



COMPREHENSIVE DEPOSIT DISCLOSURE – PERSONAL

- Terms & Conditions
- Electronic Transfers
- Funds Availability
- IMPORTANT Deposit Account Disclosures Amendment Including an Arbitration Clause (with a Class Action Waiver)

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Deposit Account Agreement

Effective August 1, 2022

Welcome to Bank of the Sierra. This Deposit Account Agreement (“Agreement”) explains important terms and conditions which govern your account(s) with us. Please read this Agreement carefully and keep it with your banking records for future reference.

NOTE THAT THIS AGREEMENT INCLUDES IMPORTANT CONSUMER DISCLOSURES, INCLUDING DISCLOSURES PROVIDED PURSUANT TO THE ELECTRONIC FUND TRANSFER ACT AND THE EXPEDITED FUNDS AVAILABILITY ACT.

PLEASE NOTE THAT THIS AGREEMENT ALSO CONTAINS AN ARBITRATION AGREEMENT THAT AFFECTS YOUR RIGHT TO A JURY TRIAL AND TO BRING OR PARTICIPATE IN A CLASS ACTION LAWSUIT. YOU HAVE THE OPTION TO OPT OUT OF THIS ARBITRATION AGREEMENT. PLEASE READ IT CAREFULLY.

When you sign our signature card, whether in writing or electronically, or maintain a deposit account with us, you and each authorized signer on your accounts effectively acknowledge receipt of and agree to this Agreement, together with applicable signature card, schedules, disclosures, including fee, rate and privacy disclosures. Refer to our current schedule of rates and fees (the “Schedule of Fees”).

As used in this Agreement, the words “we,” “our,” “us,” and “Bank” mean Bank of the Sierra and the words “you” and “your” mean the owner(s) of the account(s) and any “agent” appointed by or on behalf of the owner(s) to sign on the account(s) in a representative capacity. Except to the extent otherwise defined herein, the term “commercial account” shall mean an account that is not primarily established for personal, family, or household purposes. The term “consumer account” shall mean an account that is primarily established for personal, family, or household purposes. The word “items” as used in this Agreement includes a check, draft, demand draft, preauthorized draft, or any other order or any instruction for the payment, transfer, or withdrawal of funds including a withdrawal slip, deposit slip/adjustment, automatic transfers, electronic transactions, and miscellaneous charges to your account. An item also means any other document created or authorized in your name that would be a check or draft but for the fact that it has not been signed. Except to the extent otherwise indicated in this Agreement, the term “may” shall mean that you authorize us to take action or not to take action, at our sole discretion without resulting liability to you. The existence of the rights set forth herein shall not impose an obligation on us to assert such rights or to deny a transaction. Unless expressly provided otherwise in this Agreement, all references to time will refer to Pacific Time.

This Agreement applies to all accounts you have with us. This Agreement supersedes any previous deposit account agreement and applicable disclosures with us.

ACCOUNT OWNERSHIP AND BENEFICIARY DESIGNATION

These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified in our account records. We reserve the right to refuse some forms of ownership on any or all accounts. Some account ownership designations may only be available to accounts opened in certain states. You agree, upon request by us, to provide us with documentation acceptable to us designating each authorized signer with respect to your account(s) and related services. **Note:** *Because decisions concerning whether an account should be held in a particular capacity may have significant legal, tax, and estate planning consequences, consultation with your attorney or tax advisor is recommended.*

Individual Account – This account is issued to one person who does not intend (merely by opening this account) to create any survivorship rights to any other person.

Joint Account – This account is owned by the named parties with right of survivorship. Upon the death of any of them, ownership passes to the survivor(s), subject to our right to setoff and security interest in the account.

Community Property Account – This account is the community property of the named parties who are a married couple. The ownership during lifetime and after death of a spouse is determined by the law applicable to community property generally and may be affected by a will and is subject to our right to setoff and security interest in the account.

Tenancy in Common Account – This account is a joint account owned by the named parties as tenants in common, without the right of survivorship. Upon death of any party, the ownership interest of that third party passes to the estate of that party and is subject to our right to setoff and security interest in the account.

Custodian for Minor – This account shall be governed by the provisions of the California Uniform Transfers to Minors Act, as amended from time to time (“CUTMA”). The account is

controlled by the custodian but is owned by the minor. The custodian is solely responsible for managing these funds and disbursing them in accordance with the CUTMA. If the custodian resigns, is removed, or dies, we will recognize the designated successor custodian. The custodian can designate a person or entity as a successor custodian to act when the current custodian resigns or becomes legally incapacitated or dies. If no successor custodian is named, the California Probate Code will govern the determination of a successor custodian. The custodian and/or any person opening this account agree to indemnify, defend, and hold us harmless from and against any and all claims, damages, liability, or exposure, including reasonable attorney's fees, that we may suffer or incur arising out of any action or claim by any beneficiary or other custodian with respect to the authority, action, or inaction taken by the custodian in handling or dealing with the account.

Payable on Death (POD) Account – One or more parties may open this account. The balance may be paid to any or all the account owners during their lifetime. When all account owners have died the account is owned by the surviving POD payee(s). A POD payee must survive the death of all account owners to receive any interest in the account funds. When there is more than one surviving POD payee, each payee's interest in the funds will be deemed to be in equal shares, unless otherwise expressly reflected in records of the Bank and as provided by applicable state law.

Totten Trust Account – A Totten Trust Account (also known as an "informal ITF" account) is an informal trust account, reflected on our records, but without a written trust agreement. One or more parties may open this account. The balance may be paid to any or all the account owners during their lifetime. When all account owners have died the account is owned by the surviving Totten Trust beneficiaries. A beneficiary must survive the death of all account owners to receive any interest in the account funds.

When there is more than one surviving beneficiary, each beneficiary's interest in the funds will be deemed to be in equal shares, unless otherwise expressly reflected in records of the Bank and as provided by applicable state law.

Trust & Other Fiduciary Accounts – Legal title to the account is owned by the signing party(ies) as trustee, custodian, guardian, executor, administrator, conservator, or other fiduciary (collectively, "fiduciaries") for the named beneficiary(ies) under a separate trust agreement, employee benefit plan, court order, or other fiduciary arrangement. Certain beneficiaries may, in turn, be acting as trustee or fiduciary for others. The fiduciary(ies) certify that they are authorized to manage funds in this account and agree to indemnify, defend, and hold us harmless (in their individual capacity and jointly and severally) from and against any and all claims, damages, liability, or exposure, including reasonable attorney's fees, that we may suffer or incur arising out of any action or claim by any beneficiary, account owner or other fiduciary with respect to the authority, action, or inaction taken by the fiduciaries in handling or dealing with the account. We will not be responsible for monitoring a trustee

or other fiduciary's management of the account. We will not be obligated to monitor items deposited to, or drawn against, accounts held by a trustee or other fiduciary to determine whether a trustee or fiduciary is acting consistently with or in breach of any fiduciary duty. As for formal trust accounts, you may be asked to provide a copy of relevant pages of the trust agreement, execute a trustee's certification of trust, or other documents.

ACCOUNT STRUCTURE

We may structure your account to consist of two or more sub-accounts to take advantage of an interpretation of federal regulations. The sub-accounts, a checking account and money market account, will be used to allow for the transfer of funds between the accounts, subject to federal regulations. This structure will occur solely on our books and will not be visible to you, nor will it affect your account in any way. Also, this will not affect the FDIC coverage of your account.

ADJUSTMENTS

We may make adjustments to your account from time to time. This may be due, for example, to the return of an item you deposited which was unpaid or if a deposit is posted in the wrong amount. Adjustments will be reflected on your periodic statement (if any).

AMENDMENTS

We reserve the right to amend, modify, add to, or delete (collectively referred to herein as "change(s)") the terms or conditions of this Agreement without prior notice to you, except as required by law. Your continued use of a service or an account constitutes your acceptance of the change. Changes may include a deletion, modification, or amendment of an existing term or the addition of a new term not otherwise contemplated when you entered into this Agreement or opened your account(s). Any change will take effect immediately, unless stated otherwise in any notice we make available to you. Unless otherwise expressly required by law, a notice of the changes, or a copy of the revised Agreement or schedule, may be sent to you to the address as it appears on our records, by posting information in our offices, on our website, or by otherwise making the information available to you in writing or electronically.

For any notice that adversely affects your rights, increases your costs, or as otherwise required by law, we will either mail the notice to you at the address we currently show on your statement or, if we have agreed on this method, we may provide it to you electronically at least 30 calendar days prior to the effective date of such change.

Unless otherwise provided, by maintaining your Account at the Bank after the effective date of any amendment, change, or addition to this Agreement, you are agreeing to that amendment, change, or addition.

APPROPRIATE ACCOUNT USAGE

Do not use a consumer account as a commercial account. If you do, it may be reclassified as a commercial account, and we reserve the right to change your consumer deposit account type to a commercial deposit account type and your account will be subject to the separate deposit account agreement for commercial accounts.

ARBITRATION AND WAIVER OF CLASS ACTION

This arbitration provision is optional. If you do not wish to accept it, you must follow the instructions in paragraph (10) below to reject arbitration. Unless you timely reject arbitration, this arbitration provision is binding on you and us.

(1) Claims Subject to Arbitration – Except as specified in paragraph (2) below, **any dispute or claim** between you and us must be arbitrated if either party elects arbitration of that dispute or claim. This agreement to arbitrate is intended to be broadly interpreted. It includes, but is not limited to:

- Claims arising out of or relating to any aspect of the relationship between you and us, whether based in contract, tort, fraud, misrepresentation, or any other statutory or common-law legal theory;
- Claims that arose before this or any prior Agreement (including, but not limited to, claims relating to advertising or disclosures for any of our products or services);
- Claims for mental or emotional distress or injury not arising out of bodily injury;
- Claims asserted in a court of general jurisdiction against you or us, including counterclaims, cross-claims, or third-party claims, that you or we elect to arbitrate in the answer or other responsive pleading;
- Claims relating to the retention, protection, use, or transfer of information about you or any of your accounts for any of our products or services;
- Claims relating to communications with you, regardless of sender, concerning any of our products or services, including emails and automatically dialed calls and text messages; and
- Claims that may arise after the termination of this Agreement.

In this arbitration provision only, references to “we”, “us,” and “our” mean the financial institution and its parents, subsidiaries, affiliates, predecessors, successors, and

assigns, as well as each of those entities’ agents and employees. In this arbitration provision only, references to “you” and “your” mean the account owners, all authorized or unauthorized users or beneficiaries of the account, each of those person’s assignees, heirs, trustees, agents, or other representatives, and if the account owner is a business, the account owner’s parents, subsidiaries, affiliates, predecessors, successors, assigns, and each of those entities’ agents and employees. This arbitration agreement does not preclude you or us from bringing issues to the attention of federal, state, or local agencies. Such agencies can, if the law allows, seek relief against you or us on the other’s behalf. Nor does this arbitration agreement preclude either you or us from exercising self-help remedies (including setoff), and exercising such a remedy is not a waiver of the right to invoke arbitration of any dispute. **You and we each waive the right to a trial by jury or to participate in a class action whenever either you or we elect arbitration.** This agreement evidences a transaction in interstate commerce, and thus the Federal Arbitration Act governs the interpretation and enforcement of this provision. This arbitration provision shall survive termination of this Agreement.

(2) Claims Not Subject to Arbitration – You and we agree that the following disputes or claims cannot be arbitrated:

- Claims arising from bodily injury or death;
- Claims seeking only individualized relief asserted by you or us in small claims court, so long as the action remains in that court and is not removed or appealed to a court of general jurisdiction, in which case either party may elect arbitration;
- Claims to collect or challenge debts owed pursuant to an extension of credit under a separate agreement or note (such as a separate loan agreement, promissory note, or bank card agreement), in which case the dispute over the debt shall be governed by the dispute-resolution procedures set forth in that separate agreement or note, including any corresponding right to a setoff from other accounts; and
- Disputes over the scope and enforceability of this arbitration provision, whether a dispute or claim can or must be brought in arbitration, or whether paragraphs (4) or (7) of this arbitration provision have been violated.

These exclusions from arbitration are intended to be interpreted narrowly. Excluded claims must be resolved by a court with jurisdiction.

(3) Pre-Arbitration Notice of Disputes and Informal Resolution – Before either you or we commence arbitration, the claimant must first send to the other a written Notice of Dispute (“Notice”). The Notice to us should be sent by certified mail to: Bank of the Sierra, Attn: Process Operations, 86 North Main Street, Porterville, CA 93257 (“Notice Address”). The Notice to you will be sent to your address on file with your account. The Notice must **(a)** include your name and account number; **(b)** describe the nature and basis of the claim or dispute; and **(c)** set forth the specific relief

sought. If you have retained an attorney, please be advised that we cannot disclose information about your account to your attorney unless you have provided us with signed, written permission to do so. Accordingly, when submitting your Notice, please also provide signed written authorization for us to share your confidential account records with your attorney if necessary in resolving your claim.

After the Notice containing the required information above is received, within 45 days, either party may request a conference to discuss informal resolution of the dispute ("Informal Settlement Conference"). If timely requested, the Informal Settlement Conference will take place at a mutually agreeable time by telephone or videoconference. You and our business representative must both personally participate in a good-faith effort to resolve the dispute informally without the need to proceed with arbitration. Any counsel representing you or us also may participate. The requirement of your personal participation in an Informal Settlement Conference may be waived only if both you and we agree in writing.

Any applicable statute of limitations will be tolled during the Informal Resolution Period, which is the period between the date that a fully complete Notice is received by the other party and the later of (i) 45 days after receipt of the Notice or (ii) if an Informal Settlement Conference is timely requested, 30 days after either the request is withdrawn or the Informal Settlement Conference is completed. In addition, if a timely requested Informal Settlement Conference cannot be scheduled within 60 days of the request despite the claimant's providing written notice of at least five times during business hours on separate days during which the claimant is available, the Informal Resolution Period shall end on the 60th day.

(4) Commencing Arbitration – An arbitration proceeding cannot be commenced until after the Informal Resolution Period has ended. A court will have authority to enforce this paragraph (4), including the power to enjoin the filing or prosecution of arbitrations without first providing a fully complete Notice and participating in a timely requested Informal Settlement Conference. The court also may enjoin the assessment or collection of arbitration fees incurred as a result of such arbitrations. Further, unless prohibited by applicable law, the arbitration provider shall not accept nor administer any arbitration unless the claimant has complied with the Notice and Informal Settlement Conference requirements of paragraph (3).

(5) Arbitration Procedure – The arbitration will be governed by the Consumer Arbitration Rules ("AAA Rules") of the American Arbitration Association ("AAA"), as modified by this arbitration provision, and will be administered by the AAA. (If the AAA is unavailable or unwilling to administer arbitrations consistent with this arbitration provision, another arbitration provider shall be selected by the parties or by the court.) The AAA Rules are available online at www.adr.org or by writing to the Notice Address. All issues are for the arbitrator to decide, except that the court will decide any disputes over the arbitrability of claims. The arbitrator may consider but shall not be bound by rulings in other arbitrations involving different customers. Except as provided in paragraph (6)

below, the arbitrator shall apply the same substantive law that a court would apply and can award the same individualized remedies (including punitive and statutory damages and statutory attorney's fees and costs) that a court could award under applicable law. Unless you and we agree otherwise, any arbitration hearings will take place in the county of your address on file with your account. If your claim is for \$10,000 or less, we agree that you may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing as established by the AAA Rules. If your claim exceeds \$10,000, the right to a hearing will be determined by the AAA Rules. Regardless of the manner in which the arbitration is conducted, the arbitrator shall issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the award is based.

During the arbitration, the amount of any settlement offer shall not be disclosed to the arbitrator until after the arbitrator determines the amount, if any, to which you are entitled. If you have complied with the requirements of this paragraph and the arbitrator awards you an amount of money that exceeds the value of our last written settlement to you before the appointment of the arbitrator, then we will pay you \$500 in lieu of any smaller award. In determining whether you are entitled to the minimum \$500 recovery, the arbitrator shall not consider amounts offered or awarded for attorneys' fees or costs. Any disputes as to recovery of the \$500 minimum recovery shall be resolved by the arbitrator, and must be raised within 14 days of the arbitrator's ruling on the merits.

(6) Arbitration Fees – If you complied with the Notice and Informal Settlement Conference requirements above in paragraph (3), after we receive notice at the Notice Address that you have commenced arbitration, we will promptly reimburse you for your payment of the filing fee, unless your claim is for greater than \$10,000 in value. (The filing fee currently is \$200 but is subject to change by the arbitration provider. If you are unable to pay this fee, we will pay it directly upon receiving a written request at the Notice Address.) We also will pay all other AAA filing, administration, and arbitrator fees for that arbitration. If, however, the arbitrator finds that either the substance of your claim or the relief you seek is frivolous or brought for an improper purpose (as measured by the standards set forth in Federal Rule of Civil Procedure 11(b)), then the payment of all such fees will be governed by the AAA Rules. In such case, you agree to reimburse us for all monies previously disbursed that are otherwise your obligation to pay under the AAA Rules. In addition, if you initiate an arbitration in which you seek relief valued at greater than \$10,000 (either to you or to us), the payment of these fees will be governed by the AAA rules. We will pay all AAA filing, administration, and arbitrator fees for any arbitration we commence against you.

(7) Requirement of Individual Arbitration – The arbitrator may award declaratory or injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim. **YOU AND WE AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN YOUR OR OUR INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING.** Further, unless both you and we agree otherwise, the arbitrator may not consolidate the claims of more than one person (except for the claims of co- or joint account owners pertaining to that account), and may not otherwise preside over any form of a representative, class, or private attorney general proceeding. If, after exhaustion of all appeals, any of these prohibitions on non-individualized declaratory or injunctive relief; class, representative, and private attorney general claims; and consolidation are found to be unenforceable with respect to a particular claim or with respect to a particular request for relief (such as a request for injunctive relief), then that claim or request for relief shall be severed and decided by a court after all other claims and requests for relief are arbitrated.

(8) Future Changes to Arbitration Provision – Notwithstanding any provision in this Agreement to the contrary, you and we agree that if we make any future change to this arbitration provision (other than a change to the Notice Address), you may reject that change by sending us written notice within 30 days of the change to the Notice Address provided above. By rejecting that future change, you are agreeing that you will arbitrate any dispute or claim between you and us in accordance with the language of this provision, as amended by any changes that you did not timely reject.

(9) Additional Procedures for Complex Disputes – If the actual damages sought by either you or us in an arbitration exceeds \$250,000 (not counting amounts sought for punitive, statutory, treble, or emotional harm damages or for attorneys' fees or costs), then the following additional procedures apply. First, if you are a business customer, the AAA's Commercial Arbitration Rules rather than the Consumer Arbitration Rules shall apply and, unless you and we agree otherwise, the dispute shall be resolved by a three-arbitrator panel, with each party choosing one arbitrator from the AAA's roster and the two party-appointed arbitrators selecting a third, who shall preside over the panel. If you are a consumer customer, the same switch to the Commercial Arbitration Rules and a three-arbitrator panel shall apply if both you and we agree. Second, regardless of whether you are a business or consumer customer, either party may appeal the final award to a three-arbitrator panel pursuant to the AAA's Optional Appellate Rules by providing written notice within 30 days of the award. The appellant shall pay all fees and costs for the appeal unless the panel determines that the appellant is the prevailing party, in which case the panel shall have the discretion in its final award to reallocate the fees and costs as justice or otherwise applicable law requires. If there is a cross-appeal, the costs shall be borne equally by both sides, subject to reallocation by the panel in its final award as justice or otherwise applicable law requires.

(10) Right to Reject Arbitration Provision – If you do not wish to arbitrate, you have 30 days to reject this arbitration provision by sending a rejection notice to the Notice Address above by certified mail ("Rejection Notice"). To be valid, a Rejection Notice must: **(a)** include your name, account number, and a statement that you are rejecting the arbitration provision in this Agreement; and **(b)** be received by us within 30 days after the opening of your account. If an arbitration provision has been added for the first time to the agreement for an existing account, your Rejection Notice must be postmarked on or before the effective date of that amendment to that agreement. If your Rejection Notice complies with these requirements, this arbitration provision will not apply to you with respect to any claims that you or we commence in litigation or arbitration after we receive your Rejection Notice. Rejecting this arbitration provision will not affect your other rights or responsibilities under this Agreement. Nor will it affect any other arbitration agreements between you and us, such as arbitration provisions in other contracts between you and us.

(11) Military Lending Act – If you are a covered member of the armed forces or the dependent of a covered member within the meaning of the Military Lending Act and your Agreement with us involves an extension of consumer credit under that Act, then you are not required to arbitrate disputes.

(12) Provisional Remedies – Nothing herein will be deemed to limit or constrain our right to resort to self-help remedies, such as the right of setoff or the right to restrain funds in an account, to interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, or to comply with Legal Process, or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies.

ATM/NIGHT DEPOSIT FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don't leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements you receive.
4. Don't lend your Card to anyone.

5. Remember, do not leave your Card at the ATM. Do not leave any documents at a night deposit facility.
6. Protect the secrecy of your Personal Identification Number (PIN). Protect your Card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your Card or PIN over the telephone. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
9. Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
10. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your Card and leave. You might consider using another ATM or coming back later.
11. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
12. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
13. We want our ATM and night deposit facilities to be safe and convenient for you. Therefore, please tell us if you know of any problem with our facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

For additional information about any Bank of the Sierra product or service, please visit one of our branches or call us at: 1.888.454.BANK BankoftheSierra.com.

AUTHORIZED SIGNERS

An authorized signer is someone to whom you give all rights you have now or in the future to make regarding your account, including the authority to make withdrawals and deposits, to obtain ancillary services (for example, electronic fund transfer services, wire services, and online banking access), and to otherwise transact on your account, receive account information, and provide instructions to us regarding

your account. You agree that signatures by your authorized agents (for example, person acting under a power of attorney) are valid, even if the agent relationship is not indicated on the check or instruction. To the extent we have a specimen signature on file for an authorized signer, you agree that we may refuse to pay any check that bears a signature that in our opinion does not satisfactorily compare with the specimen signature for the authorized signer. Merely by designating an authorized signer you do not give any ownership rights in the account. Any one of the authorized signers may sign checks or withdrawal orders and give us instructions regarding the account, including an instruction to close the account.

However, if there is a conflict, we reserve the right to require all authorized signers or account owners to sign an item, withdrawal order, or other instruction on the account.

You agree that we may honor checks drawn by an authorized signer against your account even if these checks are made payable to that authorized signer and even if cashed or deposited into that signer's personal account. We have no duty to investigate or question the nature of the signer's withdrawals or payments.

Even if the authorized signers on an account change, we may continue to honor checks, withdrawal orders, and other instructions by authorized signers until we are notified in writing not to do so by an account owner.

BALANCES

Your checking account has two balances: the "current" balance and the "available" balance. Both can be checked when you review your account online, on our mobile banking app, at an ATM, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. This section explains current and available balances and how they work.

Your current balance is the full amount of all deposits, even though some portion of a deposit may be on hold and may not be available to you, less payment transactions that have "posted" to your account, but not payment transactions that have been authorized and are pending. Thus, while the term "current" may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Any holds for purchase transactions, holds on deposits, or other checks, payments, and fees that have not yet posted will not appear in your current balance. For example, if you have a \$50 current balance, but you just wrote a check for \$40, then your current balance is \$50 but it does not reflect the pending check transaction. So at that point, you actually have \$50, but you have already spent \$40.

Your available balance is the amount of money in your account that is available to you to use. The available balance is the current balance less things like holds placed on deposits and pending transactions (such as pending debit card purchases) that the Bank has authorized but that have not yet posted to your account. For example, assume you have a current

balance of \$50 and an available balance of \$50. If you were to swipe your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment. In that case, we will reduce your available balance by \$20 because once we authorize the payment, we are obligated to pay. Your current balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because you have committed to pay the restaurant \$20. When the restaurant submits its bill for payment (which could be a few days later), we will post the transaction to your account and your actual balance will be reduced by \$20.

We use available balance at the time a merchant requests an authorization to decide whether to authorize a transaction for payment. We use the available balance at the time transactions are posted and actually paid (not when they are necessarily made) to decide whether to charge Overdraft Fees. The one exception is for debit cards that run through the Mastercard or Visa network. The Bank will not assess an Overdraft Fee if there is an insufficient available balance to pay the transaction when it posts as long as the authorization amount is the posted amount. The following example illustrates how this works:

Assume your current and available balance are both \$100, and you swipe your debit card at a restaurant for \$60. As a result, your available balance will be reduced by \$60 so your available balance is only \$40. Your current balance is still \$100. Before the restaurant charge is sent to us for posting, a check that you wrote for \$60 clears. Because you have only \$40 available (you have committed to pay the restaurant \$60), your account will be overdrawn by \$20, even though your current balance was \$100. In this case, we may return the check. If you are eligible for overdraft services then we may pay the \$60 check, but you will be charged an overdraft fee of \$35.00 because your available balance was not sufficient at the time of payment to cover the check. Also, when the \$60 restaurant charge is later submitted to the Bank and posted to your account (assuming no intervening deposits), you will not have enough money in your available balance because of the intervening check. But here you will not be charged a fee for that transaction because your available balance was positive when it was authorized.

It is very important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your available balance may not reflect all your outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and posted to your account.

In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit

card transaction for payment within three (3) business days of authorization, we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account.

BUSINESS DAYS

For the purpose of this Agreement, our business days are Monday through Friday, excluding Saturdays, Sundays, and legal holidays we observe.

CASH REPORTING REQUIREMENT

The Bank Secrecy Act ("BSA"), a federal law, requires all financial institutions to report currency transactions of more than \$10,000 to the Financial Crimes Enforcement Network ("FinCEN"). In addition, we may report to FinCEN multiple cash transactions which together total more than \$10,000 in any one day. In order to better comply with the law, we may maintain a log of all sales of bank checks or drafts, cashier's checks, money orders or traveler's checks for \$3,000–\$10,000 in currency. We may also report to the FinCEN or other government agency transactions that may be structured to avoid the reporting requirement and other transactions that appear to involve illegal activity. In order to satisfy the BSA's requirement, we may, and, in many cases, must request certain information about the individual presenting the transaction, as well as the organization or individual for whom the transaction is being conducted. This includes the individual's/organization's full name, permanent street address, Social Security number or other Taxpayer Identification Number, identification number (such as a driver's license, government-issued photo identification, or passport), date of birth (if applicable), and business, occupation or professions.

CHANGE OF NAME, CONTACT INFORMATION, OR AUTHORIZED SIGNERS

You agree to notify us immediately in writing of any change of name, contact information (including address, email address, telephone and mobile numbers), or change of authorized signers. Your notice to us regarding the change will be effective after we have had a reasonable time to react. If an authorized signer on your account changes, we may continue to honor items and instructions given earlier by any previously authorized person(s) until we receive specific notice from you in writing not to do so. (**Note:** A new or updated signature card, by itself, does not constitute notice to terminate any pre-existing payment or transfer plan). In some instances, we may require you to close your account or provide us with stop payment orders in order to prevent transactions from occurring. There may be a delay in implementing a change in the authorized person(s) on our records, and you agree

that we will be given a reasonable opportunity to make the changes necessary.

We may rely on account records to determine ownership of an account. We may also change the mailing address of record we have for you if we receive an address change notice from the U.S. Postal Service. Each account holder is responsible for submitting their own signed change of address request. The address is changed only for the accounts you specify and does not affect your other account relationships with us unless you specify that you want the address changed for those accounts as well. We are only required to attempt to communicate with you using the address you have provided to us. If you fail to notify us of a change of address, an incorrect address fee may be assessed (see Schedule of Fees for details). If sent statements or other documents are returned indicating an incorrect address, and we are not notified of the new address after 90 days, you authorize us, at our discretion, to block your account until we can verify your correct address. You hereby verify that you are the current subscriber or owner of any phone numbers you provide to us.

CHECK CONVERSION INTO ACH DEBIT ENTRIES

Merchants may take a check you provide and convert it into an ACH debit entry for electronic collection against your account. This means a merchant may submit up to three transactions in an attempt to collect payment; this could occur if the first two attempts were returned due to an insufficient available balance. When this happens, we will not provide you a copy of the original check with your periodic statement. Treat the voided check with care because someone else who obtains possession of it could use the information to initiate additional debits against your account. When you provide the merchant with your check by mail, the merchant should give you notice of their intent to convert the check into an ACH debit, and the merchant in these instances should destroy your original check. Whether your check is converted to an ACH debit at the point of sale or by the merchant when they receive the check by mail, a description of the transaction will appear on your periodic statement from us.

CHECK LEGENDS

You agree not to print, other otherwise present, checks, withdrawal orders, or other items with special limitations, including when drawn on your account. Examples of special limitations include, but are not limited to, "void over \$100" or "paid in full" or "void after 90 days." If you do print, or otherwise present, checks, withdrawal orders or other items with any special limitations, you agree that we are not bound by such limitations. You authorize us, but we will not be obligated, to pay such items, or take them for deposit, without regard to the stated limitation(s). You further agree to indemnify us and hold us harmless for any claims or losses arising out of our refusal to honor said restrictions. In no event will we be liable for our refusal to honor the special limitations, whether or not we previously honored them.

CHECK PRINTING

You agree that the name(s) printed on your checks will agree with the name(s) on our account records. We offer checks in a number of styles and at various prices, with fraud prevention features. If you choose not to use them or other checks that include fraud prevention features, you agree to assume a heightened degree of care for safeguarding your checks, and for reviewing all returned checks and statements as soon as you receive them. The cost of any checks purchased through us will be automatically charged to your account. See the Schedule of Fees. If you create your own checks, or obtain them from someone else, and we cannot accurately verify your signature on an item by comparing it with an item that posted to your account, you are responsible for any losses that may result from our inability to use that check to verify your signature.

CHECK PROCESSING

We have automated collection and payment procedures. These automated procedures rely primarily on information encoded on each check or item in magnetic ink. In paying an item or processing an item for deposit, we may rely on the information encoded on the check's magnetic ink character recognition (MICR) line, according to general banking standards, whether or not that information is consistent with the other information on the item. You will reimburse us for any loss or expense we incur because you issue or deposit an item containing altered or extra information in the MICR line. You agree that automated check processing is commercially reasonable and is an acceptable standard of care. You accept responsibility for preventing and reporting forgeries, alterations, and other unauthorized use of your account. We have no responsibility to prevent a check from being presented for payment more than once.

We will not be obligated to monitor items deposited to, or drawn against, accounts held by a trustee or other fiduciary to determine whether a trustee or fiduciary is acting consistently with or in breach of any fiduciary duty. When we take an item for processing by automated means, "ordinary care" does not require that we examine each item. "Ordinary care" requires only that we follow banking standards prevailing in the area in which we are located and that do not vary unreasonably from the general standards followed by similarly-situated financial institutions. A mere clerical error, or an honest mistake, is not considered a failure of the Bank to perform any of our obligations. The Bank's own policies and procedures are used solely for our internal reasons and do not establish a higher standard of care for the Bank other than that which is provided by law or regulation.

The Bank is not responsible for the neglect, mistake, or fault of another financial institution or person, including for the loss or destruction of an item or misrouting of an item in transit or in the possession of others. If a deposited item is lost or misrouted and we gave you provisional credit for that item, you agree that we may charge back the amount of the item to

your account if we do not receive payment for the item, even if the item is not timely returned.

CHECKS PRESENTED IN PERSON FOR PAYMENT BY A NON-ACCOUNT HOLDER

If an item drawn against your account is presented for payment in person for payment by a payee who is not an account holder of the Bank, the Bank may also require identification acceptable to the Bank and not prohibited by law, including a fingerprint of the person presenting the check or other fraud prevention methods. You agree that the Bank may refuse to honor payment for checks presented for payment in person by a non-account holder, if the person refuses to provide the identification requested by the Bank. You agree that none of the foregoing will be deemed to be wrongful dishonor by us.

CHOICE OF LAW; DISPUTES; VENUE; JURISDICTION

Except as stated herein (including, but not limited to, the Arbitration Agreement) or as otherwise may be required by applicable law, the provisions of this Agreement are governed by, as applicable, federal laws and regulations, the laws and regulations of the state of California (excluding choice of law rules), and applicable national and local clearinghouse rules, including the operating circulars of the Federal Reserve Banks and the National Automated Clearing House Association rules, as amended from time to time (collectively, the "Rules"). You agree that we do not have to notify you of a change in the Rules, except to the extent required by applicable law. If there is any inconsistency between the terms of this Agreement and the Rules, the terms of this Agreement shall supersede the rules, unless otherwise provided in the Rule. In addition, our rights under this Agreement may be limited by laws, rules, or regulations; to the extent this is so, this Agreement is modified to the extent needed to prevent representing that a transaction confers or involves rights, remedies, or obligations which we do not have or which are prohibited by law. However, where a law, rule, or regulation that is not otherwise capable of being modified by this Agreement results in a limitation on our rights, then our rights under this Agreement are limited to the extent (but only to the extent) necessary to prevent a violation of that law, rule, or regulation.

CLOSING OR SUSPENDING ACCOUNTS

We may, at any time and in our sole discretion, close or suspend your account or any service we are providing to you. We may do so for cause or without cause. We may deliver the balance after an account is closed by any means chosen by us, including mailing a check for the balance by U.S. Postal Service, sent postage prepaid, to your last address as shown on our records. We may remit the balance by check payable to the name on the account as shown on our records, even if

contrary evidence of account ownership has been given to us. We will provide you with notice before or after taking this action, unless prior notice is required by law, in which case we will provide you with such notice as is required by law.

The account closing balance will be subject to any right we may have under any security agreement covering the account or our rights of setoff.

Except to the extent otherwise agreed with us, you may close your account at any time upon notice to us, unless your account has a scheduled maturity date, subject to any applicable early withdrawal penalty.

You will remain liable for the payment of accrued fees on the account and for checks in the process of collection, as well as any other obligations relating to actions or inaction prior to account closure. If you close an account, it may be subject to accrued or prorated fees or charges. You agree to reimburse us immediately upon request for any overdrafts that arise after an account is closed, whether closed by you or by us.

We may honor any account holder's or authorized signer's request to close or suspend an account or transaction. At our discretion, we may require the signatures of all account holders and/or authorized signers before permitting the withdrawal of funds or the closing or suspension of an account.

Without limiting any of the foregoing, you authorize us, in our sole discretion, to "freeze" or place a hold on the balance in your accounts at the Bank if we suspect that there is uncertainty regarding the ownership of the funds, we are unable to determine any person's authority to give us instructions, we are requested by any governmental agency to freeze the account or reject a transaction due to the suspected financial abuse of an elder or dependent adult, we suspect irregular, fraudulent, or illegal activity, or we receive conflicting instructions involving your accounts. Should we place a "freeze" on your accounts to reasonably investigate our concerns, you agree that we shall not be liable to you for any claims you might have, including but not limited to claims of wrongful dishonor.

We may dishonor any check, withdrawal order, item, or transaction presented for payment after an account is closed or frozen by you or by us. At our option, we may honor checks, withdrawal orders, items, or transactions after an account is closed or frozen if the transaction was guaranteed by us under any check guarantee program or was part of an electronic fund transfer system, if you fail to place a stop payment order for any outstanding checks or other items or if we otherwise elect to honor the transaction in our discretion. You shall remain responsible and liable for such checks, items, and transactions.

COMPLIANCE WITH LAWS, RULES, AND REGULATIONS

You agree to comply with all laws, rules, and regulations applicable to you, to your activities and to your use of the account and our services. This includes your agreement to comply with (to the extent applicable to you and your actions) federal anti-money laundering laws, sanctions laws administered by the Office of Foreign Assets Control, currency transaction or Bank Secrecy Act reporting and recordkeeping requirements, and any state counterpart of the same. Upon request by us, you must inform us about and disclose to us the identity of all persons who have a beneficial interest in you (if you are a non-natural person) and in your transactions. You further agree that you will comply with any state or local laws that may apply to you, including, but not limited to, laws governing the payment of interest on escrow or other similar laws, and you agree that you are solely responsible for compliance with such laws, including the payment or nonpayment of any interest due under such laws.

Without limiting the foregoing, you represent, warrant and agree not to accept or make payments in connection with the participation of any person (including yourself) in unlawful Internet gambling. You acknowledge that “restricted transactions” (as defined in the Unlawful Internet Gambling Enforcement Act and its implementing regulations) are prohibited from being processed through your accounts or your relationships with us. We reserve the right to deny transactions or authorization from merchants apparently engaging in the Internet gambling business or identifying themselves through card transaction records or otherwise as engaged in that or any other illegal or improper business. Further, we reserve the right to block or close any account which we believe may be involved in any such restricted transactions.

You represent and warrant that you are not, and you agree to take no action that would result in your being deemed or treated as, a money service business under any applicable state or federal law, except to the extent that you have specifically and in writing previously informed us that you are a money service business. Notwithstanding the foregoing, we reserve the right to refuse to open or to continue to maintain any deposit account.

You represent and warrant that the foregoing is true and correct, as of the opening of your account and again each time you make a deposit or withdrawal or otherwise use a service offered by us. You agree to provide us with evidence showing that you are in compliance with the above, reasonably satisfactory to us, upon our request. If we are uncertain regarding the legality of any transaction, we may refuse the transaction or freeze the amount in question while we investigate the matter. You agree to indemnify, defend, and hold us harmless from every action, proceeding, claim, loss, cost, and expense (including attorney’s fees) suffered or incurred by us due to any U.S. or foreign government entity seizing, freezing, or otherwise asserting or causing us to assert control over any account or funds in an account of yours (or ours) when purportedly caused by or arising out of your action or inaction. This will apply whether or not such

action is ultimately determined to be authorized under the laws of the U.S. or its territories, or of any foreign jurisdiction. We are not required to inquire or determine the authority of any action taken by the U.S. or foreign government entity prior to acceding to any legal process initiated by it.

CONVERTING ACCOUNT AND REVOKING PRIVILEGES

Without limiting our ability to close your account, we may alternatively convert your account to another type of account or revoke privileges when we consider it appropriate or necessary to do so. For example, we may revoke privileges, or convert your account to another account type if you make frequent transactions in excess of account restrictions, if your account is frequently overdrawn, if your account has excessive deposit activity or if you use an account for a purpose that is different than the purpose for which the account was opened (for example, if you use a consumer account for business purposes).

CREDIT VERIFICATION; FINANCIAL AND OTHER INFORMATION

From time to time we may obtain credit information about you from check or credit reporting agencies and/or other means. We may do so at the time you open an account, request a service, at any time while your account is open, or the service is available, or after your account or service is closed, or as otherwise permitted by law. We may also order a credit or background report on you or any other signer on the account. You agree that by request to open an account or acquire a service from us, or by becoming an authorized signer on an account with us, we may obtain credit information from a credit reporting agency. For example, new accounts are subject to verification through ChexSystems (the “Reporting Agency”) and may be declined based in whole or in part on information obtained in a report from the Reporting Agency. You have a right under the Fair Credit Reporting Act to know the information contained in your credit file at ChexSystems. If we decline to open an account or otherwise provide deposit services, the Reporting Agency will have played no part in our decision and would be unable to supply specific reasons why we would have denied the account or services. You have a right to a free copy of your report from the Reporting Agency, if you request it no later than 60 days after you receive notice of a declined account or service. In addition, if you find that any information contained in a report received by you is inaccurate or incomplete, you have the right to dispute the matter with the Reporting Agency. The Reporting Agency’s full name, address and phone number is as follows:

ChexSystems
Attn: Consumer Relations
7805 Hudson Road, Suite 100
Woodbury, MN 55125
(800) 428-9623

Accounts not maintained in a satisfactory manner at the Bank are subject to closure by the Bank and are reported to ChexSystems. You are also hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations. We may report information about your account to credit bureaus. Late payments missed payments or other defaults on your account may be reflected in your credit report. If you believe that we have provided incomplete or inaccurate information about your account to a consumer reporting agency, write to us at P.O. Box 1930, Porterville, CA 93258.

CUSTOMER IDENTIFICATION NOTICE UNDER THE USA PATRIOT ACT

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

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

What this means to you: When you open an account, we will ask for your name, address, date of birth, Tax Identification Number (TIN) and other information that will allow us to identify you. We may also ask to see a driver's license, government-issued photo identification, or other identifying documents for account owners (and possibly authorized signers).

We may further ask you for specific information regarding the nature of anticipated activity, the sources of your funds, the purposes of transactions, the relationship you have with persons to whom you send funds and persons who send funds to you, the anticipated frequency of such transactions, the ultimate beneficiaries of funds you send and receive, and other questions that may help us clarify the nature and purpose of transactions. We may close accounts if we are unable to understand the purpose of the account, the structure of the organization, the authority of the signers, the documentation provided or the general risk associated with the establishment of the account. We may elect not to disclose the specific reason for our action.

Owners for fiduciaries, partnerships, corporations, and fictitious business names or other business names may also be asked at account opening and from time to time to provide us with valid documentation of trust agreements (or certification of trust), court orders, partnership agreements, certificates of limited partnership, articles of incorporation, filed fictitious business name statements, and financial statements, in addition to any other documents deemed necessary by us.

CUTOFF HOURS

A number of our services are subject to processing cutoff hours. Communications received after the cutoff hour or on a non-business day may, in our discretion, be deemed received as of the next business day.

Alternatively, some services may require you to resubmit a communication when it is received after the cutoff hour or on a non-business day.

DEATH OR INCAPACITY

You agree to immediately notify us about the death or incapacity of any owner or authorized signer on your account. Until we receive notice satisfactory to us in writing, and have a reasonable opportunity to act on it, we may continue to honor items drawn on your account by the authorized signer(s). We may suspend, refuse, and reverse any transactions or deposits (for example, automatic federal direct deposits of benefit payments belonging to the decedent) if any owner or authorized signer dies or is declared by a court to be incompetent. However, even with knowledge, we may pay checks drawn on the account for ten (10) days after the date of death. Refer to the discussion below regarding the treatment of "Direct Deposits."

DEPOSITS AND CREDITS TO ACCOUNTS

Deposits and Credits Generally – You authorize us to accept an item for deposit to your account from anyone. We are not required to question the authority of the person making the deposit. Joint accounts include accounts held as joint tenancy, tenancy-in-common, or as community property. A joint account holder authorizes the other account holder(s) to endorse items in that person's name and to cash the items or deposit them into the joint account, with or without an indorsement. You will be responsible for any loss because of your failure to identify your account properly by name and number on any deposited item. We may accept for deposit to your account all items made payable to you or purportedly endorsed by you as an individual payee or joint payee, regardless of whether those items bear your indorsement, subject to our verification and final inspection. You guarantee to us the payment of all such deposited items.

We may refuse any deposit (whether in cash or by item or other charge) to an account, limit the amount of any deposit or funds that may be maintained in an account, or return all or any part of a deposit to you without prior notice, whether the deposit is attempted to be made by you or anyone else on your behalf. We reserve the right to return to you any item or other charge that we receive for deposit to your account, if we decide not to handle that item or other charge. If we make this decision, we will send a notice by the next business day after we receive it.

If a check you deposited is returned to us unpaid, you authorize us to present an item again for payment, after it has been returned or dishonored, without telling you that the item was returned unpaid or that we are presenting it again. If we present a returned item again, there is a charge. See the Schedule of Fees. You also authorize us to process and deliver to you a photocopy or other image of a returned item or other returned item, in lieu of the original, whether it is charged back to your account or automatically presented again, and whether or not the original item is available.

Deposits received at unstaffed facilities will be credited on the day funds are removed, verified, and processed by us. We may delay the verification of large currency and coin deposits until such time as armored transportation to a secure facility is completed, and delay the posting of the deposit to your account until verification and processing is complete. We may pass-through the costs or otherwise charge you a fee for the additional secure logistics that we require. We are not responsible for transactions initiated by mail until we actually receive them. Deposit receipts do not necessarily indicate the correct balance in the account or the amount being deposited.

Although we may make funds available to you when you make a deposit with us, and we may take steps to determine whether a check will be paid, you are responsible for any loss that occurs if the check is returned to us for any reason (e.g., because it is counterfeit). Our employees cannot promise that checks drawn on or issued by other institutions, including cashier's checks, will be paid and therefore ultimately deposited.

If we accept a deposit or payment from you or on your behalf that is not accompanied by instructions indicating how or where it is to be credited, we may apply it at our discretion to any loan or deposit account you maintain with us.

Any credit to an account is subject to final verification, payment, and adjustment by us from time to time. This may be due, for example, to the return of an item you deposited which was unpaid or if a deposit is posted in the wrong amount.

Provisional Credit; Returned and Unpaid Items and Other Credits – Any item or other charge posted for credit (i.e., deposit) to your account, including an item we cash for you, is subject to final payment by the payor or receiving bank (as applicable). If we credit your account for an item or other charge, we may charge back that item or other charge at any time, if we do not receive payment for the item or other charge or if we receive notice that the item or other charge will not be paid. We act as a collection agent for you when we receive an item for deposit or when we cash an item for you, and are not responsible for the actions, whether or not negligent or inactions of other financial institutions during the collection process. You assume all risk of loss of an item in transit. You authorize us to reverse any credit given and any interest accrued for an item that is lost in transit or otherwise not paid, and we may recover from any account you maintain with us the funds given to you for a cashed item that is lost in transit or otherwise not paid. You agree that we can notify

you of the return as part of the account statement or other communication method (including electronic communication). We reserve the right to charge the applicable account if an item credited to the account is dishonored, returned, or not paid even if we have not sent you notice of the dishonor, return, or nonpayment. We also reserve the right to charge a dishonored, returned, or unpaid item or other charge against the applicable account even if the item or other charge is dishonored or returned late, the dishonor or return does not comply with applicable laws, rules or regulations (including any clearinghouse rules), or we could have made a claim for reimbursement on the item or other charge from the Bank on which the item was drawn or from another bank. We may charge a dishonored, returned, or unpaid item or other charge against the applicable account even if the charge results in an overdraft. In addition to Deposited Return Item fees, you agree to pay applicable overdraft fees. You authorize us to charge your account for the amount of the item and for any Deposited Return Item fees for each time and for each item returned unpaid, even if there is a delay in notifying you or in returning the unpaid item (or photocopy or other image) to you.

You authorize us without notice to you to charge an item back to your account even if you have already used the funds, if we receive an affidavit of forged, missing, or unauthorized indorsement or alteration, or similar document, and we have no obligation to investigate the accuracy of such affidavit or similar document. You acknowledge that we may not return an item to you if we cannot recover its full amount from your accounts.

Daily Cutoff Time – All transactions received after our daily cutoff time on a business day, or received on a calendar day we are open, or received on a day which we are not open for business, may be treated and recorded as if initiated on the next business day that we are open. The Bank's daily cutoff times may vary by location. Check with your branch for that branch's daily cutoff time. If the daily cutoff time is not stated, the cutoff time will be at close of business day of the branch.

Collection Items – Handling an item as a "collection item" means that instead of accepting an item for deposit, we send the item directly to the issuer's financial institution for payment. If the item is returned unpaid, we will return the item to you. We are obligated only to use ordinary care in collecting items on your behalf. You agree that we have sole discretion to determine whether to accept an item or check for deposit or collection. If we do credit your account for a collection item, but do not receive final payment for an item or if the item is later returned, we may charge your account for the item plus any interest earned and associated fees. You agree to be responsible for all fees and charges assessed in the collection process as outlined in the Schedule of Fees. We may notify you that an item is not a deposit, but rather a collection item, as soon as practicable after we determine to handle the item as a collection item. This may include after you have left a branch office, for example. Items drawn on an institution located outside the United States are handled on a collection basis only. Collection items may be credited to your account, however you agree that availability of these funds may be delayed by us until we receive final payment.

You waive any notice of nonpayment, dishonor, or protest regarding any items purchased or received by us for credit to your account or for collection. An item or check accepted for collection will not be deemed accepted for deposit for purposes of Regulation CC and is not governed by the Bank's funds availability policy.

DIRECT DEPOSITS

If, in connection with a direct deposit plan, we deposit or credit any amount in your account which should have been returned to the state or federal government or any other third party for any reason, you authorize us to deduct the amount from your account or from any other account you have with us without prior notice and at any time, except as prohibited by law. You also authorize us to use any other legal remedy to recover the amount of our liability.

DISPUTED OWNERSHIP; CONFLICTING DEMANDS

If a dispute arises over control of or access to your account, or if we receive conflicting instructions from you (including any owner, joint account holder, and/or other authorized signer on your account), we may require, but are not obligated to require, the signatures of all authorized signers on items, withdrawals, or other transactions. We may also, but are not obligated to, "freeze" the account until we get evidence satisfactory to us that either the dispute is resolved or there is general agreement on payment of the funds in the account.

During the time that we require additional signatures or freeze the account, you authorize us to do one or more of the following:

- (1) We may ignore any instructions (such as an instruction by one account holder not to honor items or other withdrawal orders by another account holder) that conflict with the terms of the signature card for the account unless all account holders sign the instructions;
- (2) We may reverse any debits or credits to the account in dispute, or other accounts with us, to correct what we believe in our sole discretion resulted from action taken to the disadvantage of one account owner, over another;
- (3) We may return items unpaid, marked "Refer to Maker" or otherwise at our discretion;
- (4) We can close the account and issue a single cashier's check for the available account balance jointly payable to all account owners, or to all signatories to the account and we may mail or deliver that check to any one of the account holders or signatories, or to the address of record;

- (5) We may commence an action in interpleader, giving the disputed funds to a court so that it can decide who has the right to control the funds. We will not be liable to you for any costs, claims, damages, or other expenses that result from the payment or non-payment of items or other request for payment of the deposited funds. We will charge the account for our costs and expenses (including attorneys' fees) in commencing an action in interpleader or may seek recovery of such costs and expenses from the funds deposited in the interpleader action;

- (6) Continue to pay items and other withdrawals when the instructions to do so are given to us by an owner of the account according to our records; and/or

- (7) We can take any other action we believe to be reasonable under the circumstances even if the action is not listed here. These actions include but are not limited to any specific procedures that may be applicable under a law or regulation.

You agree to assume all liability for, and you agree to indemnify, defend, and hold us harmless from and against any and all losses, damages, claims, costs, or expenses (including attorneys' fees and costs) incurred by us as a result of any dispute that arises under this Section. In addition to the foregoing rights, you authorize us in our sole discretion to elect to close your accounts pursuant to this Agreement.

DISPUTED PAYMENTS

Except as otherwise provided in this Agreement or applicable law, if you have a dispute regarding an amount you owe to us, you must direct all correspondence regarding the dispute to us at: P.O. Box 1930, Porterville CA 93258. Any communications regarding the disputed payment that are sent elsewhere or to someone else will be of no legal effect. We will disregard any notations such as "payment in full" or similar language, and may cash the check or draft without agreeing to settle for the face amount of the instrument. We will only be bound to settle for the face amount of the instrument if we have expressly agreed to do so, in writing.

EARLY WITHDRAWAL PENALTIES (AND INVOLUNTARY WITHDRAWALS)

We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See our Truth in Savings disclosure for further details.

ELECTRONIC SIGNATURES, CONTRACTS, AND RECORDS

When any payment order or other service generates items or transactions to be charged to an account of yours, you agree that we may charge the affected account without requiring your signature and without prior notice to you. Any transactions resulting from your instructions which we receive in your name and under your credentials shall be deemed to have been “a writing” and authenticated by you “in writing” for purposes of any law in which a writing or written signature is needed or required.

You agree that we may use electronic communications to enter into agreements and contracts between you and us and otherwise to establish terms and conditions for products and services you receive from us. Your consent to or acceptance of the electronic communication or agreement may occur by your clicking “agreed” or similar terms, or by your subsequent use of a product or service, or otherwise as may be specified in the communication or agreement or as provided by law (subject to any limitations set forth in the communication or agreement). Your signature and agreement may be obtained by us electronically and includes mouse clicks, keystrokes, your use of passwords or other authentication systems, or as is otherwise set forth in the particular electronic communication or agreement.

All records we maintain of agreements or transactions under your name or credentials shall be deemed to have been “signed” by you and will further constitute an “original” when printed from electronic or paper records established and maintained by us or our authorized agent in the normal course of business. The foregoing includes, but is not limited to, instances where we or our authorized agent has scanned an original paper copy of a contract or record, including, but not limited to, your account signature card. You agree not to contest the authorization for, or validity or enforceability of, our electronic images, records, contracts, and documents, or the admissibility of copies thereof, under any applicable law relating to whether certain agreements or records are to be in writing or signed by the party to be bound thereby.

Records, contracts, and electronically “signed” documents, if introduced as evidence on paper in any judicial or other proceedings, will be admissible to the same extent and under the same conditions as other documentary business records. You and we further agree that delivery of a signature page to this or any agreement with us, including, but not limited to, your account signature card, by email transmission of a scanned image, facsimile, or other electronic means, shall be effective as delivery of an originally executed signature page. Upon our written request, you agree to manually sign or place your signature on any paper original of any record, contract or “signed” document which we provide to you containing your purported signature.

ELECTRONIC PRESENTMENT/POSTING

We may charge your account on the day that a check or other transaction is presented (or returned) to us directly or electronically for payment. We may charge your account or place a hold on funds at an earlier time if we receive notice that a check or other item deposited to your account is being returned, or if we receive notice that your check or electronic payment (e.g., at a point-of-sale) is being processed for collection. This hold affects your available balance. Some merchants may obtain authorizations in advance for point-of-sale transactions in an amount greater than the final transaction amount. You agree that we may place a hold on sufficient funds to cover the amount of the authorized transaction, pending its final settlement through the system, even if that amount exceeds the actual amount of the transaction. This will affect your available balance to cover other transactions and to avoid overdraft fees (please see the section on your balances for more information).

ESCHEAT NOTICE; DORMANT ACCOUNTS

The funds in your account may be transferred to the appropriate state if no activity occurs in the account within the time period specified by state law.

We may consider accounts with no activity for a requisite period to be dormant. We may, but are not obligated to, try to contact you before we classify the account as dormant. A dormant account will continue to be charged a normal monthly service charge. We may, but are not required to, hold statements on accounts that are in a dormant status until the account has been removed from dormant status. You authorize us to, at our discretion, refuse to permit withdrawals from an account that has become dormant until we are satisfied that we are dealing with the true owner or authorized signer of the account.

If an account or other property is inactive for more than three (3) years (or other escheat period or as required by escheat law as may apply to the account or property), we may comply with what we in good faith believe to be any legal requirement to turn the balance over to the state of California or to another jurisdiction. To the extent required by law, we will send a notice to your last known address before we turn your account or other property over to the state. A fee will be imposed against your account for this notice. Refer to the Schedule of Fees for fee amount. If your mail has been returned to us as undeliverable, we may not send you any notice. If you discover that an account of yours has been turned over to the state, you may reclaim your funds by submitting proof of ownership to the State Controller’s office in Sacramento or to such other comparable authority as may be responsible for escheated funds.

FACSIMILE, MECHANICAL, OR ELECTRONIC SIGNATURES

Many customers use a facsimile, electronic, or other mechanical signature, including those computer generated or created via a stamp, referred to herein as ("facsimile signature") to execute agreements, authorize transactions, provide and authorize instructions, and to endorse or otherwise complete other documents. If you use any form of facsimile signature in connection with any account, you agree to deliver a sample to us before you begin using it, and to execute and deliver agreements in a suitable form, if we so require. If you use a facsimile signature for any of these purposes, you are responsible for any such transactions, instructions or indorsements that appear to us to bear a signature that resembles the signature of a person authorized to sign on your account. When you use a facsimile signature in connection with any account, you agree you shall have the sole responsibility for maintaining security of the facsimile signature or device by which it is affixed, and you shall bear the entire risk for unauthorized use thereof, whether or not you are negligent, except as may be required by law. You agree that we may rely on facsimile signatures that resemble the appropriate original or any signature specimen given to us and that appears to have been made through an authorized medium, regardless of how the facsimile signature came to be placed on the item. We may rely on facsimile signatures, even if they were placed on agreements, transactions, instructions, items or otherwise without your knowledge or consent. We may pay items bearing facsimile signature, regardless of the persons to whom they are drawn or paid. A facsimile signature that resembles an authorized signer's signature or any facsimile signature specimen is not considered a forgery or an unauthorized signature, and such a facsimile or automated signature shall be effective as your signature or indorsement, without regard to color variation, whether or not you have been negligent. You further agree to indemnify, defend, and hold us harmless from and against any and all losses, damages, claims, costs, or expenses (including attorneys' fees and costs) incurred by us as a result of the unlawful use, unauthorized use, or misuse by any person of any such facsimile signature or the device by which it is affixed. This means that we are not responsible for any misuse of a facsimile signature we believe you authorized.

FDIC INSURANCE

We are a member of the Federal Deposit Insurance Corporation (FDIC). At this time, the standard deposit insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category.

For current information relating to deposit insurance coverage, you may contact the FDIC toll-free at (877) 275-3342 or visit the FDIC website at www.fdic.gov.

FEES

A schedule of fees associated with our personal and business deposit accounts is provided in our Schedule of Fees. The schedule that applies to your account is part of the contract between you and us. You agree to pay the fees we charge, and you give us the right to collect any fees, as earned, directly from your account. You further authorize us to impose multiple fees as well as the same fees multiple times (such as fees for overdrafts, and returned deposited items) in connection with a single check if presented multiple times in attempt to be paid.

From time to time we may list fees for some non-account services (such as wires, cashier's checks, and so on) in the Schedule of Fees. We may change non-account fees at any time without notice. You can get current information about non-account services and fees that apply at any of our banking offices. Some services are subject to separate terms between us, including fees for those services.

FORCE MAJEURE

Notwithstanding any other provisions of the Agreement, we shall not have any responsibility or liability for any failure, error, malfunction or any delay in carrying out any of its obligations under the Agreement if such failure, error, malfunction, or delay results from events due to any cause beyond its reasonable control, including, without limitation, unavailability of any communications system, sabotage, fire, flood, explosion, acts of God, civil commotion, terrorist attack, strikes, stoppages of labor or industrial action of any kind, riots, insurrection, war or acts of government, power or equipment failure (including that of any common carrier, transmission line or software), emergency conditions, earthquake, adverse weather conditions or any other factor, medium, instrumentality, condition or cause not in our control. We will not be liable or responsible for the acts or omissions of any other financial institution or any third party or for any inaccuracy or omission in a notice or communication received by us from you, your agents, your authorized signers, other financial institutions, or any other third party. In addition, we shall be excused from failing to transmit, or delaying the transmission of, any transaction, if such transmittal would result in our having exceeded any limitation upon its intra-day net funds position established pursuant to present or future FRB guidelines or in our otherwise violating any provision of any present or future risk control program of the FRB or any rule or regulation of any other U.S. governmental regulatory authority. We shall not be liable for any failure to perform any of its obligations under the Agreement if such performance would result in it being in breach of any law, regulation, requirement, or provision of any government, government agency, banking or taxation authority in accordance with which we are required to act, as shall be determined in our sole discretion.

FOREIGN CURRENCY AND INSTRUMENTS

You may not write items or other withdrawal orders on your account which order payment in a foreign currency.

The processing and collection of foreign instruments are not subject to United States laws and regulations. We may refuse to accept for deposit or collection an item that is payable in a currency other than U.S. dollars or that is drawn on a bank or a branch of a bank located outside of the United States (a "foreign instrument"). If we accept a foreign instrument for deposit or collection, you bear all the risks associated with the collection process and foreign currency fluctuation (exchange rate risk). A foreign instrument may be returned unpaid much later (sometimes several months after we process the foreign instrument) than instruments that are drawn on banks located in the United States. You bear all the risks of a late return. We may decide not to credit a foreign instrument to your account until we receive the proceeds in cleared funds from the paying bank. If we do provide credit, such credit is provisional and we may reverse the credit at any time if the foreign instrument is returned unpaid or is initially paid but then subsequently returned for fraud or any other reason. You agree that we may use the current exchange rate and we may charge your account for the full value of the foreign instrument, including any applicable fees, which may result in a loss to you. You are responsible for all fees incurred including exchange rate, our collection fee, and other charges assessed by the payor bank. You understand that foreign instruments sent for collection are sent solely for you and at your risk and that we are not liable for any event in the collection process which is beyond our control including a default by any banks or agents involved in the collection process or for loss of the foreign instrument in transit.

FUNDS AVAILABILITY POLICY

Your Ability to Withdraw Funds – Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, they become part of your available balance and you can withdraw the funds in cash, and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open. For Merchant Deposits that typically contain over one hundred (100) or more checks that are accepted after 3:30 pm Monday through Thursday and after 5:00 pm on Friday, we may consider the deposit made on the next business day.

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. The first \$225 of your deposits, however, may be available on the first business day.

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

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

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

- We believe a check you deposit will not be paid;
- You deposit checks totaling more than \$5,525 on any one day;
- You redeposit a check that has been returned unpaid;
- You have overdrawn your account repeatedly in the last six months; or
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

Special Rules for New Accounts – If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 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 (and you may have to use a special deposit slip). The excess over \$5,525 will be available on the ninth 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.

Funds from all other check deposits will be available on the seventh business day after the day of your deposit.

Holds on Other Funds (Check Cashing) – If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at

the time funds from the check we cashed would have been available if you had deposited it.

Holds on Other Funds (Other Account) – If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

Deposits at Automated Teller Machines – If you make a deposit at an automated teller machine (ATM) that is owned and operated by us before 3:00 pm on a business day that we are open, we will consider the deposit made that day. However, if you make a deposit at an ATM that is owned and operated by us after 3:00 pm or on a day that we are not open, we will consider the deposit made on the next business day we are open.

HEADINGS/TERMS

The headings in this Agreement are for convenience only and are not part of these terms.

LIMITATION ON LIABILITY; HOLD HARMLESS AND INDEMNITY

Except as otherwise stated in this Agreement or as specified by applicable law, we will be liable to you only for damages arising directly from our intentional misconduct or negligence. “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 that is otherwise established by the laws governing your account. A mere clerical error or an honest mistake will not be considered a failure by us to perform any of our obligations.

Except to the extent limited by applicable law, we are not liable for loss, damage, harm, or expense (“Loss”) from: **(a)** any inaccuracy, act or failure to act of any person not within our reasonable control; **(b)** the failure of other financial institutions to accept or perform in connection with items or other charges; or **(c)** your negligence or breach of this Agreement. Without limiting the foregoing, and except to the extent limited by applicable law, our liability for Loss will be reduced: **(a)** by the amount of the loss that is caused by your own negligence or lack of care; **(b)** to the extent that damages could not have been avoided by our exercise of ordinary care; and **(c)** by any loss recovery that you obtain from third parties (apportioned in accordance with this provision). We will not be liable for any loss that is caused in part by your negligence if we acted with ordinary care.

Our liability for any act or failure to act is limited to your proven direct Loss (and interest on that loss, if required by law, at the average Federal Funds rate at the Federal Reserve Bank of New York for the period). Except if specifically imposed by statute that cannot be waived between parties, WE ARE NOT LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, PUNITIVE OR SPECIAL DAMAGES, such as loss or damage from subsequent wrongful dishonor from our acts or omissions, even if we are aware of the possibility of the same. You agree to pursue all rights you may have under any insurance policy covering any loss and to provide us with information regarding coverage. Our liability will be reduced, proportionately in accordance with our responsibility for any loss, by the amount of any insurance proceeds you receive or are entitled to receive for the loss. 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, in accordance with this provision. You waive all rights of subrogation against us with respect to any insurance policy or bond.

In addition to any other rights we may have under this Agreement or any related agreement, or at law or in equity, and except as expressly limited by applicable law or regulation, you agree that you will indemnify, defend, and hold harmless the Bank and our directors, officers, shareholders, employees, and agents, against any and all third-party suits, proceedings, claims, demands, causes of action, damages, expenses (including reasonable attorneys’ fees and other legal expenses), liabilities, and other losses (“Indemnified Losses”) that result from or arise out of: **(a)** the wrongful acts or omissions of you, or any person acting on your behalf (including without limitation your processor, if any), in connection with your use of your accounts or services we offer to you, including, without limitation: **(i)** the breach by you of any provision, representation, or warranty; **(ii)** the negligence or willful misconduct (whether by act or omission) of you, or any third party on behalf of you; **(iii)** any misuse of the account or services by you, or any third party within the control or acting on behalf of you; or **(iv)** the failure by you to comply with applicable state and federal laws and regulations applicable to you; **(b)** any act or omission of ours that is in accordance with this Agreement or instructions from you; **(c)** actions by third parties, such as the introduction of a virus that delays, alters, or corrupts the transmission of information to us; or **(d)** any loss or corruption of data in transit from you or on your behalf to us.

As a consumer, if you suspect a problem with a substitute check, notify us of your suspicions. For these purposes, the terms “consumer” and “substitute check” are used as defined in Federal Reserve Board Regulation CC. See the “Substitute Checks and Your Rights” disclosure in this Agreement for information on rights you may have with respect to substitute checks. If you suspect a problem with an electronic fund transfer to or from your consumer account, see the “Electronic Fund Transfer Act” disclosure in this Agreement for information on rights you may have with respect to these transfers.

INDORSEMENTS

You warrant that all indorsements on items deposited to your account are genuine and further warrant that you are authorized to negotiate and/or deposit any items that contain no indorsements. You authorize us to supply your indorsement to any item taken for collection, payment, or deposit to your account. Also, you authorize us to collect any unendorsed item made payable to you without first supplying your indorsement, provided the item was deposited to your account, but may, at our option, require your personal indorsement prior to accepting an item for deposit.

We may require that each payee personally endorse any items, including government checks, insurance company items, or other special types of items. You agree to indemnify, defend, and hold us harmless from and against any and all losses, damages, claims, costs, or expenses (including attorneys' fees and costs) incurred by us in connection with your failure to endorse an item exactly as it is drawn or for any item that is alleged to have a forged, missing, or unauthorized indorsement.

We are not bound by any restrictions you make on the face of an item or in the indorsement of any items unless we agree in writing to them.

We reserve the right to refuse items that bear or require more than one indorsement, including the indorsements of individuals who are not known to us. If you wish to deposit or cash an item which has been previously endorsed by one or more individuals, we reserve the right to require all endorser to be present before we accept the item or to require that their indorsements be guaranteed by their financial institution.

To the extent legally permitted, each co-owner of an account appoints the other co-owner as his or her attorney-in-fact with full power to endorse the name of any co-owner on any item for deposit, or to deposit without indorsement any such item, into the account or cash the item.

JOINT ACCOUNTS

If your account is a joint account, any one of the account holders may, without notice to the other account holders, enter separate service agreements, including any decision to "opt-in" under Regulation E for overdrafts on your everyday debit card and ATM transactions, that bind all account holders, initiate withdrawals, or close the account, and, in the case of checking accounts, write items against the account or request stop payments (whether or not drawn by the requesting account owner). Each account holder is authorized to act for the other account holder(s) and we may accept orders and instructions regarding the account from any account holder. Each joint account holder is jointly and severally liable to us for any and all overdrafts to the account.

LARGE CASH WITHDRAWALS

We may require reasonable advance notice for large cash withdrawals. We may also refuse to honor a request to withdraw funds in cash from your account or to cash an item (including a cashier's check or other official item) at a branch if we believe that the amount is unreasonably large or that honoring the request would cause us an undue hardship or security risk. We may require that such withdrawals be made at one of our cash vaults by an armored courier, acceptable to us and at your sole risk and expense. We are not responsible for providing for your security in such transactions. Rather than permitting a large cash withdrawal, we reserve the right instead to provide you with a cashier's check for the amount requested.

LEGAL PROCESS

You authorize us to accept and act on any legal process that we believe to be valid without any liability by us to you, whether served in person, by mail, by facsimile transmission or electronic communication, and whether at locations other than the branch or office at which the account, property, or records are held or in one state for property or records held in another state. "Legal process" includes a subpoena, restraining order, injunction, writ of attachment or execution, levy, garnishment, or other legal order relating to you or your account. If we are permitted, we will use good faith efforts to send you notice of any legal process received by us, but this Agreement does not require us to do so.

We have a legal process cutoff time. If we receive legal process against your account before our cutoff time for legal process which requires us to attach, garnish or turn over your funds, and you do not have enough funds in your available balance to cover the legal process, we may return items or other items presented against your account the previous business day and apply the funds to satisfy the conditions of the legal process. We have designated a central location for acceptance of service of legal process. Irrespective of where your account is located within our branch network, service of legal process on our central location will apply to all accounts you have with us wherever located.

If any legal process directs us to attach, garnish, or turn over funds or other property, then, depending on the type of order, we either immediately deliver the funds or property or hold them for a legally permitted period. We do not pay interest on the funds during the period we hold them. If we use funds from a time deposit account, we may impose an early withdrawal penalty.

You authorize us to charge your account a legal process fee for each order. See Schedule of Other Services. You agree to pay our fees and expenses for research and copying of documents and all other expenses, including administrative expenses, we incur in responding to any legal process related to your account. These may include attorneys' fees. You

authorize us to deduct these fees and expenses from any of your accounts without prior notice to you.

Any legal process requiring us to attach, garnish, or turn over your funds shall be subject to the Bank's right of setoff and security interest in the account. We are not liable to you for not paying items because we have withdrawn funds from your account or in any way restricted your access to funds because of a legal process or our setoff.

LOST/STOLEN/DESTROYED CASHIER'S CHECKS

You do not automatically have the right to stop payment on cashier's checks you purchase from us. If a cashier's check is lost, stolen, or destroyed, please contact us for the procedures to obtain reimbursement or have the cashier's check reissued. In general, you must complete a declaration of loss form describing the cashier's check and how it was lost, stolen, or destroyed. We will then wait ninety (90) days from the date the check was issued before we pay your claim. If ninety (90) days has already passed, we will act on your claim within a reasonable time. If the check is presented during the ninety (90) -day waiting period, we may pay the item to a person entitled to enforce the check. If this happens, we will not pay your claim.

If we determine that any such instrument is presented by or on behalf of a person who may be a holder in due course or who may otherwise have the right to obtain payment of the cashier's check from the Bank, we may, without notice to you, pay the cashier's check, even though you may have paid us a fee to not honor the cashier's check.

LOST ITEMS AND DELAYED RETURNS

We act only as a collection agent for you when we receive an item for deposit or which we cash for you. If that item is lost, stolen, or destroyed in the process of collection, we may reverse the credit for any deposit or charge your account for the cashed item.

You are responsible for the condition of an item when you issue it or present it for deposit to your account. If an item is returned or payment is delayed as a result of any writing or marking that you or a third party placed on the front or back of the item, you will be responsible for any costs or liabilities incurred as a result.

MONITORING, RECORDING, AND RETAINING

You authorize us (but we are not obligated) to monitor, record electronically, and retain telephone conversations and electronic communications between you (including your purported authorized representatives) and us. Accordingly, you agree on behalf of yourself, and your employees and agents that we may monitor and record your telephone and electronic communications in connection with your account

at any time. Unless required by applicable law, we may monitor and record these communications without further notice. You agree that we may produce the telephonic or electronic recordings or computer records as evidence in any proceedings brought in connection with the Agreement, and you hereby acknowledge the validity and enforceability of such telephonic or electronic recordings.

NOTICES

Except as otherwise provided in this Agreement, and subject to the notice requirements provided in our other agreements with you, all notices and other communications by you to us shall be in writing and, addressed to:

Bank of the Sierra
P.O. Box 1930
Porterville, CA 93258

or at such other address as we may specify in writing. Notices and communications to you may be mailed or made available to you electronically at the statement, email, or mailing address shown for you in our records, or at our website. Any notice or communication sent or made available by us to you will be deemed given and effective when sent or otherwise made available to you, or as otherwise stated in the notice or communication. Certain notices and communications may be provided to you by telephone, facsimile, or other electronic transmission at the telephone number, facsimile number, or other location or number as shown in our records.

Any notice, instruction, or other communication sent by you to us will be effective when we have actually received and have had a reasonable time to act on the notice, instruction, or other communication.

Notwithstanding anything to the contrary herein, we may rely on all notices, instructions, and other communications sent to us via facsimile or electronic transmission as though they are originals. Without limiting the foregoing, we are entitled to rely on any notice, instruction, or other communication believed by us in good faith to be genuine or to have been signed or authorized by your authorized representative.

If there are multiple authorized signers, we may send or make available communications to any one or more of them (unless otherwise agreed by us). You assume the risk of loss in the mail or in electronic transit.

If we hold mail for you and a statement or other communication is not picked up within 90 days, we may send it to you at the address shown in our account records or destroy it. If two (2) consecutive statements and/or notices are returned to us by the Postal Service for any reason, we may hold subsequent statements and notices of every kind until we receive forwarding information from you, and we may destroy such statements and notices if you do not claim them within one (1) year from the date of sending. We may also change the mailing address of record we have for you if we receive an address change notice from the U.S. Postal Service.

Consent for Us to Contact You by Email and Phone Including Cell Phone and Text Messaging – You agree that we and our affiliates and agents may contact you at any email address or telephone number you provide to us (including cell phone calls and text messages) to communicate with you regarding your account, any transaction with us, and/or your relationship with us for any purpose, including marketing our services. You further represent to us that you own the email addresses and telephone numbers you provide to us, or that you are authorized to provide this consent on behalf of the owner. You authorize us to make autodialed, prerecorded, or artificial voice (“PAV”) calls to any number(s) you provide and you acknowledge that, in any event, by voluntarily providing your telephone number(s) to us, you expressly agree to receive autodialed, PAV messages, and texts from us, including from our affiliates and third parties calling on our behalf. Your service provider may impose a charge for those calls/messages, including message and data rates. If necessary, you may change or remove any of the email addresses or telephone numbers at any time by contacting us at 1.888.454.BANK

Right to Opt Out – You may opt out of autodialed, PAV calls, or text messages from us at any time. To opt out of autodialed and PAV calls (but not text messages), call us at (888) 454-BANK. You may also opt out of receiving text messages from us, subject to applicable law. To opt out of text messages, reply STOP to any text message you receive. For help, text HELP. You acknowledge and agree that you may receive a text message confirming your opt-out.

Our Privacy Notice can be accessed at BankoftheSierra.com.

Electronic Communications – An electronic communication is a notice, disclosure, statement document, or other communication or message that we provide to you via electronic means in a format that allows visual text or images to be displayed on equipment such as a computer, mobile phone screen, or other electronic equipment. You agree that we may at our option use electronic communications to provide you with any information, notice, disclosure, statement, document, or other communication or message from us to you, including communications that we are required by law to provide to you in writing. We may at any time terminate paper delivery of communications and substitute electronic communications in lieu of the paper communication. Refer to the Electronic Signatures, Contracts, and Records section of this Agreement for further details regarding electronic communications.

If we receive an electronic communication in your name that was authorized by you or by someone authorized by you, you are bound by the communication and we may rely upon and treat the communication as an authorized communication from you. This is true even if we did not authenticate the communication using security procedures applicable to the system or service and notwithstanding our use of those security procedures may have detected error. If we receive an electronic communication in your name that was NOT authorized by you or by someone authorized by you, you are nevertheless still bound by the unauthorized communication

and we may rely upon it and treat the communication as an authorized communication from you if we verify the authenticity of the communication using security procedures applicable to the system or service. **Note:** This paragraph does not apply to consumer transactions where federal or state law protects you against liability (or limits your liability) for unauthorized use. Consumer liability for unauthorized use in these cases is described in the Electronic Fund Transfer Act section of this Agreement. This paragraph does not supersede the terms and conditions of separate service agreements if the term or condition in that agreement would result in your being bound by an authorized or unauthorized communication, but does supersede the service agreements if application of its terms or conditions would not result in your being bound by the communication.

Additional Electronic Notification Provisions for Consumer Disclosures – Owners of consumer accounts have certain rights under law to receive consumer disclosures about their accounts in a non-electronic form, unless you affirmatively consent to the receipt of consumer disclosures electronically and have not withdrawn your consent. If you are a consumer, we will not substitute electronic communications in lieu of written consumer disclosures unless your consent is first obtained electronically in accordance with applicable law. This restriction does not apply to all electronic communications from us to you, only those that include consumer disclosures under applicable law that would otherwise be required to be delivered in writing.

ORDER OF POSTING TRANSACTIONS

Your transactions may not be processed in the order in which you made them, and the order in which transactions are received and processed may impact the total amount of overdraft fees incurred. When processing transactions we receive on a given day from your account, our policy is to process that day's transactions to your account in the following manner: Deposits and other credits are posted to your account, then ATM/Debit Card purchases in the order from lowest to highest dollar amount, then presented checks (reordered by check number), then all other charges (such as ACH charges) in order from lowest to highest dollar amount. However some transactions will be posted to your account before any other forms of payment, such as a wire transfer, the purchase of a cashier's check, and / or a returned deposit check.

The order in which these checks and other charges are paid is important if there is not enough money in your available balance to pay all of the transactions presented each day.

Numerical Check Re Sequencing – As you can see above, we re sequence the checks in numerical check order on the day we receive them when charging your account. The resequencing may sort the checks so that they appear in the same order as in your check register, or it may not, depending on how quickly checks are processed and presented to us through the banking system. Accordingly,

you may not be able to control the order in which checks are processed by us. You may contact us at 1.888.454.BANK (2265) or check our Online Banking system to determine which of your checks have been processed.

There is no payment processing order policy that is favorable to every single customer in every instance. There are advantages and disadvantages for any order of payment for checks on any given day. The order we have chosen for checks is numerical order. In some cases, this may help you and in some cases, this may hurt you. In some cases, your more important checks may get paid later in this sequence. By processing checks in numerical order, this does not mean your highest dollar amount checks will be paid first, or that your smallest dollar amount checks will be paid first.

If the smallest dollar amount transactions are paid first, you may have fewer returned items, or overdraft fees, but the largest – and perhaps the most important – check transactions (such as rent or mortgage payments) might not be paid. By paying checks in numerical check order, we think our policy attains a reasonable balance between minimizing additional cost to you and paying your more important transactions. Using the check number order method is our way of trying to be neutral.

Order of Processing Payments: Notice Regarding Payment of Transactions – Working with you to be your financial provider is important to us. To help that run smoothly, it is important that you are aware of the order in which we pay transactions you authorize against your checking account.

Good Funds – When posting payments to your account, if your account has an insufficient available balance, we will not charge you an overdraft fee if the account has pending deposits and/or credits initiated by debit card, if those deposits and/or credits are sufficient to cover the items being debited from your account.

OTHER AGREEMENTS

You may have other agreements with us which, by their terms, may supersede this Agreement in whole or in part.

OVERDRAFT LIABILITY AND RELATED FEES

You agree not to overdraw your account. If you have opted out of our standard overdraft program as provided below, any overdraft on your account is due and payable to us immediately. We have no liability to you for rejecting some checks or other charges and paying others, or otherwise processing a transaction when your account is overdrawn, even if:

- The check or other charge that we choose to pay is payable to us; or
- Your account is overdrawn due to Bank charges.

Each account owner is jointly and severally responsible for

paying all overdraft amounts created by any authorized signers, regardless of whether the account owner authorized the check or other charge or received any benefit from the check or other charge. You agree that we may, to the maximum extent permitted by law, apply deposits (including Social Security, SSI, and similar benefits) to overdrafts and overdraft fees or other Bank fees and charges, without notice to or further specific consent from you.

If we pay an item or other charge, cash a check for you, or process a transaction, and the amount we pay or process is more than the available balance in the account on which it is drawn, we may hold balances in other accounts of yours, up to the amount we have paid until we have received final payment for the check we paid or the transaction we processed.

Unless otherwise agreed between you and us, if we pay checks or other charges by overdrawing your account, we are not obligated to continue paying your overdrafts in the future. We may stop paying overdrafts without notice to you. If we pay your check or other charge against an insufficient available balance, you must deposit enough to cover your overdraft and any Bank fees or charges. You will be required to pay for any costs of collection (including attorneys' fees) that we incur in recovering from you.

OVERDRAFTS

This section discusses when an Overdraft/Paid Item Fee may be assessed to your Account. You should read it carefully. If you have any questions, please visit a branch or call us at 1.888.454.2265.

If the Available Balance in your checking Account is not sufficient to cover the amount of an item, we consider the item to be an Overdraft Item. If you do not have any Sierra Overdraft Privilege on your Account (see below) and do not have any other Overdraft Protection, the item will be declined or returned unpaid, and the Bank will not assess you a fee. We may pay Overdraft Items as follows.

We automatically enroll you in Sierra Overdraft Privilege, our standard overdraft program. This is an automated discretionary overdraft program where we may authorize and pay certain items that exceed your available balance. You can opt out of this program at any time by visiting a branch or calling us at 1.888.454.2265. The Bank also offers alternative programs that may be less expensive for you. Otherwise, you are automatically enrolled in Sierra Overdraft Privilege (please see eligibility below for more information), and:

- The Overdraft fee is \$35 per overdraft, up to 4 overdrafts per day subject to the following exceptions:
 - If after the Overdraft Item is paid, your Available Balance is overdrawn less than \$35.00 (i.e., it is greater than negative \$35.00), you will not be assessed a fee.
 - If the amount of the transaction is less than \$10.00, you will not be assessed a fee.

- For debit card transactions over the Visa or Mastercard networks, you will not be assessed a fee if at the time you make the transaction and the Bank authorizes the transaction, you have a sufficient Available Balance to cover the transaction.
- For consumers, unless you opt in, your ATM and everyday (non-recurring) debit card transactions are not included in Sierra Overdraft Privilege. Your recurring debit card transactions are included automatically in Sierra Overdraft Privilege. The Bank will rely on how the merchant has coded your transaction to determine whether it is an everyday transaction or a recurring transaction. If you disagree with the merchant's coding of your transaction as a recurring one or an everyday one, please contact your merchant. This opt-in requirement does not apply to businesses (commercial accounts).
- To opt in, the Bank has provided you with the notice required by Section 1005.17(b) of Regulation E. Please fill out that form and return it to a branch or mail it to: Bank of the Sierra, P.O. Box 1930, Porterville, CA 93258-1930. You may also opt in through the Bank's website **BankoftheSierra.com** or calling us at 1.888.454.BANK.

To be eligible for Sierra Overdraft Privilege, your consumer account (primarily used for personal, family, or household purposes) has been open for at least thirty (30) days, or if your business account has been open for at least sixty (60) days, and thereafter you maintain your account in good standing, which includes at least:

- Bringing your account to a positive balance within every thirty (30) -day period for a minimum period of 24 hours;
- Not being in default on any loan or other obligation to Bank of the Sierra; and
- Not being subject to any legal or administrative order or levy.

Bank of the Sierra will have the discretion to pay overdrafts within the Sierra Overdraft Privilege limit, but payment by Bank of the Sierra is a discretionary courtesy and not a right of the customer or an obligation of Bank of the Sierra. Bank of the Sierra in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

This privilege for checking accounts will generally be limited to \$1,000 overdraft (negative) available balance. Any and all fees and charges, including without limitation any Overdraft Fee (as set forth in our Schedule of Fees), will be included as part of this maximum amount. It may be possible that your account will become overdrawn in excess of the Sierra Overdraft Privilege amount as a result of the assessment of a fee.

Sierra Overdraft Privilege is not a line of credit. However, if you inadvertently overdraw your account, we will have the discretion to pay the overdraft, subject to the limit of your Sierra Overdraft Privilege and the amount of the overdraft fee. Bank of the Sierra is not obligated to pay any transaction presented for payment if your account does not contain a sufficient available balance (with the exception of "Force Post"

transactions noted below). Any discretionary payment by Bank of the Sierra of an overdraft transaction does not obligate Bank of the Sierra to pay any other overdraft transaction or to provide prior notice of its decision to refuse to pay such transactions. Balances at an ATM or other point of inquiry will not include the Sierra Overdraft Privilege limit; however, transactions may be paid in excess of the available balance indicated, creating an overdraft.

Force Pay Transactions – There may be instances where we will pay a transaction even if you have not opted in to Sierra Overdraft Privilege for your everyday debit card and ATM transactions and do not have a sufficient available balance when the Bank pays the transaction. These transactions can occur, for example, when an ATM transaction or everyday debit card transaction is approved but later other transactions reduce the available balance in your account before your ATM transaction or everyday debit card transaction is posted to your account and paid by the Bank. Under these circumstances, we will still pay (or "force pay") the transaction and you will not be charged a fee.

The following are some alternatives that may be less expensive for you to use.

You may wish to consider one of the alternatives to Sierra Overdraft Privilege described below, which may better serve your particular needs. These alternatives could save you money.

Sierra Reserve Line – A Sierra Reserve Line or Sierra Business Reserve can be linked to your Bank of the Sierra checking account. Then, if you spend more than the available balance in your checking, your credit line will automatically advance sufficient funds to cover the overdraft, subject to the credit limit on your Sierra Reserve Line or Sierra Business Reserve. The Sierra Reserve Line has an annual fee of \$19 and a fixed Annual Percentage Rate of 15.998%. The Sierra Business Reserve has an annual fee of \$37 and a fixed Annual Percentage Rate of 12.99%. You must apply for a Sierra Reserve Line or Sierra Business Reserve and be approved by us. This is not a commitment to lend. Other restrictions apply. See Banker for details. Transfers, unless requested otherwise, will post to the checking account for the exact amount needed to prevent an overdraft. If there are not sufficient funds available on the Sierra Reserve Line, or Sierra Business Reserve, all available funds will transfer. If your available balance becomes overdrawn for \$35.00 or more, you will be assessed an overdraft fee.

Account to Account Transfer Services – With this service, customers can request to link secondary Bank of the Sierra deposit accounts to their main checking account, allowing the ability to transfer funds automatically if the available balance in the main checking account runs low. If there are not sufficient funds to cover the entire overdraft amount, it will transfer the funds that are available. If your available balance becomes overdrawn for \$35.00 or more, you will be assessed an overdraft fee. Other restrictions apply. Excess transaction fees may apply. See Banker for details.

Account Balancing – Customers who need help learning to balance/reconcile their Bank of the Sierra checking account can learn some helpful techniques from our staff members. Just visit your local branch – we'd be happy to help.

If you are currently enrolled in Account to Account Transfer Services or have a Sierra Reserve Line, Sierra Overdraft Privilege will only be used if these other forms of overdraft protection have been exhausted. Please note that you may be subject to all three services if there is an insufficient amount in your Sierra Reserve Line and an insufficient amount in your secondary deposit account to cover the overdraft in the primary account. If there is not sufficient funds in all forms of overdraft coverage, we will transfer all funds available, but you will be charged an overdraft fee if your available balance in the primary account becomes overdrawn for \$35.00 or more.

You can also sign up for our automatic email alerts. If you sign up for email alerts, we will contact you via email message if your available balance reaches a preset threshold as determined by you, in order to help you avoid overdrafts.

To opt out of Sierra Overdraft Privilege, sign up for email alerts, or for more information on any of the alternative services described above, please call us at 1.888.454.2265.

WHAT HAPPENS IF YOU OPT OUT OF SIERRA OVERDRAFT PRIVILEGE: If you opt out of Sierra Overdraft Privilege and do not have alternative overdraft protection, we will generally return or decline transactions that would exceed the available balance in your account rather than authorize or pay these transactions, subject to our policy below on "Force Pay Transactions."

If you do not opt in to Sierra Overdraft Privilege for your everyday debit card and ATM transactions, your everyday debit card transactions or ATM transactions, that if authorized would exceed your available balance, will be declined rather than paid. We do not charge a fee for declining your debit card or ATM transactions. Typically, merchants also do not charge a fee for declined ATM or everyday debit card transactions. You will simply need to arrange for an alternative form of payment.

Force Pay Transactions – There may be instances where we will pay a transaction even if you have not opted in to Sierra Overdraft Privilege for your everyday debit card and ATM transactions and do not have a sufficient available balance when the Bank pays the transaction. These transactions can occur, for example, when an ATM transaction or everyday debit card transaction is approved but later other transactions reduce the available balance in your account before your ATM transaction or everyday debit card transaction is posted to your account and paid by the Bank. Under these circumstances, we will still pay (or "force pay") the transaction and you will not be charged a fee.

Zero Balance – If you initiate a transaction that brings your

account to a zero balance for a period of 30 days, your account will automatically be closed. However, if a bank-initiated entry brings your account to a zero balance, the account may close anytime between same day to 30 days.

POST-DATED, STALE DATED, AND OTHER CHECKS

Processing checks is a highly automated service, and we use commercially reasonable efforts to process them. We may pay checks drawn on an account even if one or more of the following are true: the check is dated after the date we pay it; the check is presented to us for payment more than six months after the date on the check; a stop payment previously requested has expired; the check contains language that purports to make it void before the time it was paid; or the check contains other language that purports to establish conditions under which it may be paid.

Unless you give us and we agree to honor a special "notice of post-dated check," we may charge your account for an item that is otherwise properly payable from the account, even though we pay the check before the date on it. You can provide this special notice to the Bank verbally, but it must be received by us so as to give us a reasonable opportunity to act on it before final payment of the item. In placing your notice of post-dated check, to meet our computer system requirements, you must describe the check by giving the date, the check number, the exact amount of the check and the name of the payee in order for us to return the item if it is presented for payment before the date on the check. Within fourteen (14) days of your verbal notification not to pay a post-dated item, we require that you provide notice to us in writing. We have a special form for this purpose. If you do not put your notice in writing, then your notice of post-dated check will expire at the end of the fourteen (14)-day period. If you put your notice in writing to us, then your notice of post-dated check will remain in effect for a total of six (6) months. If you wish to continue your notice of post-dated check for additional six (6)-month periods, you must renew your notice before the current notice of post-dated check expires. We will impose a fee for each notice of post-dated check and each renewal. See the Schedule of Fees. We may pay the item as of its date, even if you have given us a notice of post-dated check. If you do not want the item to be payable as of its date, you must provide us with a stop payment order in time for us to act on it before the date of the item.

Upon presentment of an item for payment more than six (6) months after its date, you agree that we may, in our sole discretion and without notice or inquiry to you, charge your account for the item. However, we are not obligated to do so. You agree that our obligation of good faith does not require us to make any inquiry of you or require us to give you notice prior to the payment of an item more than six (6) months after its date. Our payment of the item will be in good faith absent written notice from you in the form of a timely received stop payment order. If you want to ensure that we do not pay a stale dated item, you should place a stop payment order on the item.

POWER OF ATTORNEY

Under certain types of account ownership, you may authorize another person as your agent and attorney-in-fact to act on the account ("agent"). You shall be bound by and responsible for the actions of your agent, even if the agency relationship is not indicated on the item, withdrawal order, or other instruction.

Prior to accepting the authority of your agent, we may require the appointment to be in a form satisfactory to us. Unless prohibited by law, we may reasonably refuse to honor a power of attorney or agency that you grant to others for any reason. We may require you or your agent to present the original form. In some cases, we may require that the agent confirm in an affidavit that the powers have not been revoked or terminated. We may continue to rely on the instructions and actions of your agent until we receive written notice in accordance with applicable law and this Agreement that the agent's authority has been terminated, and we have had time to act upon it. You must tell us of any changes involving the power of attorney. We will not be liable to you or anyone else if we, in good faith and without actual knowledge that the power of attorney is deficient or has terminated for any reason, act on the instructions of your attorney-in-fact. You agree that a signature by your authorized agent (e.g., your attorney-in-fact under a power of attorney that we have on file) is valid, even if the principal agent relationship itself is not indicated on the check or instruction. We reserve the right to refuse to honor transactions initiated by an agent on the account. We may charge you a fee to cover our costs to review any power of attorney document other than the form we provide.

PREVENTING FRAUD

To help you protect your account, you should consider using some or all of the following preventative measures: reconciling your statements as you receive them, watching for out-of-sequence checks and checks made payable to cash, and reviewing your transaction activity for unexpected fluctuations.

Business customers should consider assigning responsibilities for opening mail, reconciling bank statements and issuing checks to different individuals. Do a thorough background check on agents, bookkeepers, accountants or other employees who may be handling any part of your banking and/or who have access to your confidential records. You must contact us immediately if you discover any irregularities.

You should be cautious about giving someone your account number. If you give your account number to a third person and authorize that third person to initiate one or more transactions on your account, you may be liable for all transactions initiated by the third person even if you did not intend to authorize a particular transaction.

Positive pay is an additional fraud prevention service offered

by the Bank. This service allows the business customer to transmit a list of checks that are written on their account to the Bank. The Bank, in turn, compares the list to incoming items presented for payment. In cases where there is a discrepancy, the business customer is notified and can make an accept or return decision, subject to defaults and cutoff hours within the system. If you are a business customer and elect not to utilize the positive pay service or other fraud tools that we make available to you, you agree to hold us harmless against any losses you may suffer as a result of your failure to identify fraudulent or unauthorized account activity that could have been detected with the fraud prevention services.

RELATIONSHIP

Our relationship with you concerning your accounts is that of debtor and creditor. No fiduciary, quasi-fiduciary, or similar special relationship exists between you and us.

RELEASING ACCOUNT INFORMATION

You authorize us to release information regarding the current status and history of your account to others. For example, we may release information: **(1)** where it is necessary or helpful to complete a transaction; **(2)** to verify the existence and condition of your account for a third party, such as a merchant or another financial institution; **(3)** to comply with the law or a court order; **(4)** when an inquiry is made regarding whether your account has sufficient funds to cover an item drawn on your account; **(5)** with your authorization; **(6)** for other legitimate business purposes; and **(7)** as otherwise permitted by law.

We, from time to time, enter into agreements with third parties to provide bank-related services for us. The services provided by the third parties may include check processing services, data processing services, or other bank-related services. You authorize us to release information regarding your account to such third party service providers in connection with the service providers providing bank-related services for us.

For consumer account customers, refer to our separate privacy policy for our information use and sharing practices.

REMOTELY CREATED CHECKS AND ELECTRONICALLY CREATED ITEMS

A remotely created check is a writing not signed by the customer that is created by a third party under the purported authority of the customer for the purpose of charging the customer's account with a financial institution. A remotely created check is also known as a demand draft. A remotely created check must contain the customer's account number and may contain the customer's printed or typewritten name, a notation that the customer authorized the draft, or the

statement “no signature required” or words to that effect. An electronically created item is an electronic image resembling a check, created from your information that was not actually derived from an original paper check.

If you voluntarily give information about your account (such as our routing number and your account number) to someone and authorize them to draw against your account, we may charge your account and pay any items, including remotely created checks and electronic items initiated by the person to whom you gave the information. You also agree that we may pay an electronically created item even though the item was not created from an original paper check, whether presented in the form of a remotely created check or an electronic item. You authorize us to continue to honor any transaction or debit from a payee previously authorized by you, until you instruct us to cease to do so, whether or not the payee is acting within the scope of your initial authorization. If you want us to stop honoring items from a payee previously authorized by you, you must tell us in writing. Until you notify us that such items are not authorized, we can continue to pay them and will not be liable to you even though the items are not in accordance with any authorization you may have given.

This does not, however, obligate us to honor remotely created checks, electronically created items, or similar items or entries. We may refuse to honor remotely created checks, electronically created items, or similar items or entries without cause or prior notice, whether or not we have honored or dishonored similar items or entries previously.

You agree that we are under no obligation to verify whether the name and account number shown on the remotely created checks or electronically created items are consistent. If any information on a remotely created check or electronically created item is incomplete, inaccurate, or in error, you agree that we may, at our sole discretion, either pay the remotely created check or electronically created item and charge your account for the check or item as drawn or refuse to honor the check or item and, without prior notice to you, return the check or item unpaid. You further agree to indemnify and hold us harmless for losses resulting from our honoring or dishonoring any such debit.

You further agree not to present remotely created checks or electronically created items for deposit, unless we have given prior express written approval.

RESERVE ACCOUNT

You agree that you will, if requested by us at any time, establish one or more reserve accounts to be maintained with us in type (including time deposits) and amount satisfactory to us, to serve as collateral for and to secure your obligations to us under the Agreement. We may restrict or prohibit your access to any reserve account(s) and the funds on deposit in them, and we may hold such accounts following termination of the Agreement for a period of time sufficient to protect us against loss. We may increase or decrease the required reserve account amount from time to time, upon notice to

you and you agree to provide immediately available funds to cover a reserve amount requested by us. In addition, we may transfer funds from another account of yours, or use funds payable to you or owed by us to you under the Agreement, and credit such funds to a reserve account if a deficiency exists between the available funds in your reserve account(s) and the amounts specified by us as the required reserve amount.

RIGHT TO SETOFF

Subject to applicable law, we may, but are not obligated to, use the funds in your accounts to pay any due and payable debt(s) and obligation(s) that you owe us which are not paid when due. This is referred to as a “setoff.” If we exercise this right of setoff, we shall comply with all applicable laws. We will notify you promptly of the action taken. Generally, you agree that all sums in deposit accounts will be subject to our right of setoff for liabilities owed to us by any one or more of the account owners, including any other person who is a joint account owner; or any partnership of which you are a general partner; or any other person or entity with whom you are a co-obligor, or have agreed to act as surety or guarantor, or for whose debts you are liable or may be contingently liable. You authorize us to use account funds to pay your debts and obligations to us even if the setoff results in an early withdrawal penalty or the dishonor of items. If your account is a checking or money market account and if we exercise our right of setoff, our duty to pay any items presented for payment on your account during the business day preceding the day on which the setoff occurs may be terminated, and you agree that we may return those items unpaid. See the Schedule of Fees.

If the debt arises from a note, “any due and payable debt” includes the total amount of which we are entitled to demand payment under the terms of the note at the time we charge the account, including any balances for which we properly accelerated the due date under the note.

We will not be liable for the dishonor of any item or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

This right of setoff does not apply to this account if: **(a)** it is an IRA or a tax-deferred retirement account; **(b)** the debt is created by a consumer credit transaction under a credit card plan; or **(c)** the debtor’s right of withdrawal only arises in a representative capacity.

SAFEGUARDING BLANK AND CANCELED CHECKS

You agree to safeguard your blank and canceled checks and to take reasonable steps to prevent unauthorized access to or use of your checks. This means that you will store them under proper control in a secured, locked location accessible only to

authorized signers. You further agree to notify us immediately if one or more of your blank checks are lost or stolen. You agree to accept all responsibility for any failure to safeguard your blank checks.

SAFE DEPOSIT BOX RENTALS

Safe deposit box rentals will be subject separate terms and conditions with us. Safe deposit boxes and their contents are not insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC insures funds in deposit accounts, subject to certain limitations. Safe deposit boxes are considered storage facility/services. Check with your insurance carrier to determine whether your safe deposit box contents are covered under your own property insurance policy or if you need to acquire additional insurance. We are not obligated to provide safe deposit box insurance information to safe deposit box customers.

SAMPLE SIGNATURES

To determine the authenticity of your signature, we may refer to the signature card or to an item or other document upon which your signature appears. We may use an automated process to reproduce and retain your signature from an item based on the format and other attributes of checks we offer to customers.

SECURITY INTEREST

You grant us a security interest in your accounts to secure the repayment of any obligation that you incur under the Agreement. The security interest provided under the Agreement is in addition to any other security interest we may have in your accounts or other assets. This security interest will survive termination of the Agreement.

SEVERABILITY

Except as provided in the Arbitration Agreement, if any provision of this Agreement is determined to be void or invalid, the remainder of the Agreement shall remain in full force and effect. No provision of this Agreement shall be deemed to deny (and any term to the contrary is modified so as not to deny) protections, rights or privileges that under state or federal law are required to be made available to consumers or to consumer accounts, except that any modification of your protections, rights and privileges under this Agreement will be effective to the extent (but only to the extent) that the relevant state or federal law allows us and you to agree to modify them.

SIGNATURES GENERALLY, FORGERIES, MISSING SIGNATURES AND ALTERATIONS

The authorized signatures for an account are noted on the account signature card. Any one of the authorized signers may sign items or withdrawal orders and give us instructions regarding the account. We do not offer accounts on which two or more signatures are required for a withdrawal or other instruction on an item or other charge. If you indicate on your signature card or other account opening documents that more than one signature is required, this indication is for your own internal procedures. It is not binding on us. We may attempt on occasion to enforce any multiple signature requirement, but we may cease to do so at any time without prior notice to you. We may act on the instruction or pay out funds from your account if the item or other charge is signed or authorized by (or otherwise authenticated as being the act of) any owner or by any authorized signer (including when acting alone). We have no liability to you if we do this. However, if there is a conflict, the Bank reserves the right to require all authorized signers to sign an item or withdrawal order.

If your negligence contributes to a check being altered, changed, or forged, we will not be responsible if we pay the check in good faith and in accordance with the reasonable commercial standards of our business. If anyone disputes the payment of a check because it was altered, changed, forged, bore an unauthorized signature, or was otherwise improper, we may not credit the amount to your account until the dispute has been resolved.

We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless a law, rule, or regulation provides otherwise, such a claim is deemed not to have been made until submitted in writing to us. You agree to fully cooperate in our investigation of such a claim. Your cooperation may include among other things, at the Bank's discretion: **(1)** a requirement that you submit a declaration under penalty of perjury describing your claim; **(2)** a report filed with the appropriate police and/or investigatory authority; **(3)** promptly providing documentation in support of your claim that the Bank requests them from you; and **(4)** if your claim arises from employee fraud or embezzlement, the Bank may require you to make a claim against any insurance coverage that you might carry for such a claim. Our liability to you will be reduced by the amount your insurance company pays you for any claim you tendered to it. Any failure to cooperate in the Bank's investigation may result in our decision not to honor your claim. We may, although we are not required to do so, provisionally credit your account pending the final outcome of the investigation. If we determine, in our sole discretion, that the debit to your account was not improper, then we may reverse any provisional credit made to your account.

We will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you to recover your loss against the person responsible and you agree to indemnify and hold us harmless from any such losses. In the event that we reimburse you

loss, you agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources, including insurance coverage. At our request, you will provide us with all reasonable information about your insurance coverage, including the name of your insurance carrier, policy number, policy limits, and applicable deductibles.

STATEMENTS

With certain exceptions, we make account statements available to account holders. Statements and notices sent or made available to any of you are deemed to be received by all of you. If we hold them because you fail to provide us with a current address, they will be deemed delivered to you when they are prepared (for held statements), mailed (for returned mail), or otherwise made available to you (e.g., at a website or email address if you have agreed to electronic communications). We may hold statements if the Post Office notifies us that your mail is undeliverable. At our discretion, we may destroy mail that is returned to us or determined to be undeliverable.

You agree to examine your statements as soon as we make them available to you. You acknowledge that the original items and checks may be destroyed without being returned to you. Unless otherwise agreed, you waive any right to receive any original item after it is paid. You agree to allow any imaged document, or copy thereof, to serve as an original item for any and all purposes, including charging your account or determining the validity of any signatures or otherwise. Copies of canceled checks are subject to our service charges. You can make a request for these copies by telephoning us at 1.888.454.BANK.

You assume full responsibility for monitoring and reviewing the activity of your account. You agree to review your account statement as a fraud prevention measure. With respect to items paid from your account, when we make an account statement available to you, including electronically or by mail, we are required to provide sufficient information to enable you to identify the items paid. If we describe the paid items by item number, amount, and date of payment, such information shall be treated as sufficient information for purposes of this Agreement. You agree to notify us immediately if you think there is an error or an unauthorized transaction shown on your statement, including, forgeries, altered or unauthorized items, for checks, deposits, and other paper items. If you fail to notify us promptly, but no later than 30 calendar days following the earlier of the statement mailing date or the date we make the statement available to you, then you agree that you cannot assert a claim for any error, problem, or unauthorized transaction or forged, altered, or unauthorized item against us. This 30 calendar day limitation is without regard to whether we did or did not use ordinary care and

does not otherwise restrict any right we have under law or other agreements with you. You further agree that if you fail to notify us within 30 calendar days of making the statement available to you, then you are precluded from asserting against us the error, problem, unauthorized transaction or forged, altered, or unauthorized item and any subsequent forged, altered, or unauthorized item from the same wrongdoer.

You agree to notify us immediately if you think there is an error or an unauthorized transaction shown on your statement, including fraudulent and unauthorized items, for debit card transactions, ACH transactions, and all electronic transactions. If you fail to notify us promptly, but no later than 60 calendar days following the earlier of the statement mailing date or the date we make the statement available to you, then you agree that you cannot assert a claim for any error, problem, or unauthorized transaction or forged, altered, or unauthorized item against us. This 60 calendar day limitation is without regard to whether we did or did not use ordinary care and does not otherwise restrict any right we have under law or other agreements with you. You further agree that if you fail to notify us within 60 calendar days of making the statement available to you, then you are precluded from asserting against us the error, problem, unauthorized transaction, or forged, altered, or unauthorized item and any subsequent fraudulent or unauthorized item from the same wrongdoer.

If you are a consumer customer and suspect a problem with a substitute check, notify us of your suspicions. For these purposes, the terms “consumer” and “substitute check” are used as defined in Federal Reserve Board Regulation CC. See the “Substitute Checks and Your Rights” disclosure in this Agreement for information on rights you may have with respect to substitute checks. If you are a consumer customer and suspect a problem with an electronic fund transfer to or from your consumer account, see the “Electronic Fund Transfer Act” disclosure in this Agreement for information on rights you may have with respect to these transfers.

If you do not receive your scheduled statement, it is your obligation to notify us of that fact.

STOP PAYMENTS

If you want to stop payment on a check you have written, you may place a written stop payment order at a banking branch office before it is finally paid by us. Any authorized signer on the account may furnish a stop payment order and cancel a stop payment order.

In placing your stop payment request, to meet our computer system requirements, you must furnish us with the date, the check number, the exact amount of the check, and the name of the payee in order for us to stop payment on the item. If you provide us with any incorrect information, we will not be responsible for our failure to stop payment on the check. We will not be responsible for a stop payment order if we do not have a reasonable opportunity to act on it before final payment of the item. You may not stop payment on a check guaranteed by us.

You may furnish the stop payment order orally or in writing. If you give us an oral stop payment order, then it will be effective for fourteen (14) days. The stop payment order will expire at the end of fourteen (14) days unless you give us written notice of the stop payment order. We have a special form for this purpose. Upon confirming the order in writing, the order will remain in effect for six (6) months and must be renewed by you every six (6) months to remain in effect. If you do not renew the stop payment order when it expires and the item is presented for payment, we may pay the item and charge it to your account. There is a charge for each stop payment order and renewal order requested. See Schedule of Other Services.

In some cases, we may pay an item even if a stop payment request is in effect. If we, or another person or entity, is determined by us to be a "holder in due course" of the item, we may pay the item. If we pay a check which has a valid stop payment order on it with correct information, we may be responsible to you for up to the face amount of the item if you establish that you have suffered a loss because we paid the item. You agree to assign to us all of your rights against the payee and/or any other holder of your check. You also agree to cooperate fully with us in any legal actions that we subsequently take against such persons.

Anyone holding the check, including the Bank, may be entitled to enforce payment against you despite the stop payment order. You agree to indemnify, defend, and hold us harmless from all costs (including attorneys' fees), actions, damages, claims, and demands related to or arising from our action in stopping payment on the check.

SUBSTITUTE CHECKS

You agree not to deposit substitute checks, as described below, or checks bearing a substitute check legal equivalence statement ("This is a legal copy of your check. You can use it the same way you would use the original check.") to your account without our prior written consent. Unless we agree otherwise in writing, our acceptance of such checks shall not obligate us to accept such items at a later time, and we may cease doing so without prior notice. If we approve the deposit of substitute checks, you agree to indemnify, defend, and hold us harmless from all losses, costs, claims, actions, proceedings, and attorney's fees that we incur as a result of such checks, including without limitation, any indemnity or warranty claim that is made against us because: (a) the check fails to meet the requirements for legal equivalence, (b) a claimant makes a duplicate payment based on the original check, the substitute check, or a paper or electronic copy of either; or (c) a loss is incurred due to the receipt of the substitute check rather than the original check. Upon our request, you agree to provide us promptly with the original check or a copy that accurately reflects all of the information on the front and back of the original check when it was truncated.

We may convert original checks to substitute checks.

The following "SUBSTITUTE CHECKS AND YOUR RIGHTS"

notice applies to consumer accounts and supersedes, where inconsistent, other terms in this agreement with respect to substitute checks.

SUBSTITUTE CHECKS AND YOUR RIGHTS

IMPORTANT INFORMATION ABOUT YOUR CHECKING ACCOUNT

What Is a Substitute Check?

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

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

What Are My Rights Regarding Substitute Checks?

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

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

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

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

How Do I Make a Claim for a Refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 1.888.454.BANK. You must contact us within 40 calendar days of the date that

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

Your claim must include:

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

TAXPAYER IDENTIFICATION NUMBER

We are required to obtain an identification number from you for each account you open or maintain with us. As an example, this may include a Taxpayer Identification Number (TIN) for an individual, such as a Social Security number (SSN). The identification number for a business is usually an Employer Identification Number (EIN). If your account is interest bearing, the identification number may be included on reports we must file with state and federal tax authorities about interest we pay you.

U.S. persons, including resident aliens, may be required to complete a Form W-9 to certify their TIN and backup withholding status. To establish that you are not a U.S. citizen or other U.S. person (including a resident alien individual), we may require you to complete a Form W-8. We may report interest in cases where it is not mandated for us to do so. We are not responsible for your action or inaction in selecting or completing a form, and no information in these matters that may be supplied by us to you should be relied upon by you. In all tax matters, you should consult your own tax advisor. **You agree to notify us and submit a new Form W-9 or W-8, as applicable, within 30 days if any certification made on the form becomes incorrect.**

If you fail to provide your TIN and certify that it is correct, or if you fail to certify that you are not subject to backup withholding or if the IRS notifies us that you have furnished an incorrect taxpayer identification number, then federal tax rules may require us to re-solicit your TIN and/or withhold a percentage of interest paid to you. We forward amounts withheld to the IRS. If there are any fines, penalties, or charges assessed upon us due to any incorrect name/TIN mismatch or error not caused by us, you agree to reimburse us for the fine, penalty, or charge, and we may charge your account for the same.

When an account earns interest, we may report the interest paid and the amount withheld to the IRS (and to the California Franchise Tax Board). You will receive a copy of the

TRANSACTION LIMITATIONS

Additional transaction limitations on your particular account may apply. Please refer to your Truth in Savings Disclosure applicable to the account you have selected.

We reserve the right to at any time require not less than seven (7) days' notice in writing before each withdrawal from an interest-bearing account or from any other savings account as defined by Regulation D. Demand deposit accounts, regardless of whether they earn interest, are not subject to this 7-day notice requirement.

TRANSFER AND ASSIGNMENT

This Agreement is made exclusively for your and our benefit, and you may not assign this Agreement without our written consent. As such, no other person shall have any right against you or us hereunder. In addition, your account may not be negotiated, transferred, or assigned without our prior written consent.

WAIVERS

We may delay enforcing our rights under this Agreement without losing them. Any waiver by us shall not be deemed a waiver of other rights or of the same right at another time. You waive diligence, demand, presentment, protest, and notice of every kind, except as otherwise set forth in this Agreement.

WITHDRAWALS

Unless otherwise clearly indicated to the contrary, any one of you who signs in the space designed for signatures on the signature card, including any authorized signers and agents, may withdraw or transfer all or any part of the account's available balance at any time. At our discretion, we may require suitable identification and/or presentation of account ownership records and may require all of your signatures for the withdrawal of funds and/or the closing of an account. We may refuse to honor any transaction if the account's available balance is insufficient to cover the transaction or there is a dispute or question as to the ownership of account funds. Withdrawals will first be made from the available balance, and we may, unless prohibited by law or our written policy, refuse any withdrawal request against uncollected funds, even if our general practice is to the contrary. Without limiting the foregoing, we reserve the right to refuse any withdrawal or transfer request, which is attempted by any method not specifically permitted, which is for an amount less than any minimum withdrawal requirement, or which exceeds any frequency limitations. We may limit the amount of cash that can be withdrawn each day. Even if we honor a nonconforming request, repeated abuse of the stated limitation may eventually force us to close this account. Additional withdrawal limitations may be disclosed elsewhere.

Electronic Fund Transfer Disclosure

The provisions of the following **Electronic Fund Transfer Disclosure** apply only to electronic fund transfers to or from accounts established primarily for personal, family, or household purposes ("consumer accounts"). These provisions do not apply to any transactions that are not covered under the Electronic Fund Transfer Act or Regulation E.

This Electronic Fund Transfer Disclosure governs the use of electronic funds transfer services, including the Bank of the Sierra Mastercard or Visa ("Card"), telephone transfer service, and preauthorized transfers (as applicable).

TRANSFER TYPES

When you use a Card with your personal identification number (PIN), you authorize us to accept deposits, make transfers, and permit withdrawals and advances from or deposits and payments to your accounts with us. All Cards remain the property of the Bank and are non-transferable.

Subject to there being sufficient available balances in your accounts, you may use your Card to:

- (1) Withdraw cash from your linked savings or checking accounts' available balances;
- (2) Make deposits to your linked checking or savings account at one of our ATMs;
- (3) Transfer funds between your linked checking and savings accounts;
- (4) Initiate point-of-sale (POS) transactions – Using your Card, pay for purchases at merchant locations that have agreed to accept the Card. In addition, a debit card may be used, with a PIN, with a signature or without either, for POS transactions to purchase goods and services at any merchant location that displays the Mastercard or Visa logo. However, we are not responsible for the refusal of any merchant to accept or honor a Card. If your transaction is processed through the Mastercard or Visa network, it might result in a hold on your account. Please see the section on Your Account Balances for more information.
- (5) Obtain a cash advance at financial institutions that accept debit cards with the Mastercard or Visa logo; and
- (6) Learn the available and current balances in your linked checking or savings accounts. (Note: the information may not reflect recent transactions and may include funds which are not available for immediate withdrawal.)

Some of these services may not be available at all ATMs, terminals, or merchant locations. When you use your Card at any electronic terminal operated by another institution or company, the amount, frequency, and type of transactions may be subject to limitations or fees imposed by the operator of the terminal, in addition to those disclosed herein.

MOBILE WALLET

A mobile wallet is a way to carry your debit card information in a digital form on your mobile device. Instead of using your physical plastic card to make purchases, you can pay with your smartphone, tablet, or smartwatch. Any transaction using your mobile wallet will be processed through the Mastercard or Visa network and may result in a hold on your account. With Bank of the Sierra mobile wallets your Card number is not visible to the merchant when you make a purchase, providing additional protection to your account. You will receive the same protection when using your mobile wallet that you will receive if using your Card, which includes zero liability (and Mastercard or Visa ID Theft Protection). Your mobile wallet is subject to the services and transaction limitations of the Card, as outlined within this Agreement. To disable your mobile wallet if your phone, tablet, or smartwatch is lost, simply contact Bank of the Sierra Customer Service Center at 1.888.454.BANK.

ELECTRONIC CHECK CONVERSION

You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to;

- (1) Pay for purchases; and
- (2) Pay bills.

LIMITATIONS GENERALLY

We reserve the right to impose dollar, volume, activity, exposure, or other limitations on Card transactions, and to change them at any time. We may increase dollar or other limitations for one or more Cards or Card transactions upon request by any person who is an authorized signer on the linked account. You accept the risks associated with this possibility of higher dollar or other limitations.

FREQUENCY LIMITATIONS

Additional transaction limitations on your particular account may apply. Consumers please refer to your Truth in Savings Disclosure applicable to the account you have selected.

DOLLAR LIMITATIONS

Subject to your available balance and any potential overdraft coverage sources:

- (1)** You may withdraw up to \$500 each 24-hour period when you use the Card at an ATM;
- (2)** You may purchase up to \$2,500 in point-of-sale (POS) transactions processed through a compatible POS network each day using your Card;
- (3)** You may purchase and make cash advances in aggregate up to \$2,500 in transactions processed through the Mastercard or Visa network each day using the Card; and
- (4)** Transfers between your checking and savings accounts are limited to the available balance of the account from which money is withdrawn.

The 24-hour period provided in this section begins at the start of each day beginning at 12:00 am Pacific Time. If you have only a savings account linked to your Card, it should be used for ATM transactions only, not to make point-of-sale purchases.

FEES

When you use an ATM or terminal not owned by us, you may be charged a fee by the ATM or terminal operator or through the networks used. You may be charged a fee for a balance inquiry regardless of whether you complete a transfer or withdrawal, meaning you may be assessed a balance inquiry fee and a withdrawal fee in the same ATM session. Unless waived by your account plan, we will charge the following fees for using your Card:

See our Schedule of Fees all other fees that may apply.

CARD ACTIVATION

If your Card requires activation, you agree to make a reasonable effort to activate the Card immediately. Cards not activated promptly may be subject to cancellation. You also agree to promptly sign on the portion of the Card designated for this purpose.

REFUSAL TO ACCEPT CARD

We will not be responsible for the decision of any other entity or person to not accept the Card for payment or for the acts of others in processing or failing to process any Card transaction, whether valid or fraudulent, except as required by law.

TRANSACTION HOLDS

When you use your Card to pay for goods or services through the Mastercard or Visa network, certain merchants may ask us to authorize the transaction in advance. When we do, we may place a temporary hold on your account for the amount requested by the merchant. Until the transaction finally settles, or we determine that it is unlikely to be processed, the funds subject to the hold will reduce the available balance in your account. Occasionally, a merchant may incorrectly estimate the amount of a transaction or fail to notify us that a transaction has been canceled (e.g., because you later decide to pay by check). The hold will be released before the Bank pays the transaction and it posts to your account, and the amount will be added back to your available balance. Your available balance may still be insufficient to cover the transaction even after the hold is released due to your balance being negative or the hold being for a different amount than the actual transaction. Please see the section of your Deposit Agreement on the balances in your Account.

MERCHANT DISPUTES

Since your card is not a credit card, if you have a dispute with the merchant regarding the quality, price, warranty or otherwise of the goods or services you purchase with your card, you may have to settle your dispute with the merchant directly. We are not responsible for a merchant's actions, including any misrepresentations by a merchant.

ILLEGAL TRANSACTIONS

You agree not to use your Card for any illegal transactions, including but not limited to illegal Internet gambling.

FOREIGN CURRENCY TRANSACTIONS

If a Card is used to conduct a transaction in a currency other than U.S. dollars, then the merchant, network, or card association that processes the transaction may convert any related debit or credit into U.S. dollars in accordance with its current policies and may impose fees or charges as part of this process. This can occur even if you are physically present within the United States when the payee is in a foreign country. At Mastercard International they use a currency conversion procedure, which is disclosed to institutions that issue Mastercard. Currently the currency conversions rate used by Mastercard International to determine the transaction

amount in U.S. dollars for such transactions is generally either a government mandated rate or wholesale rate, determined by Mastercard International for the processing cycle in which the transaction is processed, increased by an adjustment factor established from time to time by Mastercard International. The currency conversion rate used by Mastercard International on the processing date may differ from the rate that would have been used on the purchase date or the cardholder statement posting date.

IMPORTANT ADDITIONAL FEE NOTICE

Mastercard charges us a Currency Conversion Fee of 0.200% of the transaction amount for performing currency conversions and a Cross-Border Fee of 0.800% of the transaction on all cross-border transactions (even those with no currency conversion). Therefore, you will be charged 1.000% of the dollar amount on all cross-border transactions – i.e., transactions processed through the “Global Clearing Management System” or the “Mastercard Debit Switch” when the country of the merchant or machine is different than your country, as cardholder. Again, you may be assessed these fees even if you are physically present within the United States when the payee is based in another country.

PIN-LESS TRANSACTIONS OUTSIDE OF MASTERCARD

In addition to transactions processed through a Mastercard network, the Debit Card is enabled to allow certain Mastercard affiliated network transaction processing, including Cirrus, Maestro, Pulse, and Allpoint. Not all Mastercard affiliate network transactions require a PIN to authenticate transactions. Examples of the types of actions in which you may be required to initiate a transaction on a Mastercard affiliate network include: **(i)** initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations); **(ii)** responding to a logo displayed at a payment site and choosing to direct payment through that network; and **(iii)** having your identity verified using known information derived from an existing relationship with you instead of through the use of a PIN. Please be advised that the terms and conditions of this Agreement relating only to Mastercard and its affiliate network transactions do not apply to Debit Card transactions through networks unaffiliated with Mastercard.

TELEPHONE TRANSFER SERVICE

You may perform certain functions through use of Sierra Telebanking at 1.888.307.3772 using a touch-tone phone, your account numbers, and your PIN: **(a)** initiate transfers of funds between your checking and savings accounts, checking and money market accounts, savings and money market accounts, and checking to Sierra Reserve Accounts; **(b)** make balance inquiries on your checking account(s),

savings account(s), and money market account(s); and change your PIN via the telephone. All telephone transfer service transactions are covered by our rules and regulations governing accounts, including the “Frequency Limitations” outlined above, applicable to savings and money market accounts. There is no service fee required to use the telephone transfer service. Transfers are subject to your linked account having sufficient available balances. Balance information may not reflect recent transactions and may include funds that are not available for immediate withdrawal.

DOCUMENTATION

Terminal Transfers – You can get a receipt at the time you make any transfer to or from your account using one of our automated teller machines or at point-of-sale terminals; however, receipts for transactions of \$15 or less may not always be available. All ATM transactions are subject to later verification by us.

Preauthorized Credits – If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 1.888.454.BANK to find out whether or not the deposit has been made.

Periodic Statements – You will get a monthly account statement unless there are no transfers in a particular month. In any case you will get the statement at least quarterly.

PREAUTHORIZED PAYMENTS

Right to Stop Payment and Procedures for Doing So – If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here’s how:

Call us at:
1.888.454.BANK

or Write us at:
Bank of the Sierra
P.O. Box 1930
Porterville, CA 93258

in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. We will charge you the stop payment fee listed in our Schedule of Fees for each stop payment order you give.

Notice of Varying Amounts – If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

Liability for Failure to Stop Payment of Preauthorized Transfer – If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

CONSUMER LIABILITY

Tell us AT ONCE if you believe your Card or Personal Identification Number has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit, if applicable). If you tell us within 2 business days after you learn of the loss or theft of your Card or Personal Identification Number, you can lose no more than \$50 if someone used your Card or Personal Identification Number without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your Card or Personal Identification Number, and we can prove we could have stopped someone from using your Card or Personal Identification Number without your permission if you had told us, you could lose as much as \$500. For unauthorized Debit Card transactions of individual California resident cardholders, your liability will continue to be limited to \$50, provided you comply with the 60-day notification period described in the following paragraph.

Also, if your statement shows transfers that you did not make, including those made by card, code, or other means, tell us at once. If you do not tell us within 60 days after the statement was sent to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

Mastercard's Zero Liability Policy – If the Debit Card is used in a transaction that is processed using the Mastercard network, then the Mastercard Zero Liability Policy may apply. The Mastercard Zero Liability Policy does not apply to certain commercial card transactions. If the Mastercard Zero Liability Policy applies, upon notification from you of unauthorized transactions, we will limit your liability for those transactions to zero, provided that you provide us with written confirmation of those transactions. Subject to limits provided under the Electronic Fund Transfer Act, we may withhold provisional credit, to the extent allowed under applicable Mastercard rules or otherwise allowed by law, if we determine that the circumstances or account history warrant the delay. For purposes of this Section and the Mastercard Zero Liability Policy, the term "unauthorized transaction" excludes any transaction not otherwise subject to the Mastercard Zero Liability Policy, as set forth in Mastercard's operating rules, as amended from time to time.

CONTACT IN EVENT OF UNAUTHORIZED TRANSFER

If you believe your Card or Personal Identification Card has been lost or stolen, call or write us at the phone number and address listed below.

Call us at:
1.888.454.BANK

or Write us at:
Bank of the Sierra
P.O. Box 1930
Porterville, CA 93258

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

FINANCIAL INSTITUTION'S LIABILITY

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

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

CONFIDENTIALITY

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

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

Refer to our privacy notice, applicable to consumer accounts for further details.

CHANGE IN TERMS/TERMINATION OF SERVICE

We may change the terms, terminate, or suspend your use of some or all of our electronic fund transfer services at any time, with or without cause and without affecting your

outstanding obligations herein. If you ask us to terminate your account or the use of any Card, you will remain liable for subsequent transactions performed by you or any authorized signer.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

Call us at:	or Write us at:
1.888.454.BANK	Bank of the Sierra
	P.O. Box 1930
	Porterville, CA 93258

as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- (1)** Tell us your name and account number;
- (2)** Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information; and
- (3)** Tell us the dollar amount of the suspected error.

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

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within 3 business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

Sierra Overdraft Privilege Opt-Out/Reinstate Request Form

By signing this Sierra Overdraft Privilege Opt-Out Request, I (we) understand that we are declining the discretionary overdraft service. Any items, ACH, checks, electronic transaction, or any order of payment, etc., that are presented against my (our) account with an insufficient available balance will result in the item(s) being returned unpaid, and the Bank will not assess you a fee.

ACCOUNT HOLDER INFORMATION

Name: _____

Account Number: _____ Branch Number: _____

Opt Out of the Sierra Overdraft Privilege

Request Date: _____

Customer Signature: _____

Customer Signature: _____

Reinstate the Sierra Overdraft Privilege

Request Date: _____

Customer Signature: _____

Customer Signature: _____

Forward form to Overdraft Specialist/Account Manager for approval and processing.

Employee Accepting: _____

Processed Date: _____

To exercise your choice, do the following:

Fill out, sign, and send this form back to us (you may want to make a copy for your records):

Bank of the Sierra

P.O. Box 1930

Porterville, CA 93258

Attn: Overdraft Department

What You Need to Know About Overdrafts and Overdraft Fees

An **overdraft** occurs when you do not have enough money in your available balance at the time the Bank pays the transaction and it is posted to your account, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have **standard overdraft practices** that come with your account. This program is called the Sierra Overdraft Privilege.
2. We also offer **overdraft protection plans**, such as a link to a savings account or a line of credit, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our **standard overdraft practices**.

What are the standard overdraft practices that come with my account?

We **generally** authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number (e.g., ACHs)
- Automatic bill payments

We **do not** authorize overdrafts for the following types of transactions unless you ask us to (see below):

- ATM transactions
- Everyday debit card transactions

We pay overdrafts at our discretion, which means we **do not guarantee** that we will always authorize and pay any type of transaction.

If we do **not** authorize an overdraft, your transaction will be declined or returned.

What fees will I be charged if Bank of the Sierra pays my overdraft?

Under our standard overdraft practices:

- We will charge you a fee of up to **\$35** each time we pay an overdraft.
- We will not charge you a fee if you had a sufficient available balance at the time a debit-card transaction was authorized even if you have an insufficient available balance when we pay the transaction as long as the authorization amount is the posted amount.
- We will not charge you a fee if your account is overdrawn by \$35.00 or less on any given day.
- We will not charge you a fee for any transaction that is \$10.00 or less regardless of your available balance.
- We will not charge you a fee if you have pending credits at or deposits related to debit card network transactions at the end of the day that are sufficient to cover any insufficient funds in excess of \$35.
- There is a daily limit of \$140 in overdraft fees charged per day on your account.

What if I want Bank of the Sierra to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call 1.888.454.BANK, visit our website at BankoftheSierra.com, or complete the form below and present it at any Bank of the Sierra branch office or mail it to: Bank of the Sierra, P.O. Box 1930, Porterville, CA 93258-1930. You can revoke your authorization for Bank of the Sierra to pay these overdrafts at any time by any of the above methods. Your revocation must include both your name and account number so that we can properly identify your account.

I **do not** want Bank of the Sierra to authorize and pay overdrafts on my ATM and everyday debit card transactions.

I want Bank of the Sierra to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____

Date: _____

Signature: _____

Account Number: _____