taking institution or otherwise negotiate or transfer to anyone any original paper check from which you create and transmit to us an Image for deposit, unless following receipt of the transmission we notify you that the Image is an Exception Item not accepted for deposit or that the Image or any substitute check created from the Image is refused by the financial institution upon which it is drawn; and (v) you shall transmit to us only Images that are suitable for processing, including, but not limited to, Images that are legible and contain machine-readable MICR data.

In addition to the general indemnification obligations in this Agreement, you will defend, indemnify and hold us harmless from

all Losses, claims, demands, cause of action, settlements, judgments or recoveries of third parties that arise, directly or indirectly, out of: (i) the violation of any applicable law, statute, or regulation in the performance of your obligations under our DDS Service or this Agreement; (ii) our acting as a "reconverting bank" through the creation of substitute checks or purported substitute checks using an Image or file of Images or an illegible Image transmitted to us by you; (iii) our acting as a presenting or collecting bank to the bank on which a check is drawn or to any intermediate collecting bank of an electronic file containing the Image of a check you create hereunder for deposit into your Account with us provided we shall have exercised reasonable care in so acting; and (iv) your failure to fully destroy an original paper check the Image of which is deposited through our DDS Service in accordance with this Agreement and our instructions. Losses and liabilities arising from the failure to destroy any such original paper check shall include, without limitation, consequential damages.

#### ***EASI Link Connectors Service***

Our EASI Link Connectors Service provides you with a seamless user experience by integrating your banking activities with your enterprise accounting software. There are several options of connectors available which are provided and serviced through a third party and each may have its own terms, conditions, instructions and guidelines, which will be provided to you separately. You agree to comply with such terms, conditions, instructions and guidelines and the Service Documentation in your use of this Service. This Service allows you to, among other functions, send payments and track processing, all within your enterprise accounting software while maintaining security and control. For example, you can initiate payments within your enterprise accounting software and then the payments are sent to us for processing via EASI Link. Throughout the processing cycle, transaction statuses can be tracked and updated directly to your accounting software.

#### ***EASI Link SWIFT Service***

This Service is intended for corporate clients with SWIFT credentials and provides eligible users the ability to exchange messages with us using the agreed SWIFT messaging service format. We will accept and send single or multiple transaction messages using the SWIFT standard format. We will provide you with format specifications and field rules. We will act as the executing bank subject to your release standards. Not all fields or options listed, although provided by SWIFT standards, may be processed or supported by us and may cause rejection of transactions or messages. We shall not be responsible or liable to you in the event of the rejection of transactions or messages.

You shall prepare messages in accordance with the SWIFT User Handbooks and the rules and guidelines agreed to in the SWIFT for Corporates – MT Implementation Guide. You understand and agree to the requirements of SWIFT respecting the preparation of messages. We shall not be responsible or liable to you for messages not prepared by you in accordance with the requirements of SWIFT.

City National Bank is a member of SWIFT and will send messages originated by you using the format prepared by you and delivered to us through EASI Link. Unless otherwise agreed in writing, following release of the transfer by you in accordance with the procedures established with us, we will originate the transfer. We shall not be liable or responsible for errors in the messages originated by you through EASI Link and have no duty to identify or correct an error. Your release of a transaction through EASI Link shall be deemed authorization of the transaction.

#### ***EASI Link Check Printing Services***

Our EASI Link Check Printing Service enables you to request Bank to print and mail paper checks on your behalf to designated payees. A feature of the service is a customization of the check template available for an additional fee per request. If customization is requested, you will be asked to review proofs and samples before deploying the check template. Timely responses are required to complete a request. Bank reserves the right to cancel a customization if responses are not received within 10 business days upon request. If the request is cancelled due to the

lack of timely response, you will be assessed the full fee. If you wish to continue or revive the cancelled request, it will be treated as a new request and subject to another fee.

#### **E-DEPOSIT SERVICE**

This Service (also known as remote deposit capture) enables you to convert original paper checks that are drawn on or payable through United States financial institutions into digitized images ("Images") and to electronically transmit the Images to us for deposit into one or more designated Accounts with us for collection thereafter by us. Images transmitted to us electronically for deposit are not deemed received until we accept the transmittal at our designated location.

In connection with this Service, we grant you a non-exclusive, non-transferable, non-sublicensable, limited site license to use the E-Deposit Software, as such E-Deposit Software may be upgraded or modified from time to time by us, together with copies of all documentation relating thereto which we shall provide to you, for use solely at such location and on such computer equipment of yours as we shall agree. Our agreement respecting the computer, scanning equipment, or mobile device you use shall mean only that the equipment is compatible with the specifications for the E-Deposit Software. We are not responsible or liable for the actual operation of your scanning equipment, computer equipment, or mobile device, which is between you and its manufacturer or supplier.

You may only use the E-Deposit Service for the purpose of transmitting to us at our designated location, the Images you intend to be deposited into your designated Account with us. Nothing herein shall grant to you any proprietary right to the E-Deposit Software, the E-Deposit Service or the related documentation. You shall not copy or alter the E-Deposit Software or documentation in any way. You shall not reverse engineer, reverse compile or disassemble the object codes, source codes or algorithms of the E-Deposit Software, or encumber the E-Deposit Software or transfer the E-Deposit Software, or any of your rights, to any other party.

You also understand that we warrant that our E-Deposit Software as downloaded from the Internet by you is, at the time of download, free from any virus, malicious logic, worm, bug, error, defect or trap door, or similar disabling event that will adversely impact your computer and that it will materially conform to the description of its function and performance set forth in the written documentation we provide to you. However, our warranty will not apply in the event of equipment malfunction, use of the E-Deposit software on equipment not approved by us, your negligence, misuse or failure to follow instructions, or if you make any unauthorized changes or modifications to the E-Deposit Software or you do not permit us to upgrade or enhance or fix or repair the E-Deposit Software as recommended by us. Except as stated herein, we disclaim all other warranties, express or implied, respecting the E-Deposit Software, including, but not limited to, the implied warranties of merchantability or fitness for particular purpose and those arising from a course of performance, a course of dealing or trade usage. You understand that we do not warrant that the operation of the E-Deposit Software or any equipment required to perform our E-Deposit Service will be uninterrupted or error free, or that all deficiencies or errors can or will be corrected.

When we review and process your file, we may reject, and are not obligated to accept for deposit, any Image that we determine to be an Exception Item. We will attempt to notify you promptly of any Exception Item. You agree we need take no further action respecting any Exception Item and you will not attempt to retransmit for deposit an Image of a check previously determined by us to be an Exception Item without our prior consent. You agree that when an Image is determined to be an Exception Item, thereafter you may only deposit to your Account the original paper check on which the Exception Item was based. You acknowledge and agree that even if we do not identify an Image as an Exception Item, the substitute check or purported substitute check created by us from the Image you transmit may nevertheless be returned to us because, among other reasons, the substitute check or purported substitute check is deemed illegible by the bank upon which it is drawn or any intermediate collecting bank. Our failure to identify an



Image you transmit to us as an Exception Item shall not preclude or limit your obligations stated below.

Generally, a deposit you transmit using this Service (including via a mobile device) that is received by us prior to 7:00 p.m. Pacific Time (PT) is processed on the Business Day of receipt. Any such deposits received after 7:00 p.m. PT on a Business Day or on a day other than a Business Day will be processed the next Business Day. We will acknowledge your deposit submission and will notify you if a deposit cannot be accepted for deposit. Acknowledgment that a deposit has been successfully submitted does not mean that the mobile deposit can be processed and credited to your Account. We reserve the right to delay the availability of funds deposited through this Service in accordance with our funds availability policy and any applicable law or regulation. You will be notified of any delay in the availability of funds as required by law or regulation. You agree to fully destroy each original check within thirty (30) days following receipt and crediting of your deposit or as we may otherwise instruct. Prior to destruction you will maintain each original check in a secure location. You are responsible if an original check is misused or redeposited following deposit through this Service. You represent and warrant to us that: (i) you shall use this Service only for original paper checks payable or endorsed to you, drawn on a financial institution in the United States in United States Dollars and intended for deposit by you to your Account with us; (ii) you shall dispose of original paper checks from which you create an Image transmitted electronically to and received and accepted by us for deposit to your Account using our E-Deposit Service in accordance with instructions from us. You shall maintain control over and responsibility for retention and destruction of any such original paper check; (iii) you shall not transmit to us or to any other person or entity for deposit or credit any Image of an original paper check you have previously transmitted electronically to us for deposit into your Account with us which we accepted for deposit or which you previously transmitted to and accepted by any other person or entity for deposit; (iv) You shall not deposit to any account of yours with us or any other deposit taking institution or otherwise negotiate or transfer to anyone any original paper check from which you create and transmit to us an Image for deposit, unless following receipt of the transmission we notify you that the Image is an Exception Item not accepted for deposit or that the Image or any substitute check created from the Image is refused by the financial institution upon which it is drawn; and (v) you shall transmit to us only Images that are suitable for processing, including, but not limited to, Images that are legible and contain machine-readable MICR data.

In addition to the general indemnification obligations in this Agreement, you will defend, indemnify and hold us harmless from all Losses, claims, demands, cause of action, settlements, judgments or recoveries of third parties that arise, directly or indirectly, out of: (i) the violation of any applicable law, statute, or regulation in the performance of your obligations under this Service or this Agreement; (ii) our acting as a "reconverting bank" through the creation of substitute checks or purported substitute checks using an Image or file of Images or an illegible Image transmitted to us by you; (iii) our acting as a presenting or collecting bank to the bank on which a check is drawn or to any intermediate collecting bank of an electronic file containing the Image of a check you create hereunder for deposit into your Account with us provided we shall have exercised reasonable care in so acting; and (iv) your failure to fully destroy an original paper check the Image of which is deposited through this Service in accordance with this Agreement and our instructions. Losses and liabilities arising from the failure to destroy any such original paper check shall include, without limitation, consequential damages.

**Remote Deposit Capture Service International Restrictions**  
Services, such as E-Deposit, Lockbox and Remote Cash Vault, which provide the ability to make deposits to an Account from a location other than at one of our branches, are called "remote deposit capture services." Because of additional risks associated with remote deposit capture service transactions originating outside the United States, we reserve the right to refuse and to reject any such transaction in its sole discretion. You agree that you

will not originate any such transaction without our prior approval, which we may withhold in our sole discretion without further explanation. You will cooperate fully with all of our reasonable requests for further information related to any such transaction individually or in the aggregate. Unacceptable transactions include, but are not limited to: monetary instruments with blank payees; unsigned monetary instruments; and multiple consecutively numbered monetary instruments. If you fail to obtain prior approval for any such transaction we may immediately exercise our termination rights including terminating this Service and closing the Accounts.

#### **Use of Mobile Devices for E-Deposit Service**

Mobile devices may be used to transmit original paper check images to us for deposit using a wireless device such as a cell phone, smartphone, personal digital assistant, or digital tablet by means of a downloadable application or use of a website or web-based application. To access E-Deposit from your mobile device, you must have or acquire and maintain a compatible handheld mobile device with the ability to capture images and a wireless plan from a compatible wireless carrier or access to a secure Wi-Fi network.

You may capture and submit check Images for deposit to your eligible Account(s) within the dollar limits established for you by us. We may at any time change such limits or the frequency of deposits submitted through your mobile device at any time. If you exceed the dollar or frequency limits, we may, in our sole discretion, accept or refuse the deposit. If at any time we accept a check Image deposit that exceeds your such limits, we will have no obligation to do so in the future.

You agree to endorse each original check submitted through a mobile device with the below restrictive endorsement or check the preprinted box (if available), along with your signature, in order to minimize the effects of fraud or the duplicative presentation of the same check.

#### **"For Mobile Deposit at City National Bank Only"**

If you fail to add the restrictive endorsement or to check the preprinted box (if available), we may reject the deposit, and will not be liable for any Losses and/or fees you may incur.

You agree to fully destroy each original check within thirty (30) days following receipt and crediting of your mobile deposit or as we may otherwise instruct. Prior to destruction you will maintain each original check in a secure location. You are responsible if an original check is misused or redeposited following deposit through a mobile device.

#### **ELECTRONIC DATA INTERCHANGE SERVICES**

Our Electronic Data Interchange ("EDI") Services currently include the following options: ACH Addenda (EDI 820) and Account Analysis Statements (EDI 822).

##### **ACH Addenda – EDI 820**

An alternative to paper-based remittance programs, our EDI 820 Service enables you to receive ACH Entries that contain remittance information (addendum information). Upon receipt of an incoming ACH Entry, we translate the addendum information and report it to you.

##### **Account Analysis Statements – EDI 822**

An alternative to paper analysis statements, our EDI 822 Service enables you to receive an electronic transmission that contains the monthly account analysis detailed billing information for you to upload into your internal software application. EDI 822 reports all balances and service charges. In addition, EDI 822 reports show adjustments/credits, interest rates used and any earned credit (earnings allowance).

#### **FUNDS TRANSFERS SERVICES**

Using this Service, you may initiate most funds transfers, including: (i) repetitive funds transfers; and (ii) non-repetitive funds transfer, in each case, electronically through our Internet-Based Business Services or our telephone transfer services or via facsimile transmission.

For any funds transfer you initiate, you must provide the number of the Account with us or the number of your account at another financial institution (a "Transfer Account") to be debited or credited, the amount of the requested transfer, and the number of the account and the identifying number of any financial institution out of or into which the transfer is to be made, and any other information we may reasonably request from time to time. In addition, you must also comply with applicable Security Procedures and other Minimum Security Standards. See "Funds Transfer" section under the General Terms and Conditions for further details.

We will assign a repetitive request number to each series of repetitive funds transfers that you request be established. Each time you request a repetitive funds transfer, you must also provide the repetitive request number assigned to the related repetitive funds transfer series and the amount of the requested transfer.

You may also have another financial institution, acting as your agent ("Drawdown Agent"), send us payment instructions to request ("Drawdown Request") transfers of funds from your Account to your account at that other financial institution. Each Drawdown Request made by your Drawdown Agent must include the amount of the funds transfer, the number of your Transfer Account out of which the transfer is to be made, the number of your account at the Drawdown Agent to be credited, the Drawdown Agent's name and ABA number, and such other information we may reasonably request from time to time.

You may also arrange for a series of funds transfers ("Standing Funds Transfers") to be made at regular intervals between a Transfer Account and another account by providing us with a signed written request ("Standing Funds Transfer Request") including the amount of each of the transfers, the number of your Transfer Account to be debited or credited, the number of the account and the identifying number of the bank out of or into which the transfers are to be made, the date of the initial transfer, and the frequency of the transfers.

#### **INTERNET-BASED BUSINESS SERVICES**

Our "Internet-Based Business Services" have several options, including Business Essentials and City National Business Suite® ("Business Suite"). These Services enable you to initiate, request or receive many of the services and features available with your Accounts online electronically over the Internet using your computer. These Services provide access to certain Account and Service information, including: (a) current day account balance and transaction information; (b) prior day account balance and transaction information; and (c) front and back images of checks paid, deposit tickets and deposit items. As available, you can also: (1) initiate funds transfers and receive confirmations; (2) initiate bill payments; (3) request stop payment orders on checks; (4) send and receive messages to and from us; (5) perform Positive Pay; (6) originate ACH Files; (7) originate ARP Issue Files; (8) view loan statements and summary information\*; and (9) view investment summary information. These Services are subject to routine maintenance.

\*Balances reflected in your loan statements and summary information may not reflect the final payoff amount which is subject to the loan terms and may be subject to change including allowable fees and costs.

Images of checks paid are available online for a limited time following payment as described in the User Documentation.

You may transfer funds between your CNB checking, money market and savings Accounts online based on the account relationships set up and any applicable restrictions.

You may initiate most funds transfers online electronically. Please refer to the Business Electronic Funds Transfer Agreement and Disclosure or the Account Agreement and Disclosures (for Corporate Accounts), as applicable, for further details.

As available, you may initiate ACH Entries online. You may transmit ACH Entries you create using your own software and transmit it to us using an Internet-Based Business Service or you may use the Services to both create and transmit ACH Entries to us. Each Internet-Based Business Service provides different means for the

creation and transmission of ACH Entries and different Security Procedures. Please refer to the "Automated Clearing House" section for further details.

You may use the Positive Pay Service for the ability to submit your checks issued register. The import feature allows you to send your checks issued register to us and the checks issued maintenance feature provides for data entry of your manual registers. The Positive Pay Service allows you to view your exception items and submit your decisions to us. Check images of your exception items are also available on the Positive Pay Service.

An Administrator is required for these Internet-Based Business Services, and you are required to use equipment and software with at least the level of security we require and to access us using our required security procedures. See the applicable User Documentation for details and the "Responsibility of Client and Administrators" section for more information.

Other services and functions accessible through Internet-Based Business Services include, but are not limited to, Business Bill Pay, CityTax, E-Deposit, EASI Link, Lockbox, Remit Advantage, Remit Direct, Remit Pay, and Wire

**Please Note:** If you permit access to your Accounts and Services to someone through an Internet-Based Service, you are authorizing their access and authority to your Accounts and Services without regard to the signing authority or multiple signature requirements on the Accounts.

#### **LOCKBOX SERVICES**

This Service enables you to direct your clients and debtors to mail remittances to a designated United States Postal Service Post Office Box ("PO Box") for pickup, processing and deposit to your designated Account(s) by us. We provide you with reports that list the items that were processed from a remittance along with all received correspondence.

We offer three types of Lockbox Services: Wholesale Processing, Wholetail Processing and Retail Processing, which are defined below and which may be provided using our core Online Wholesale Lockbox Service or our Remit Advantage Lockbox Service. Additional features described below include Remit Pay, Remit Direct and Remit Scan.

This Service has specially designed features and functions that support depositing into multiple Accounts utilizing a single PO Box and handles payment types from checks, ACH, credit cards and online bill payments that can be electrified into ACH Entries.

This Service provides you with access via your Internet to search, view, print and download and export images of items that were processed from a remittance, to view and print reports and optionally an enclosed correspondence as well as envelopes.

**(Please Note:** Correspondence and envelopes are not available for Retail Processing.) You also have the ability to download your accounts receivables posting file. At your option, Exception Items (as defined below in connection with Lockbox Services) can be displayed for you to review and submit payment instructions online in order for us to post the items.

You authorize us to open a PO Box in your name or on your behalf, to which we shall have exclusive and unrestricted access. Your authorization shall be in such form as shall be acceptable to the United States Postal Service ("USPS"), and you shall be responsible to pay the PO Box rental fee(s). For some Lockbox sites, we may establish for your mail to come to a single PO Box, a City National Bulk Sort PO Box or File Number with the USPS, to receive your mail. For these single box types you will be responsible for paying a portion of our mail handling fees instead of a PO Box rental fee.

We will collect all mail received at the PO Box that is properly addressed to the PO Box on Business Days, according to a schedule established and subject to change by us from time to time. We will return to the USPS any mail that is incorrectly delivered to the PO Box.

We will open all correctly addressed mail and examine it for invoices, cash, checks and other remittances, correspondence and other materials. You agree to instruct your customers and debtors

not to remit cash. Although we have no obligation to process remittances containing cash, we may at our discretion remove cash, hold it and create a memorandum to you of the amount thereof.

Remittances, including checks, drafts, money orders and other instruments (individually a "Lockbox Item" and collectively "Lockbox Items") will be processed according to the procedures and instructions outlined in the Lockbox Set-up Form and Processing Instructions ("Processing Instructions") completed and submitted to us by you, unless otherwise specified.

All Lockbox Items in proper form may be endorsed by us as permitted by law and deposited to your designated Account on the Business Day processed. You warrant that each Lockbox Item payable to a payee authorized by you in your Processing Instructions (each, an "Authorized Payee") may be deposited to your designated Account. You may elect to receive a deposit advice daily or otherwise as agreed to by us. Except as otherwise specified, the processing of Lockbox Items and the availability of funds will be subject to the terms and conditions of the Account Agreement and our normal procedures and regulations for deposits.

You will furnish to your clients and debtors, at your expense, all invoices, coupons, envelopes and/or other remittance materials.

You shall not direct your clients or debtors to mail invoices, coupons and/or remittances to your PO Box before the start date of this Service as communicated to you by us. Invoices and/or remittances delivered to your PO Box before the commencement of this Service shall not be processed by us and we shall incur no liability for the non-processing of such invoices, coupons and/or remittances.

#### **Wholesale Processing**

Our Wholesale Processing Lockbox Service involves processing of checks and other payment instructions that are received at the PO Box address. Remittances for this Service are normally business to business payments and volumes are lower than retail and for higher dollar amounts. Information from the remittance documents is manually read and, if required, information such as invoice number is manually data keyed. Processing may be customized to your unique processing needs.

This Service provides you with access through your Internet to search, view, print, download and export the images of Items that were processed from a remittance and, optionally, any images of enclosed correspondence as well as envelopes. You can also view and print reports.

Unless otherwise provided in your Processing Instructions, we will make a reasonable attempt to deliver the following Lockbox Items received though the PO Box to you without further processing (collectively, the "Standard Excluded Items"):

- Any Lockbox Item not drawn to the order of you or to an Authorized Payee or any variation thereof which we, in our sole discretion, reasonably determine not to be a proper payee.
- Any Lockbox Item bearing a restrictive notation or endorsement or accompanied by correspondence stating "Paid In Full" or reserving rights or remedies or containing other restrictive language.
- Any stale-dated Lockbox Item or post-dated Lockbox Item unless we reasonably determine the post-dated Item would not reach the drawee bank through normal clearing channels until after the date for payment.
- Any Lockbox Item with a date exceeding a stated "void after" specified number of days if indicated on the front of the check.
- Any Lockbox Item the endorsement and deposit of which we reasonably believe will subject us to a claim or liability unacceptable to us, or which we otherwise determine should not be deposited.
- Any Lockbox Item unsigned by a maker or otherwise not authorized by a maker.

Unless otherwise provided in your Processing Instructions, the following Lockbox Items will be processed as described below (the "Special Handling Items"):

- Undated Lockbox Items will be deposited.
- Any Lockbox Item without accompanying invoices or coupons will be deposited if we are able to determine what bank account to credit.
- Any Lockbox Item that is verified to be correct based on courtesy (numerical) amount matching the remittance amount.
- Any Lockbox Item with a discrepancy between the written and numerical amounts will be deposited at the written amount if the discrepancy is caught at the time of processing. If not caught, the item will be deposited at the numeric amount and you will be responsible for the difference.
- Any Lockbox Item returned for insufficient funds may, in our sole discretion, be presented to the drawee bank for payment a second time without notice to you. If again returned unpaid, your designated Account will be charged and the Lockbox Item will be delivered to you.
- Any Lockbox Item returned for special endorsement will be endorsed "Pay to the Order of City National Bank" or the like and redeposited for payment without notice to you. If returned again the redeposited items and Items returned for any other reason will be charged to your designated Account and delivered to you.
- Any Lockbox Item that is payable in foreign currency and/or are drawn on a bank outside the United States will not be credited to your designated Account and will be delivered to you without further processing unless you instruct us to send them for payment and then they will be credited when payment is received by us.

We may reject and deliver to you without further processing the following Lockbox Items (the "Exception Items"):

- Any Lockbox Item for which we do not have a valid entity or account ID number if this information is required to properly process your payments.
- Any Lockbox Item with multiple invoices or coupons that cannot be balanced to the payment amount.

#### **Wholesale Processing**

The Wholetail Processing Lockbox is a hybrid service of Retail Processing that supports some of the Wholesale Processing features. It involves processing checks with coupons that have Optical Character Recognition ("OCR") or bar-coded remittances for higher speed posting automation similar to Retail processing. However, Wholetail supports some aspects of Wholesale's special handling requirements such as, but not limited to, upfront batch sorts and data entry of specified fields on check-only items if written on the front of the check. Payments are usually a single check and single document, but may be multiple documents and/or multiple checks.

For payments received without the payment coupon, unless otherwise provided in your Processing Instructions, we will make a reasonable attempt to deliver (i) the Standard Excluded Items and (ii) any Lockbox Item that matches a Lockbox Item you included on a "stop file" list instructing us to not process the payment to you without further processing. Unless otherwise agreed to and specified in your Processing Instructions, the Special Handling Items will be processed as described herein. We may reject and return to you the Exception Items.

#### **Retail Processing**

Our Retail Lockbox Service is typically more appropriate for low dollar, high volume payments and include a check and a remittance advice/remittance coupon which can be processed and captured in an automated means by a machine commonly called a transport. Examples of typical retail Lockbox documents are loan payments, credit card bills, utility and medical patient payments.

The scan line of the coupon contains the OCR information that has the key elements required for you to apply the remittances to your accounting system and is used to validate the payment item. Bar coding can also be on the coupon in lieu of the OCR scan line.

Optional services include stop file services to stop processing of specified payments or customized data capture for unique reporting requirements such as the payment due date or payment type codes.

Check negotiability is not performed as part of this Service except for checks received without a coupon. Lockbox Items that reject during processing will be reviewed and corrected when possible and deposited. Payments received without a coupon are reviewed for check negotiability and processed if they meet your Processing Instructions. Lockbox Items that are not processed will be delivered to you.

### **Web Exceptions**

If you utilize the Web Exceptions Service, you will need to log in each Business Day to review and provide instruction for Lockbox Items reported as processing exceptions. Normally you will have five (5) Business Days to submit payment instruction. The default for not resolving an exception is for the item to be returned to you unprocessed. Please refer to the applicable User Documentation for this Service.

### **Remit Scan Service**

Our Remit Scan Service is an effective supplement or alternative to a traditional Lockbox service. This Service gives you the convenience of an internal Lockbox service without having to support the associated technology. It is designed to support businesses that still receive payments directly into their offices or that deposit a moderate number of remittances that would not normally require a Lockbox service.

With this Service, you scan the check and any associated remittance documents at your office and you transmit them for ultimate deposit in your Account. Instead of taking those Lockbox Items to a bank branch for deposit and manually updating receivables, you use this Service as a remote or "virtual" lockbox increasing your efficiency, improving funds availability and automating the receivables update process. To use this Service you may need to complete a questionnaire. The Service requires a desktop scanner and a personal computer with an Internet connection.

Your scanned payments and related documents are processed using the same business rules as our Lockbox Service. Remit Scan images both sides of checks and associated remittance documents including coupons, invoices, envelopes and full-page documents, and captures MICR as well as any OCR information from the payments. You provide your own scanner from the list of scanner makes and models that will integrate with this Service to meet your needs. Optional Lockbox features are available through this Service such as value added keying of data ("VAK"), electronic receivables files, stop files and web image viewing and intra-day web based exception item decisions.

The check and remittance document images are received by our service provider and processed as an electronic check. You must destroy the checks after scanning as specified by our User Documentation. If you require that additional information be captured from the images, you must request it and it will be combined with MICR and OCR data and provided back to you on an electronic file for an automated update of receivables. This Service is a web-based payments portal for researching images, viewing batch summary and deposit total reports and decisioning Exception Items online.

Images are stored on an image archive for easy access using our service provider's online payment portal. Images may also be provided via CD-ROM and image transmission.

See the User Documentation for this Service for further information and handling rules. For example, processing checks accompanied by a payment coupon may be handled differently than checks without any additional documentation.

**Please Note:** This Service is not available and cannot be used outside the borders of the continental United States. By using our Remit Scan Service you understand and agree to this limitation.

### **Remit Pay**

Our Remit Pay Service provides for the conversion of your client's online bill pay initiated payments into electronic ACH payments by registering your company as a recognized participant of bill pay payment providers ("BPP"). To use this Service, you must provide a completed setup questionnaire. All documents must be signed by

authorized signers of your organization. If you require additional customer account validation, you must also provide us with your billing file information to initially implement the service and each time the file is updated thereafter. Failure to provide an updated billing file may cause payments received for unrecognized entities or payor accounts to be rejected and returned to the initiating bank without notice to you.

We build your account data on to the Remit Pay system and provide the required data to our payment origination providers for them to populate their databases. BPPs then make the information accessible to the online bill pay providers ("Bill Pay Provider") in order for them to recognize your payors' payments and generate an electronic ACH payment in lieu of a paper check.

We cannot represent to (1) you how often each Bill Pay Provider will update their system of record to recognize new entities or payors on your account(s); nor (2) that all Bill Pay Providers will convert the Items into electronic payments.

Our Remit Pay system processes the electronic remittances and applies the same business rules established for your Lockbox Service to these transactions as are used for the paper check-based remittances. Rule violations, such as improper account number or invalid payment amount, may be rejected and returned to the originator or may be reported as an Exception Item for your review and instruction if you use our Web Exceptions Service. A "virtual" image of the electronic payment is created for human readable viewing and printing on our website. The Remit Pay items are included in the daily Lockbox data file along with your paper remittances for that Business Day for updating your accounts receivable records.

### **Remit Direct**

Our Remit Direct Service allows for electronic initiation and processing of your client's payments utilizing the ACH payment system or Credit Card Settlement Network. With this service you are authorizing us (or our service provider) to be your Originating Depository Financial Institution ("ODFI") in accordance with the NACHA Rules. Use of this Service is subject to you satisfying the credit approval, and other eligibility criteria and you providing documents requested by us (or our service provider) from time to time.

A daily transmission file of the payment activity will be provided to update your accounts receivable system. When used as part of your Lockbox Service the Lockbox Items will be included in one file along with your paper remittances.

Your clients can enroll for this Service using the Remit Direct web portal and authorizes us to initiate an ACH direct debit from their bank account or from a designated credit card account. Payments are authorized for a single one-time payment, or recurring payments, as allowed by law, with a set amount or recurring payments with a variable amount. We generate a confirmation of receipt of the payment to your client.

For the Remit Direct Service, you will have a portal branded for your company. For your clients utilizing bill data, you are required to provide us with your entity list and billing file information to implement the Service and thereafter you must provide a monthly billing file no later than the start of each new month. You must also provide updates to your entity list anytime entities are added, changed or deleted. Failure to do so will prohibit new payors from enrolling in the Service and will prevent debiting of recurring payments authorized for variable amounts.

We will provide you with daily updates of any returned or rejected items via the Remit Direct website, allowing you to track your clients' payment activity. Rejected payments will be returned via the ACH to your clients' bank or credit card provider.

### **OUTBOUND DATA EXCHANGE SERVICE**

This Service allows you to receive your Account information via transmission to another financial institution in either BAI2 or SWIFT formats. The data is provided on our Business Days via direct transmission to the receiving financial institution. The data is then made available to you by the receiving financial institution.

## **POSITIVE PAY SERVICE**

This Service (also known as Check Positive Pay) is designed to help you identify and resolve suspect check activity in a timely manner. On or before the Business Day that you issue checks on your designated Account, you manually enter or otherwise provide us with a data file giving the issue date, number, and amount of each such check ("Issue Input"). Your Issue Input must be provided to us in accordance with the instructions in the User Documentation for this Service. If you issue a check and deliver it to the payee for payment on the same day, you must immediately notify us of the number and amount of such check. You acknowledge that if you provide a payee name as part of your Issue Input but do not subscribe to the Payee Verify Service, we are not obligated to compare the payee name to the corresponding check. Your Issue Input may be provided to us through certain platforms and systems approved by us, including the Business Suite or EASI Link Services via your third-party accounting software or by SFTP. See "Internet-Based Business Services" section for further details.

Each Business Day, we electronically match the serial number and dollar amount of each check that posts to your designated Account (as used in connection with this Service, individually "Item" and collectively "Items") against the Issue Input provided by you. If an Item matches your Issue Input, we will pay the Item. If an Item does not match your Issue Input, we will identify the Item as an "Exception Item" and report it to you via an "Exception Report." Your Exception Report is available to you through our Business Suite or EASI Link Services. To receive your Exception Report you must enroll in the Positive Pay Module of the Business Suite or EASI Link Service.

Each Business Day you must promptly review the Exception Report provided for that day. You must assign a "Pay" or "Return" decision to each Exception Item and return the Exception Report to us with your decisions for processing before our established cut-off time.

If an Exception Item is not assigned a "Pay" or "Return" decision, or if we do not receive a completed Exception Report from you in accordance with instructions in the User Documentation for this Service by our cutoff time, the Exception Item(s) will be returned to the presenting bank with the reason, "Refer to Maker".

Should any check listed on your Issue Input be presented for payment against your designated Account at a CNB branch, our tellers will utilize your Issue Input information to verify that you have issued the check. If the check matches your Issue Input information and meets our usual check cashing requirements, it may be cashed in accordance with our usual procedures. If the check does not match your Issue Input information, we will attempt through reasonable means to contact you for authorization to pay the check. If you cannot be contacted, or you do not authorize payment of the check, the check will not be cashed and will be returned to the presenter with the reason, "Refer to Maker."

We shall be entitled to rely and act upon any advice or instruction given to us by you in accordance with this Service without further inquiry if the advice or instruction is given to us in the form and manner and within the time as we shall require.

We shall not be obligated to pay any check or Item or Exception Item which you advise or instruct be paid if you do not have on deposit in the Account on which the check or Item or Exception Item is drawn at the time of presentment good and sufficient collected funds to enable us to pay the Item or Exception Item without overdrawing the Account.

You will not use our Positive Pay Service to pay your obligations on a delayed basis or as a substitute for a stop payment order on any check, Item or Exception Item which you know before its presentment you do not want to have us pay. Upon request, you agree to cooperate fully and provide us evidence that the items were returned pursuant to your instructions were in fact unauthorized. We reserve the right to require you to place stop payment on any item that must be returned. In such cases, stop payment fee(s) will apply.

## **Payee Verify Service**

This additional feature extends the protection of the Positive Pay Service by additionally comparing the payee name from the check against the payee name on the Issue Input. As part of Issue Input, you will now include payee name information. When checks are presented for payment, in addition to comparing the check number, and amount, we will verify the payee name on the check to the payee name provided on the Issue Input.

If you are unable to or fail to provide your Issue Input with Payee Information in accordance with the instructions in the User Documentation for this Service, we reserve the right to remove you from the Payee Verify feature of the Positive Pay Service.

If you advise us of checks issued for payment as stated above or instruct us to pay an Item or Exception Item and based on the advice or instruction we pay the Item or Exception Item, we shall have no liability or responsibility to you if the Item or Exception Item so paid bears a forged or unauthorized maker's signature, has no signature, is altered in any way, is incomplete, or is otherwise irregular.

By transmitting an Issue Input with Payee Information or other Issue Input to us, you warrant that all checks that match the information on the Issue Input were properly issued by you and we shall have no further responsibility or liability for examination of the checks for fraudulent signatures or material alterations.

## **QUICKBOOKS® DIRECT CONNECT SERVICE**

This Service enables you to use the QuickBooks software to download your Account activity directly from within the software to aid in reconciliation of your Accounts. All Accounts associated with a specific authorized TIN will be downloaded to your software.

You may transfer funds between your Accounts using the QuickBooks software based on the account relationships set up and any restrictions. There is a deadline for submitting an internal transfer for same-day processing. All requests received after the deadline will be made effective on the next Business Day.

Access to this Service is controlled by the use of a PIN assigned by us. We recommend you change this PIN upon first login. See the "Security, Access and Equipment" section for further information about the use of PINs.

"QuickBooks" is a registered trademark of Intuit, Inc.

## **REMOTE CHECK EXPRESS SERVICE**

This Service provides you the ability to purchase and print City National Bank cashier's checks ("Cashier's Checks") at your location. Using the online portal provided for the Remote Check Express Service, you request authorization to print Cashier's Checks. Upon approval by us and verification by you, you may print Cashier's Checks at your location using a City National Bank approved and registered printer using MICR ink and blank check stock required by us. You are responsible for: (i) the purchase and maintenance of a network printer approved by us; (ii) the installation and maintenance of the MICR ink cartridges for use with the approved printer, and (iii) the purchase of the required blank check stock.

This Service provides Security Procedures, as the term is defined in the Uniform Commercial Code, for the banking transaction instructions transmitted to us to charge your Account with us and print Cashier's Checks. These Security Procedures include, among other things: user identification and passwords provided to you by us to be used only by persons authorized by you to request, approve, and print Cashier's Checks; printer site identification; account identification; dollar amount transaction thresholds established by you limiting the amount of Cashier's Checks authorized to be printed using this Service; printer registration; and, print stream encryption. By using this Service you agree to these Security Procedures and that they are commercially reasonable and that you will abide by them and any additional procedures we may implement from time to time.

Each Cashier's Check requested, approved or printed through this Service using the agreed-to Security Procedures shall be deemed authorized by you and you shall be responsible for the transaction

and to us for every Cashier's Check printed by you using this Service. You shall notify us at once if any user is no longer authorized to request, approve or print check requests and we shall not be liable or responsible to you until we receive written notice that the user is no longer authorized and we have had time to act on the notice.

You are responsible for the accuracy of the Cashier's Check requests sent to us using this Service. You are responsible to maintain good and sufficient collected funds in or available credit on each Account from which you instruct us to fund Cashier's Check requests, and we are not obligated to process a Cashier's Check request if you do not have sufficient collected funds on deposit in or available credit for the Account at the time the Cashier's Check request is received. You understand and agree that Cashier's Check requests charged to an Account may be done so on the basis of the agreed Security Procedures notwithstanding the signing authority or any multiple signature requirements on the Account and each such request is deemed authorized.

You agree to allow a designated Bank employee to remotely install encryption software to enable the deciphering of the encrypted print stream in the printer you purchase (the "Software") and register that print device with this Service. You understand and agree that the encrypted printer is a single use device, and cannot be used for any other printing functions other than the Cashier's Checks requested, approved and printed through this Service.

You are responsible for the security of the blank check stock at your site and for the secure and complete destruction of any Cashier's Checks that are reported through this Service to be a misprint or unacceptable print. The Cashier's Check numbers of these misprinted or unacceptable print Cashier's Checks will be reported to us as voided items and we are not liable for the eventual payment of any such Cashier's Check reported by you to be misprinted and voided. If such item should be presented for payment to us, you agree to immediately reimburse us for the amount of the voided Cashier's Check, you authorize us to charge any Account of yours for the full amount of any such Cashier's Check, including any available overdraft credit, and **you agree to indemnify and hold us harmless from any and all loss, cost, liability or expense which we may suffer or incur directly or indirectly by reason of the negotiation of any such Cashier's Check and presentment to us for payment.**

You understand and agree that this Service is for your exclusive use and may not be transferred, assigned or otherwise made available to any other party. Your use of the Software is subject to the terms of this Agreement. Please refer to the "Equipment and Software" for more information.

In the event that a Cashier's Check printed via this Service is lost, stolen, or destroyed, you must contact us immediately to place a stop payment. Refer to the section "Stop Payment Orders" in the Account Agreement applicable to your Account.

#### **WIRE TRANSFER SERVICE**

This Service enables you to request a payment order to transfer funds from your designated Account to a designated third party's account at another financial institution via FEDWIRE, SWIFT or similar wire transfer network ("Wire Transfer").

This Service is an Internet- Based Business Service through which you authorize us to withdraw the amount of any requested Wire Transfer, plus any applicable fees and charges, from your designated Account. Each Wire Transfer request is deemed authorized and you are responsible for the transaction when it is originated using a Security Item, such as a security token, or other agreed upon Security Procedure.

You are responsible for the accuracy of all information in the Wire Transfer. We, an intermediary financial institution and/or the third party's financial institution, may process the Wire Transfer solely on the basis of the account number you provide even if that account number does not correspond to the third party's financial institution or to the name of the third party at the third party's financial institution. You are obligated to pay any such Wire Transfer.

We may reject a Wire Transfer request for any reason, including without limitation, the following: (a) you do not have sufficient available funds in your designated Account; (b) you do not meet our processing deadlines; (c) you do not satisfy the conditions we or an intermediary and/or the third party's financial institution require for the origination of a Wire Transfer; or (d) we reasonably believe the Wire Transfer may violate an applicable law or regulation. You will not initiate a Wire Transfer in violation of any law or regulation, including economic sanctions administered by OFAC. No interest will be paid on a rejected Wire Transfer.

Please refer to the Business Electronic Funds Transfer Agreement and Disclosure or the Account Agreement and Disclosures (for Corporate Accounts), as applicable, for further details.

#### **Alternative Authorization Procedure for Consumer International Remittance Transfers**

FOR CITY NATIONAL BUSINESS AND OTHER CLIENTS USING CITY NATIONAL'S ONLINE SYSTEMS TO INITIATE CONSUMER INTERNATIONAL REMITTANCE TRANSFERS. Each transmission to City National using Business Suite, EASI Link or any other online system available from us, and respecting a consumer international remittance transfer may be considered only an "inquiry" to enable us to confirm the information accompanying the inquiry, including but not limited to the amount of the transaction, the applicable exchange rate, and the applicable fees. If we determine that confirmation of the wire information is needed, we will telephone you, the consumer (or your authorized agent) at the telephone number in our records to respond to your inquiry and determine if you wish to proceed with a request to send the transfer, and to then deliver the required pre-payment disclosure to you orally. Following delivery of the pre-payment disclosure orally you must then orally give your authorization for payment and to send the remittance transfer.

**Please Note:** If oral confirmation of the wire information is needed, the required pre-payment disclosure will be provided to you orally by telephone only. After your inquiry through Business Suite or other online system, if we are unable to contact you or your authorized agent to confirm the information and obtain your authorization to pay the transaction and to send the remittance transfer, THE TRANSFER WILL NOT BE SENT. Following confirmation and authorization, you will have the right to cancel the transaction for thirty (30) minutes.

#### **ZERO BALANCE ACCOUNT SERVICE**

Our Zero Balance Account ("ZBA") Service enables you to designate a checking Account as a concentration account ("Concentration Account") and associate your other checking Account(s)(each, a "ZBA") to the Concentration Account

so that deposits are consolidated in the Concentration Account to fund debits against the ZBAs. At the end of each Business Day, available funds are automatically transferred from the Concentration Account to fund (if needed) the items drawn against the ZBAs, and excess deposits are automatically transferred from the ZBAs to the Concentration Account. The ledger balance in the ZBAs at the close of the Business Day may be set to zero or a predetermined target amount. (to the extent there are sufficient funds). **Note:** Associating accounts with different TINs will require additional approval. Please see "Multi-TIN ZBA Structure" below.

If there are not sufficient funds in the Concentration Account to cover a predetermined target amount on a ZBA, transfers will only be made up to the amount of the funds available in the Concentration Account. You authorize us to execute the funds transfers to or from the ZBAs and Concentration Account(s). We will keep the ZBAs open despite the zero balance. We shall not be required to make any transfer from the Concentration Account in excess of the funds therein, and in the event there are not sufficient collected funds in the Concentration Account to make all of the transfers required, we may allocate the funds among your designated ZBAs in our sole discretion.

You shall maintain sufficient available balances in the Concentration Account to cover the amounts transferred by us. If the amount of funds available for transfer from the Concentration Account or the amount of funds available above the predetermined target amount in the Concentration Account is not sufficient to pay all items presented for payment on any given Business Day, we may return the items for insufficient funds.

You acknowledge that deposits to the Concentration Account and/or ZBAs may not be made available to you until the funds in the deposit are collected, whether or not such funds are transferred to another account as part of the Service. We determine when funds deposited are made available.

You may issue items drawn on a ZBA in excess of the balance in such account, provided, however, that the aggregate amount of all such items and other authorized debits to all of the ZBAs and Concentration Account do not exceed the aggregate available balance in the Concentration Account and the ZBAs. In the event that the amount of such items and debits exceed such balance, we may, at our sole discretion, return or refuse any such items or debit, impose any fee, exercise our right of setoff and take any other action authorized under the Service Documentation. If we elect to pay any such item or debit and an overdraft results, you agree to repay the amount of the overdraft and any associated fee(s) to us at once. In addition, if an item deposited into a ZBA is returned to us unpaid at any time for any reason, we may, in our discretion, subtract such amount from the Concentration Account, exercise our right of setoff against the Concentration Account and/or any ZBA, and take any other action authorized under the Service Documentation.

**Multi-TIN ZBA Structure.** If you agree to associate your Account in a multi-TIN ZBA structure with accounts owned by other entities, you understand that there may be additional risks and that additional approval may be required by us. You acknowledge and agree that (i) we will be required to comply with any legal process, legal notice or court order in relation to any account in the structure, which could impact any or all of the other accounts in the structure; (ii) if there is an overdraft, return or loss against any of the accounts in the structure, we may exercise our right of setoff, without notice, against any of the accounts in the structure; and (iii) if at any time we are in doubt as to the action we should take with respect to any account in the structure, we may exercise any remedy available to us, including, interpleading all or any portion of the funds to an appropriate court after deducting our expenses for the interpleader. You should consult with your own legal, tax and financial advisors related to the risks in this type of structure.

## INTERNET FRAUD PROTECTION PRACTICES

Please review “Protecting Your Account” in the Account Agreement and other Minimum Security Standards that we may advise you about or provide you from time to time, to protect yourself and your Accounts from Internet (online) fraud.

## GLOSSARY OF TERMS AND ACRONYMS

Capitalized or other defined terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Account Agreement and other Service Documentation, as applicable.

**ACH** - Automated Clearing House.

**Business Day** – Every day is a Business Day, except Saturdays, Sundays and bank holidays we observe.

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ID 66508E (Rev 06/2023)

**Computer System** - any firewall, computer hardware, computer software, computer network and/or systems, and/or any other hardware and/or software.

**Data** – any data, documents, authorizations and agreements.

**Email** – electronic mail.

**Exception Item** – With respect to Services using Images, an Image that we, in our sole discretion, determine to be ineligible for certain Services including, without limitation, Images of checks drawn on banks located outside the United States, Images that are illegible, electronic images of checks previously converted to substitute checks, and Images with unreadable MICR information.

**ISP** - Internet Service Provider.

**IRS** - the Internal Revenue Service.

**Losses** - any losses, damages, liabilities, costs and expenses (including attorneys' fees).

**MICR** - Magnetic Ink Character Recognition.

**OFAC** - The Office of Foreign Assets Control of the U.S. Department of the Treasury.

**PIN** - personal identification number.

**Privacy Disclosures** - Our privacy notice and other privacy statement(s)/disclosure(s), which are available in the Privacy & Security section at [cnb.com](http://cnb.com).

**Sanctioned Entity** - (a) An agency of the government of, (b) an organization directly or indirectly controlled by, or (c) a person resident in, a country that is subject to a sanctions program identified on the list maintained by OFAC and available at <https://home.treasury.gov> or as otherwise published from time to time as such program may be applicable to such agency, organization or person.

**Sanctioned Person** - any government, country, corporation or other entity, group or individual with whom or which OFAC prohibits a U.S. person from engaging in transaction and includes any individual or corporation or other entity that appears on the current Specially Designated Nationals and Blocked Persons list published by OFAC.

**Security Item** - any usernames, PINs, passwords, codes, marks, signs, public keys or other means of identification.

**SFTP** - secure file transmission protocol.

**TIN** - Taxpayer Identification Number.



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CNB Member FDIC  
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