

# DEPOSIT ACCOUNT DISCLOSURES

This package contains the following documents:

- Notice of Change in Terms
- Account Agreement and Disclosures
- Business Fee Schedule
- Treasury Management Services Disclosure and Agreement
- Business Electronic Fund Transfer Services Agreement and Disclosure
- Business Options: Overdraft Protection

## TABLE OF CONTENTS

<b>NOTICE OF CHANGE IN TERMS.....</b>	<b>3</b>	Facsimile Signatures.....	19
<b>ACCOUNT AGREEMENT AND DISCLOSURES.....</b>	<b>7</b>	Fees and Charges.....	19
This Agreement.....	7	Foreign Currency Items.....	19
Changes to the Agreement.....	8	Freezing Your Account.....	19
Governing Law.....	8	Headings.....	19
Contract Language.....	8	Inactivity and Unclaimed Accounts.....	19
<b>OPENING YOUR ACCOUNT AND ACCOUNT INFORMATION...8</b>	<b>8</b>	International Wire Transfers.....	19
Identifying You.....	8	Large Currency Transaction Reports.....	19
Reliance on Your Information.....	8	Legal Process.....	19
Taxpayer Information.....	8	Limitation on Actions.....	20
Consumer Reports and Other Inquiries.....	8	Limitation on Liability.....	20
Privacy Policy.....	8	Notice of Severability.....	21
<b>COMMUNICATIONS BETWEEN US.....</b>	<b>8</b>	Photography.....	21
Communication with You.....	8	Protection against Unauthorized Items. (For Business Accounts Only).....	21
Telephone Monitoring and Recording.....	8	Records.....	21
Instructions Received by Facsimile or Electronic Mail (Email) or on Telephone Answering Machines.....	9	Right of Setoff.....	21
<b>ACCOUNT TYPES &amp; OWNERSHIP.....</b>	<b>9</b>	Right to Close Account.....	21
Business Accounts.....	9	Sub-Accounts.....	21
Personal Accounts.....	9	Suspicious Activity.....	21
Authorized Signers.....	10	Usury Saving Clause.....	21
Account Ownership Change.....	10	Waiver or Delay.....	21
Assignment of Account.....	10	<b>SUBSTITUTE CHECK POLICY.....</b>	<b>22</b>
Death or Incapacity of Account Owners or Signers.....	10	Substitute Checks.....	22
Power of Attorney and Agents.....	10	Consumers' Rights Regarding Substitute Checks.....	22
Ownership Dispute and Adverse Claims.....	10	Claim for Refund.....	22
<b>ACCOUNT STATEMENTS AND OTHER COMMUNICATIONS....11</b>	<b>11</b>	<b>DISPUTE RESOLUTION.....</b>	<b>22</b>
Statements.....	11	Small Claims.....	22
Your Duty to Review Statements.....	11	Arbitration Agreement.....	22
Notifying Us of Unauthorized Transactions and Errors.....	11	<b>AVOIDING FEES AND CHARGES.....</b>	<b>23</b>
Statement Reconciliation.....	11	<b>PROTECTING YOUR ACCOUNT.....</b>	<b>24</b>
Address Changes.....	11	Protect Your Account Information.....	24
<b>CHECKING AND SAVINGS ACCOUNTS.....</b>	<b>11</b>	Writing Checks.....	24
Processing Deposits.....	11	Computers, Emails and Mobile Devices.....	24
Funds Availability and Deposit Holds.....	13	Funds Transfers.....	24
Processing Withdrawals.....	14	Automated Teller Machines (ATMs) Safety Tips.....	24
Overdrafts and Order of Posting.....	15	Additional Tips for Businesses or Individuals Who Trust Others with Banking.....	24
Stop Payment Orders.....	16	<b>GLOSSARY OF TERMS AND ACRONYMS.....</b>	<b>25</b>
Terms for Interest-Bearing Accounts.....	17	<b>CHECKING, MONEY MARKET, SAVINGS.....</b>	<b>27</b>
Certificates of Deposit.....	17	Business Checking Account.....	27
<b>GENERAL ACCOUNT INFORMATION AND TERMS.....</b>	<b>18</b>	Non-Profit Checking Account.....	27
Account Analysis.....	18	Attorney-Client Trust Account (IOLTA/IOTA)/ Attorney Escrow Account (IOLA).....	27
Bank and Client Account Relationship.....	18	Public Funds And Bankruptcy Checking Accounts.....	28
Breach of Warranty.....	18	Business Money Market Account.....	28
Check Images.....	18	The Ladder Business Money Market Account.....	28
Compliance with Law.....	18	Business Savings Account.....	28
Conduct of Business Activity.....	18	<b>BUSINESS PACKAGES.....</b>	<b>28</b>
Confidentiality.....	18	the business builder <i>elite</i> <sup>SM</sup> .....	28
"Cut-Off" Times.....	18	business <i>Elite</i> CHECKING ACCOUNT.....	28
Deposit Insurance Coverage.....	18	Benefit Accounts.....	29
Elder or Dependent Adult Financial Abuse.....	18		
Electronic Fund Transfer Services.....	18		

Contributing Accounts .....	29	Internet-Based Business Services.....	50
Excluded Accounts .....	29	Lockbox Services .....	50
Qualification Balance.....	29	Outbound Data Exchange Service.....	52
Package Eligibility Requirements .....	29	Positive Pay Service.....	52
City National Business Online for Business Builder <i>Elite</i> .....	29	QuickBooks' Direct Connect Service' .....	53
City National Business Essentials for Business Builder <i>Elite</i> .....	29	Remote Check Express Service.....	53
Business Bill Pay for Business Builder <i>Elite</i> .....	29	Wire Transfer Service.....	54
Interest on Funds.....	29	Zero Balance Account Service .....	54
<b>ACCOUNT ANALYSIS .....</b>	<b>29</b>	<b>INTERNET FRAUD PROTECTION PRACTICES .....</b>	<b>55</b>
<b>SERVICE FEES – ANALYZED &amp; NON-ANALYZED ACCOUNTS 30</b>		<b>GLOSSARY OF TERMS AND ACRONYMS .....</b>	<b>55</b>
<b>ADDITIONAL INFORMATION.....</b>	<b>32</b>	<b>BUSINESS ELECTRONIC FUND TRANSFER AGREEMENT AND DISCLOSURE.....</b>	<b>57</b>
Accounts Established Online.....	32	<b>BUSINESS ELECTRONIC FUND TRANSFER SERVICES.....</b>	<b>57</b>
Miscellaneous Assessments .....	32	CNB Visa Business debit Card Transactions and CNB Business	
<b>INTRODUCTION.....</b>	<b>33</b>	ATM Card Transactions .....	57
<b>AGREEMENTS FOR THE SERVICES.....</b>	<b>33</b>	Liability for Unauthorized Transactions (Minnesota Accounts) .....	58
Service Documentation .....	33	Others' Liability to You (Minnesota Accounts).....	59
Rules Governing A Service.....	33	Reversal of Transactions (Minnesota Accounts).....	59
Changes to the Service Documentation and/or Services.....	33	Using Your CNB Visa Business Debit Card or Your CNB Business	
Governing Law .....	34	ATM Card at Automated Teller Machines.....	59
<b>COMMENCING A SERVICE .....</b>	<b>34</b>	Point-of-Sale ("POS") Transactions.....	60
Deposit Relationship .....	34	Timing of Terminal Transactions (Minnesota Accounts).....	60
Service Requirements.....	34	Telephone Banking Service and Account-to-Account	
Identifying You .....	34	Transfer Service .....	60
Your Information .....	34	About Your Personal Identification Number ("PIN") for	
Authorization .....	34	Business Transactions and Your Security Code.....	60
<b>COMMUNICATIONS BETWEEN US.....</b>	<b>34</b>	Preauthorized Transfer Transactions .....	60
Email Communications .....	34	Stop Payment Procedure for Preauthorized Payments .....	60
Notices.....	34	<b>OTHER ELECTRONIC FUND TRANSFERS .....</b>	<b>61</b>
<b>SECURITY, ACCESS AND EQUIPMENT.....</b>	<b>34</b>	Fund Transfer Payment Order Security Procedures .....	61
Equipment, Hardware And Software .....	34	Exceptions to Use of Security Procedures .....	61
Security of Your Computer System.....	35	Fund Transfer Cut-Off Times .....	61
Security of Passwords, User Names and		Right to Reject a Fund Transfer .....	61
Personal Identification Numbers.....	35	Right to Limit the Amount of a Fund Transfer.....	61
Service Communications .....	36	Accurate Account Number and Beneficiary or Bank Information -	
Reliance on Security Items .....	36	Effect of Inconsistent Information.....	61
Security Procedures (Online and Mobile) .....	36	ACH Provisional Payment Rule .....	61
Responsibility of Client and Administrators.....	36	Notice of Incoming Fund Transfers.....	61
Internal Controls.....	37	Incoming Third-Party Transfers .....	61
Reliance on Data; Data Delivery; Safeguarding Data.....	37	Cancellation or Amendment of Fund Transfers.....	61
Reliance on Third Parties .....	37	Unauthorized Fund Transfers .....	61
<b>GENERAL TERMS AND CONDITIONS .....</b>	<b>37</b>	Erroneous Fund Transfers You Order.....	62
Business Purpose.....	37	Notice of Erroneous or Unauthorized Fund Transfers.....	62
Duty to Review .....	37	International Fund Transfers .....	62
Deadlines .....	37	International Fund Transfers Currency Conversion and	
Funds Transfers .....	37	Exchange Rate Risk .....	62
Other Fraud Safeguard Services .....	37	Interest Compensation .....	62
Proprietary Rights.....	38	Limitation of Liability for Circumstances Beyond Our Control.....	62
Confidentiality.....	38	Periodic Statement.....	62
Fees and Expenses.....	38	<b>IF YOU HAVE QUESTIONS ABOUT A BUSINESS OR</b>	
Limitation of Liability And Indemnity .....	38	<b>OTHER FUND TRANSFER .....</b>	<b>62</b>
Force Majeure .....	38	Limitation on Actions for Business and Other	
Indemnification .....	38	Fund Transfer Transactions.....	62
Termination .....	39	<b>NOTICE TO ACCOUNT HOLDERS AND CARD USERS.....</b>	<b>62</b>
Disputes.....	39	General Information:.....	62
Compliance With Law.....	39	Card and Personal Identification Number "PIN" Safety: .....	63
Assignment.....	39	Automated Teller Machine ("ATM") Safety TIPS.....	63
Notice of Severability .....	39	Online Safety: .....	63
Waiver or Delay.....	39	<b>INTERNET FRAUD PROTECTION PRACTICES .....</b>	<b>63</b>
<b>SERVICE TERMS AND CONDITIONS.....</b>	<b>39</b>	Mail and Phone Safety .....	64
Account Reconciliation Processing ("ARP") Service .....	39	<b>OVERDRAFT PROTECTION: PEACE OF MIND.....</b>	<b>65</b>
Automated Clearing House ("ACH") Service .....	40		
ACH Fraud Protection Service – ACH Filters with			
ACH Positive Pay and ACH Blocks .....	41		
ACH Blocks .....	41		
Business Bill Pay.....	41		
Bill Pay Service with Internet-Based Business Services.....	41		
Book2Bank.....	41		
Cash Vault Service .....	41		
CityTax Service.....	43		
Client Accounting Software and			
Bank Systems Integration Services .....	43		
Controlled Disbursement Service .....	44		
Deposit Courier Service .....	45		
Deposit Escrow Sub Accounting Service.....	45		
EASI Link® Service .....	47		
E-Deposit Service.....	48		
Electronic Data Interchange Services.....	49		
Funds Transfers Services.....	49		

# NOTICE OF CHANGE IN TERMS

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

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

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

## ACCOUNT AGREEMENT AND DISCLOSURES

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

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

## ACCOUNT AGREEMENT AND DISCLOSURES (FOR CORPORATE ACCOUNTS)

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

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

## BUSINESS ELECTRONIC FUND TRANSFER AGREEMENT AND DISCLOSURES

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

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

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

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

Also, all references to Minnesota accounts are being removed.

## CONSUMER ELECTRONIC FUND TRANSFER AGREEMENT AND DISCLOSURES

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

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

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

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

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

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

Also, all references to Minnesota accounts are being removed.

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

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

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

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

#### **City Image Service**

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

#### **City Image Items**

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

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

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

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

#### **EASI Link Service**

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

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

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

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

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

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

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

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

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

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

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

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



## INTRODUCTION

**Welcome to City National Bank!** We are proud of the banking services we offer and trust they will be of value to you. We encourage you to compare our services and our prices with those of other financial institutions. All of us at City National Bank thank you for your business and look forward to serving all your financial needs.

**How to Access Your Account.** You can access your account and get information about our accounts and services:

- At any of our offices
- At City National Bank ATMs or other network ATMs
- By contacting your Relationship Manager or (800) 773-7100
- Through [cnb.com](http://cnb.com), online banking or mobile banking

**Terms Used to Refer to the Client and City National Bank.** When we refer to our "client" or "you" or "your" or "yours," we mean each person or entity having an ownership interest in the account established with us or using a service we provide and, unless otherwise indicated, any person authorized to sign on any account established by you with us. When we refer to "CNB," "City National," "the Bank," "we," "us" or "our," we mean City National Bank or City National Securities, Inc.. When we refer to an "affiliate," we include our own managed affiliates and Royal Bank of Canada ("RBC"), and the subsidiaries it controls. CNB is an indirect subsidiary of RBC. Please refer to the "Glossary of Terms and Acronyms" for definitions of other terms and acronyms used herein.

# Account Agreement and Disclosures

Effective February 1, 2023

## AGREEMENT FOR ACCOUNT(S)

### THIS AGREEMENT

This Account Agreement and Disclosures and the other documents listed below constitute the terms and conditions that govern the deposit products and many of the banking services we make available to you (collectively, the "Agreement"). **Please read them carefully.**

- The Personal Account Agreement or the Business Account Agreement, as applicable;
- The applicable fee schedule(s), which sets forth our fees and provide additional information about our accounts and services;
- The Consumer Electronic Fund Transfer Agreement and Disclosure or the Business Electronic Fund Transfer Agreement and Disclosure, as applicable;
- The Treasury Management Services Disclosure and Agreement, if applicable;
- The Privacy Notice, Privacy Statement and other privacy disclosure(s) (collectively, "Privacy Policy") available in the Privacy & Security section at [cnb.com](http://cnb.com) or by contacting us;
- Any additional disclosures we provide to you about your account and related services, including any addenda to the Agreement, as applicable;
- Any additional documents agreed to between you and us.

You agree to the Agreement by signing or electronically agreeing to the Personal or Business Account Agreement for account(s) or by you (or the persons acting on your behalf) using the account(s) and related service(s). The documents that comprise the Agreement are designed to be used together and they explain the terms of our products and services and your rights and responsibilities when you use the products and services. You are responsible for knowing and understanding the terms and conditions stated in the Agreement for the accounts and services you use. You are responsible for ensuring that any Authorized Signer(s) on your account(s) is familiar with the Agreement. Please keep the Agreement and any changes we may provide for your reference.

If you need another copy of any document which is a part of the Agreement or further information about our products and services,

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

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

please contact your Relationship Manager, a Client Representative or a member of our branch staff. You may also call us at the telephone number listed on your statement or visit us at our website, [cnb.com](http://cnb.com).

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

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

Notice of any change may be provided by mailing notice to you at the address in our records (including with your account statement), posting notice on our website, providing notice through our online banking service, or otherwise making it available to you. For multi-owner accounts, notice to one owner is notice to all owners. If there is a change to the Agreement and you (or the persons acting on your behalf) continue to maintain or use the account(s) or service(s) after the change, you will be deemed to have agreed to the change.

#### **GOVERNING LAW**

The Agreement, and your and our rights and obligations under the Agreement, are governed by federal law and the law of the state of the CNB location where your account, relationship or service is maintained, without regard to conflict of laws principles.

Except as otherwise provided in the "Dispute Resolution" section at the end of this document, if any provision of the Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. To the extent this Agreement contains variations from applicable law or regulation as allowed by law, the terms and conditions of this Agreement will govern.

#### **CONTRACT LANGUAGE**

English is the controlling language of the relationship between you and us. While we may translate our forms, disclosures and advertisements into another language for your convenience, unless we otherwise agree in writing or we are specifically otherwise required by law, in the event of a conflict between our English language materials and our material in another language, the English language version shall control.

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

#### **IDENTIFYING YOU**

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

This means when you open an account, we will ask for your name, address, date of birth, and your tax identification number. For business accounts, we may require identification information relating to the beneficial owners of the business and individuals who will be conducting business with us on behalf of a business or entity. We may also ask to see your driver's license or other identifying documents or require other information that will allow us to identify you. We may decline to open an account if we do not receive sufficient information or documentation. We may request additional information (including new signature exemplars) at any time.

#### **RELIANCE ON YOUR INFORMATION**

When you open an account with us, you provide us information about yourself and confirm it is correct. You agree that we may rely on that information until you notify us of any change and we have had a reasonable time to act on the new information.

#### **TAXPAYER INFORMATION**

When you open an account, we are required by law to obtain a certified taxpayer identification number ("TIN") and, if applicable, information regarding your backup withholding status. When you

apply for an account, you certify that you have provided the correct TIN for the account holder and the correct backup withholding status. If you are subject to backup withholding (or if the IRS notifies us that we do not have the correct TIN for you), we may be required to backup withhold at the current backup withholding rate on interest paid to your account and pay it to the IRS. We may decline to open an account or we may close an open account for which you do not provide a certified TIN even if you are exempt from backup withholding and information reporting.

Generally, we are required by law to report to the IRS interest income, dividends and other payments paid to you in connection with your account. For more information on tax matters, please consult with your tax advisor.

#### **CONSUMER REPORTS AND OTHER INQUIRIES**

In order to consider a request to open an account and for other legitimate purposes, we may request information from consumer reporting agencies, account information services, our affiliates and other third parties. By submitting a request to open an account, you authorize us to obtain information about you from time to time from consumer reporting agencies, account information services, our affiliates, and other third parties.

In addition, we may disclose information about your accounts to consumer reporting agencies and to other persons or agencies who, in our judgment, have a legitimate purpose. For example, we may report the status of or the closure of your account to consumer reporting agencies, our affiliates and other third parties and we may provide information in response to any subpoena, summons, court or administrative order, or other legal process.

We may verify information about you when you establish a new account with us and periodically thereafter using consumer reporting agencies and other sources as we determine. We may decline to open an account or we may close an open account based on any information received that we consider adverse. We will provide you the name and address of the sources from which we obtained information as required by law and upon request unless we are otherwise prohibited from doing so. If your account is declined based on adverse information received from our source, you may request that the source provide you a free copy of the information the source supplied to us.

#### **PRIVACY POLICY**

The privacy and security of your information is important to us. Please refer to our Privacy Notice, and our Privacy Statement and other privacy disclosure(s) which are available in the Privacy & Security section at [cnb.com](http://cnb.com).

You specifically waive any privacy protection rights provided under the law of any foreign country or jurisdiction. Your privacy protection rights arise under the laws of the United States of America and applicable state law.

## **COMMUNICATIONS BETWEEN US**

#### **COMMUNICATION WITH YOU**

We may contact you for fraud prevention, account servicing or other permissible business purposes. We may contact you by mail, courier, phone (whether mobile or landline), fax, email, text message, or through our online banking service or mobile banking. You agree we may use text messaging, artificial or pre-recorded voice messages, and automatic telephone dialing systems to contact the telephone number you provide, as permitted by law.

#### **TELEPHONE MONITORING AND RECORDING**

When you or someone on your behalf provides us a telephone number or calls us, you authorize us to call you at that number, and to monitor and to record telephone and other electronic communications the caller has with us and with our representatives for business purposes, including security and quality assurance. The caller may hear a beep tone when a call is being recorded or, if there is no beep tone, the caller may be asked, in advance, for consent to record the telephone conversation or told the call is being recorded. By continuing the telephone call after hearing the beep tone or being otherwise notified, the caller agrees to our right



to record the telephone conversation. We may retain any telephone recording for such time as we shall determine but we shall have no liability to you if we do not retain the recording.

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

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

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

### **ACCOUNT TYPES & OWNERSHIP**

#### **BUSINESS ACCOUNTS**

Any deposit account which is not held or maintained primarily for personal, family or household purposes. A business account is available to business entities, including corporations, professional corporations, limited partnerships, general partnerships, limited liability partnerships, sole ownership businesses (sole proprietorships), limited liability companies, professional limited liability companies, charitable organizations, embassies, consulates and diplomatic missions, statutory trusts, unincorporated associations of persons, public agencies and foreign business entities.

For a business account, each person signing the Business Account Agreement represents and warrants that they are fully authorized to execute all documents on behalf of the business and have provided evidence of such authority acceptable to us. **Please note:** We may refuse to recognize any resolution affecting the account that is not on our form or that appears incomplete or improper.

We consider your account to be a business account if you tell us it is at the time you establish the account with us or at any later time. We may also consider your account to be a business account if we determine, in our sole discretion, that the transaction activity and volume is not for personal, family or household purposes. If we consider your account to be a business account, we reserve the right to charge your account the fees and charges applicable to businesses. We will notify you of any change in your account status.

#### **PERSONAL ACCOUNTS**

Any deposit account which is held or maintained primarily for personal, family or household purposes. A consumer account may be owned by one individual, jointly with other individuals, or in trust for (or for the benefit of) one or more individuals. We offer the following types of account ownership for individuals. **Please note:** Your Last Will and Testament ("Last Will") may not control the disposition of funds held in some of these accounts.

##### **Individual**

The owner of the account is one individual. When the owner dies, ownership of funds in the account passes as part of the owner's estate to the owner's successor in interest under the owner's Last Will or by intestacy unless you have indicated a beneficiary by a "pay on death" instruction where permitted by law (see below).

##### **Joint Tenancy (with Right of Survivorship)**

The owners of the account are two or more individuals. All owners of the account have equal and undivided ownership in the whole account during their respective lifetimes. When an owner dies, the funds in the account belong to the surviving owner or owners automatically. Unless specifically indicated otherwise, each account held in joint tenancy is presumed to be held in joint tenancy with right of survivorship. A "pay on death" instruction may be added to this account where permitted by law (see below).

##### **Bank Account Trust (Totten Trust)**

When an account is opened with ownership showing one party (the "trustee") "...in trust for..." another party (the "beneficiary") and there is no written trust agreement, in the absence of other facts, the trustee (or trustees) is/are the owner(s) of the account and the beneficiary(ies) has no interest in the account until the trustee, or all of the trustees, dies. We will pay the funds in the account to the trustee during his or her lifetime or to the surviving trustee(s) if there is more than one trustee. When the last trustee dies, the balance in the account is paid to the surviving named beneficiary or, if there is more than one surviving beneficiary, to the beneficiaries in equal shares, unless we are otherwise instructed by the trustee in writing prior to the death of the trustee or last surviving trustee. The trustee must keep us informed about each beneficiary's location. However, we are not responsible to notify beneficiaries of the existence of the account or death of the trustee and we may not do so.

##### **Community Property (Available Where Allowed by Law)**

The owners of the account are married or are registered domestic partners under the law and each owner has an interest in the account. When one spouse or partner dies, ownership does not automatically pass to the surviving spouse or partner because the deceased spouse or partner can pass his or her interest by Last Will to someone else. To open a community property account you must clearly indicate on the account agreement that the account is held as "Community Property."

##### **Fiduciary (Trusts, Estates, Guardianships, etc.)**

Executors, administrators, conservators, personal representatives, guardians or trustees under written trust agreements, court orders or other documents may open accounts as fiduciaries. We may require and you shall provide evidence of the authority of such person or persons to act, such as a copy of the court order appointing the fiduciary, or a copy of the trust instrument, or portions of the trust instrument or appropriate trustee certification. This documentation will verify that the person or persons opening the account is or are the designated fiduciary, his or her powers, the provisions for succession and any unusual provisions.

##### **Pay-on-Death Instruction (Available Where Allowed by Law)**

Clients who maintain individual, joint tenancy or sole proprietorship accounts may designate a "pay-on-death" beneficiary or beneficiaries on a form provided by us. An individual or sole proprietorship account with such a beneficiary is owned by the individual or sole proprietor and upon the owner's death we will deliver the funds in the account to the beneficiary or beneficiaries. A joint tenancy account with such beneficiary or beneficiaries is owned by the joint tenants. Upon the death of one joint tenant, the surviving joint tenant or tenants own the account. Upon the death of the last surviving joint tenant, we will deliver the funds to the then designated surviving beneficiary or beneficiaries. Any joint tenant or surviving joint tenant may change a beneficiary at any time. If there is more than one beneficiary, we will pay the funds in the account to the beneficiaries in equal shares, unless we are otherwise instructed by the owner in writing prior to the owner's death or the death of the last surviving owner. Each owner must keep us informed about each beneficiary's location. However, we are not responsible to notify a beneficiary of the existence of the account or the death of the owner and we may not do so. A beneficiary may be an organization.

##### **Tenancy-in-Common**

All owners of the account have ownership in the account but the percentage of each owner's interest may vary. When an owner dies, that owner's interest in the account passes as part of the owner's estate to the owner's successor in interest under the owner's Last

Will or by intestacy. The surviving owners are not entitled to the deceased owner's share by reason of the account ownership. To open a tenancy-in-common account you must clearly indicate on the account agreement that the account is held as "Tenants-in-Common."

#### **Transfers to Minors**

A person may open an account under the provisions of law which allow for transfers or gifts to minors. The person opening the account is the custodian but the account is owned by the minor. If the custodian resigns, is removed or dies, upon satisfactory proof, we will deliver the funds to a successor custodian or to the minor in accordance with law. A custodian may designate a successor custodian on CNB's records. **Please note:** Unless otherwise allowed by law, there may be only one custodian and only one minor for each account. Also, where allowed by law you may delay the time for transfer of the account to the minor by special provision when the account is established.

#### **Accounts Owned by Minors**

Unless otherwise allowed by law, a minor does not have the legal capacity to open an account. A minor may only open an account to the extent permitted by applicable law and Bank policy.

#### **AUTHORIZED SIGNERS**

An "Authorized Signer" is a person (or persons) who has your actual or apparent authority to withdraw funds from your account and to give other instructions to us with respect to your account even if such person(s) have not signed the Personal Account Agreement or Business Account Agreement, as applicable. We may act upon the verbal or written instructions of any one Authorized Signer on the account and will have no liability for doing so. For some actions, we may require written authorizations.

You shall notify us promptly of any change of Authorized Signers. We may continue to rely on the authority of any Authorized Signer until we have been notified and given a reasonable opportunity to give effect to such change. You agree that we may continue to pay items and other transactions presented for payment signed by a person who is no longer authorized to sign on your account unless you specifically advise us not to pay such items, in which event we may require you to issue a stop payment order for each such item or we may require you to close your account and transfer the balance to a new account.

You agree we may rely on signature exemplars provided by you (e.g., on a signature card) or otherwise based on our records (including our electronic records) relating to your account or service. You agree to provide us updated signature samples upon our request.

#### **Multiple Signatures**

We have no duty to enforce multiple signature requirements that you may agree among yourselves, whether or not we have notice of such requirements. We are not required to honor your request for more than one Authorized Signer on any item or order for withdrawal drawn on your account. You acknowledge and understand that we do not physically examine each check to determine if it is properly signed. If we do expressly agree in writing to require multiple signatures for a withdrawal order, you acknowledge that you have a continuing duty to review statements as set forth in the "Duty to Review Your Statements" section. If you do not report a missing signature to us within 30 days (14 days for businesses) from the receipt of the first statement containing an item with a missing signature, each item signed by one Authorized Signer thereafter shall be deemed approved by you for payment. An additional fee may be charged for an account which requires multiple signatures.

**Please note:** Transactions conducted on or through online banking, mobile banking, or other electronic means and certain services, such as ACH, wire and other funds transfer or treasury management services may be authorized or conducted by a single Authorized Signer (or delegate thereof) notwithstanding any multiple signature requirements on an account.

#### **ACCOUNT OWNERSHIP CHANGE**

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

#### **ASSIGNMENT OF ACCOUNT**

You may not assign, transfer or pledge any account without our express written consent. We are not required to accept, act upon, or acknowledge any document which purports to assign your account or any interest in it, including a notice of a security interest. We will not be responsible or liable to you or any third party for not acting upon the terms or conditions of any such assignment unless we acknowledge the assignment in writing or enter into a control agreement under applicable provisions of law. We may charge a fee for this service.

Any transfer or assignment that we consent to will be subject to our right of set-off to the fullest extent permitted by applicable law.

#### **DEATH OR INCAPACITY OF ACCOUNT OWNERS OR SIGNERS**

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

If a deposit (such as salary, pension, Social Security and Supplemental Security Income) payable to the deceased owner is credited to the account and we believe the payor is entitled to return of the funds, we may debit the account for the deposit and return it to the payer. If the funds have been withdrawn or transferred to another account, we may debit any account of the transferee for the lesser of the amount of the withdrawal or the amount of the payment to the fullest extent permitted by applicable law.

#### **POWER OF ATTORNEY AND AGENTS**

If you are authorized to do so, you may appoint an agent to conduct transactions on your account on your behalf by executing a power of attorney or providing other agency documentation acceptable to us. You are responsible for and are bound by the acts of your agent. You agree not to hold us responsible for any Loss you may incur as a result of our following instructions of an agent who appears to be acting under a valid power of attorney or other agency documentation.

If you appoint an agent using a power of attorney form other than our form or other agency documentation, we must review the form or documentation to determine if we will honor it and recognize the authority of your agent.

If we agree to recognize your agent, you agree that we may continue to do so until you notify us otherwise in writing or until we are presented with proof that the agency authorization has been terminated by death, court order or other legal means, such as revocation.

#### **OWNERSHIP DISPUTE AND ADVERSE CLAIMS**

If we receive conflicting instructions or adverse claims to funds in an account and cannot, in good faith, determine the rights of the claimants to the funds, we may, at our option, (1) restrict the account and deny access to all or a portion of the funds without liability to anyone until the rights of the claimants are determined to our

satisfaction, (2) continue to rely on the documents we have on file for the account, (3) close the account and send the funds to the owners of the account as stated in our records to the statement mailing address, (4) interplead all or any portion of the funds to an appropriate court after deducting our expenses for the interpleader or (5) resolve the matter in accordance with the procedures set forth in the "Dispute Resolution: For Accounts and Services" section.

## ACCOUNT STATEMENTS AND OTHER COMMUNICATIONS

### STATEMENTS

We will mail, send electronically, or otherwise make available to you an account statement for each statement period to the postal and/or electronic address associated with your account. We do not provide statements for time deposits (or certificates of deposit). If there is more than one account owner, a statement sent to one owner shall be deemed sent to all.

Your account statement is deemed received:

- If mailed, by the 3<sup>rd</sup> Business Day after mailing;
- If electronically delivered, when made available to you.

If a statement is held for pickup and you do not pick it up by the time set by us, we may, at our option, mail the statement to you at any address in our records or we may destroy the statement at a time set by us. If a statement is mailed to you and is returned to us as undeliverable, we may destroy the statement at a time set by us. We have no obligation to continue to mail statements to you if a statement is returned to us as undeliverable.

### YOUR DUTY TO REVIEW STATEMENTS

**For Consumer Accounts.** If you are a consumer, meaning a natural person, and your account is established primarily for personal, family or household purposes, you must review each statement and any notice we make available to you promptly but at most within 30 calendar days from the time we make the statement available and notify us immediately if the statement reflects a forged or unauthorized item or transaction. If you do not receive your bank statement when you should, contact us at once.

**For Business Accounts.** A shorter period for review applies if you are a business or other client who is not a consumer. You must review each statement we make available to you within 14 calendar days from the time we make it available and notify us if the statement reflects a forged or unauthorized item or transaction as stated above.

### NOTIFYING US OF UNAUTHORIZED TRANSACTIONS AND ERRORS

If you discover an error, forgery, alteration or other unauthorized activity involving your account, you must notify us immediately. If you fail to notify us within the times set forth in the "Your Duty to Review Statements" section of an unauthorized signature, alteration, forgery, counterfeit check or other unauthorized transaction involving any of your accounts, we will not be responsible for subsequent unauthorized transactions by the same wrongdoer or if done in a similar manner. Without regard to care or lack of care of either you or us, if you do not report an error or an unauthorized signature, alteration, forgery, counterfeit check, or other unauthorized debit to your account **within 60 days** after the date of your statement or the date the information about the item or transaction is made available to you, whichever is earlier, you are precluded from asserting the error or unauthorized transaction against us.

When you notify us of an error, forgery, alteration or other unauthorized transaction, we will investigate. If you claim a credit or refund, we may require you to:

- Provide a sworn statement or written declaration of the relevant facts, including a description of the transaction or error and the identity of any suspected perpetrator, and any other documents or information we may request

- Notify law enforcement and provide us a copy of the crime report
- Cooperate fully with our investigation

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

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

**For Consumer Electronic Fund Transfers.** For specific information on unauthorized consumer electronic fund transfers, which have difference notice periods and requirements, see our *Consumer Electronic Fund Transfer Agreement and Disclosure*.

**For Business Electronic Fund Transfers.** Business electronic fund transfers do NOT share the same protections as Consumer Electronic Fund Transfers. See the *Business Electronic Fund Transfer Agreement and Disclosure*.

To request a copy or for more information, visit [cnb.com](http://cnb.com) or contact your Relationship Manager or Client Representative at your branch.

### STATEMENT RECONCILIATION

You shall employ generally accepted accounting principles to safeguard the preparation and reconciliation of items drawn on your account. If you entrust the preparation and reconciliation of items drawn on your account to anyone other than yourself or, if you are a business, to the same person who prepares your checks and other debits, you agree you will have monthly audits of your accounts by a third party.

### ADDRESS CHANGES

We may send statements, notices and other communications regarding your account to you at the electronic or mailing address we have in our records for your account. If your address changes, you agree to notify us. You must allow 30 days for an address change to become effective. The address will only be changed for the account or accounts you specify and will not affect any other accounts you have with us unless you specify that you want the address changed for those accounts as well.

If the United States Postal Service (or one of its agents) informs us that your address has changed, we may change your address on our records to the address provided by the Postal Service, and send statements, notices and other communications regarding your account to that new address. We may destroy communications that we send and which are returned to us as undeliverable.

You expressly authorize us to obtain address information from any government agency and in so doing you waive any rights to the contrary under applicable law.

## CHECKING AND SAVINGS ACCOUNTS

### PROCESSING DEPOSITS

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

We may accept, accept for collection only, refuse, or return all or part of any deposit. We may also impose any requirements or

conditions before we accept a deposit, such as requiring an acceptable form of identification, an endorsement guarantee or requiring an item to be endorsed by all parties to whom the items are payable. For example, we may refuse an item for deposit if:

- an item is made out to a payee not on your account (i.e., third-party payee)
- we cannot verify an endorsement on an item
- it is a non-U.S. item
- it is an item issued on a credit account (e.g., credit card convenience check)
- it is a cash deposit made into consumer accounts by non-account owners

We generally cannot verify that checks, money orders, cashier's checks or other items are authentic, valid or issued against good funds at the time you ask us to cash or deposit them.

If we accept an item for deposit:

- we are not required to question the identity and authority of the person making the deposit
- and your account is overdrawn, we may use the deposit to pay the overdraft and any fees due
- and the deposit is not paid for any reason or is later determined to be unauthorized, we may charge your account for the amount of the deposit, even if this causes your account to be overdrawn

You agree and warrant that:

- you will not knowingly deposit an item into your account that you know is not authorized or does not contain an authorized signature of the person on whose account it is drawn;
- you will not deposit with us or any other financial institution an item that has been previously or on the same day deposited using electronic deposit, such as through mobile banking or other deposit imaging service. If you make such a duplicate deposit, you agree to fully reimburse us for any Loss incurred; and
- you will not deposit an ECI, which is an electronic image that has all the attributes of an electronic check but is not originally derived from a paper check. You further warrant that any item you deposit has been created from a paper check. If you create or deposit an ECI, you agree to indemnify us for any Loss resulting from a breach of these warranties and to fully reimburse us for any Loss incurred.

### **Deposit Slips**

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

### **Checks Lost in Transit**

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

### **Collection Items**

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

### **Demand Drafts**

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

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

If an item cashed by us for you or deposited into your account is returned to us unpaid at any time for any reason, we may, in our discretion and without notice to you:

- attempt to re-clear the item for payment and place a hold on any funds in your account up to the amount of the item until final payment is determined or for the length of time permitted by law; or
- we may return the item to you, subtract the amount of that returned item from any account of yours with us, including any investment account maintained with an affiliate, together with any interest credited or received by you from that amount and we may cancel and not pay any accrued interest on that amount.

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

### **Check Endorsements**

You must endorse checks in the area that extends 1½ inches from the trailing edge on the back of the check. The trailing edge is the left side of the check when you look at the check from the front side. The remaining area is reserved for bank endorsements and must be kept clear and unobstructed.

If you endorse outside of that area or mark or otherwise obscure the area reserved for bank endorsements, we may refuse or return the item or accept the nonconforming endorsement. You agree to hold us harmless for any Loss we may suffer or incur arising from or in any way related to marks that obscure the area served for bank endorsements on items deposited or cashed by you.

We may, at our discretion, endorse and/or collect items deposited to your account without your endorsement or we may require your personal or business endorsement prior to accepting an item for deposit. If you present an item for deposit or encashment that bears the endorsement of more than one named payee or a payee that is not known to us, we may refuse to accept the item and require that the endorsements be guaranteed by another financial institution acceptable to us.

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

If an item cashed or deposited into your account:

- is returned to us with an affidavit or declaration stating that the item bears a forged or unauthorized signature or endorsement or is a counterfeit or is altered in any way; and
- we are requested to return funds or we are advised that such an item exists and may be returned or a credible claim may be made against us,

we may hold, return or deliver the funds claimed and subtract the amount of the item from any account of yours (including any investment account of yours maintained with an affiliate), together with any interest credited or received by you from the amount and any associated fees, without prior notice to you. We are not required to question the truth of the affidavit or determine if the item and affidavit are returned to us timely or within any applicable period limiting legal action. A fee may be charged for each item returned to us.

#### **Items Missing Endorsement**

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

#### **Deposit Total Adjustments**

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

#### **Overpayments and Reversals**

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

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

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

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

If a refund claim is or may be received from the originator of any deposit to your account credited pursuant to a direct deposit plan and we determine that we may have liability for any or all of the amount of the claim or the originator is otherwise entitled to the amount of the claim from you, except as otherwise required by law we may charge any account of yours with us for the amount of the claim and refund the amount to the originator without notice to you.

## **FUNDS AVAILABILITY AND DEPOSIT HOLDS**

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

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

If a deposit is made at a branch on a Business Day before the office closes or before the cut-off time established for the branch, whichever is earlier, it will be considered made on the day of deposit. A deposit received by mail will be considered made on the Business Day of receipt at an authorized location for mail deposits before our established cut-off time. Deposits to the night depository will be considered made when removed and available for processing by us. Deposits made at one of our automated teller machines will be considered made on the Business Day of deposit if made before our established cut-off time. Deposits made by lockbox arrangement, deposit courier and armored carrier are subject to the terms and conditions in the *Treasury Management Services Disclosure and Agreement*. Deposits received after an established cut-off time are considered received on our next Business Day and availability is determined from that day.

Please remember that even after we have made funds available to you and you have withdrawn the funds, you are still responsible for checks or other items deposited that are returned to us unpaid, for breach of warranty or for any other problems involving your deposit.

### **Longer Delays May Apply**

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

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

Please refer to the "Items Presented Against Insufficient, Unavailable or Uncollected Funds" section of this Agreement. If you intend to use the funds from a deposit immediately, you should ask us when the funds will be available.

### **Holds Under Special Circumstances**

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 Business Day. (Deposits made on non-Business Days will be added together with the deposits on the next Business Day.)
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account (or combination of accounts) repeatedly in the last six (6) months.
- There is an emergency, such as a failure of communications or computer equipment.

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

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

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

the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's and federal, state and local government checks will be available on the first Business Day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess of \$5,525 will be available on the seventh Business Day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second Business Day after the day of your deposit.

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

#### ***New Accounts Opened Online***

When you authorize us to fund a new account opened online at *cnb.com* using an ACH transfer, an ACH debit entry for the amount authorized will be originated by us to the account at the bank you designate. CNB will make funds received from the ACH debit entry for credit to your new account available for your use not later than the fifth Business Day after the day we receive the funds. You may contact us or check your account online to determine if the initial deposit is available. CNB reserves the right to delay availability longer upon notification.

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

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

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

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

### **PROCESSING WITHDRAWALS**

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

We may process and pay checks, other items written against your account and other transactions by any method and in any order we consider reasonable. Please see "Order of Posting" section for more information. In most instances we process checks mechanically, relying upon scanning devices to "read" the figures on your checks. Checks sent to us electronically are paid based on the amount transmitted to us. This means a check you write may not be physically examined by us to determine if it is properly signed, drawn, endorsed or dated. Our payment practices conform to reasonable banking standards and you acknowledge that, in doing so, we are not negligent.

If we do physically examine a check or other item, we reserve the right to return that item unpaid without liability to you if we cannot determine to our satisfaction that the item was authorized by you. If we question an item presented for payment we may attempt to contact you, but we are not obligated to do so and if we are unable to contact you to confirm our authority to pay the item, we may return the item unpaid without liability to you. We do not charge a fee for returning an item we question.

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

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

#### ***Postdated Checks***

If a postdated check (that is, a check with a date in the future) is presented for payment against your account, we may cash or pay the check against your account upon presentment even if presentment is before the date on the check. If you do not want us to pay a postdated check, you must place a stop payment order on it. See "Stop Payment Orders on Checks You Write" section. There is a fee to place an instruction not to pay a postdated check and for any renewal of the instruction.

**Please note:** A postdated check is a "good" check and is negotiable, and whoever holds it may have rights to enforce payment from you even if we return the check unpaid.

#### ***Stale-Dated Checks***

If a stale-dated check (that is, a check that is dated more than six (6) months in the past) is presented for payment against your account, we may pay the check against your account or we may refuse to pay it and return the stale-dated check unpaid. We need not notify you before a stale-dated check is paid or is returned. If we return a stale-dated check, a fee may be charged.

#### ***Checks Presented Bearing Notations***

If you write a check or other item with one or more restrictive notations such as "Void After 180 Days" or "Paid In Full" or "Void Over \$1,000" or the like, you should not expect us to notice the notation when the item is presented to us for payment and we are not required to act on the notation unless we have agreed to do so in writing. Absent our written agreement otherwise, we may cash or pay an item bearing such a notation against your account and we shall not be liable to you or anyone else for not noticing or acting upon the restriction or advising you of the restriction before cashing or otherwise paying the item. If you negotiate an item to us bearing such a notation, you acknowledge that the notation applies only to you and the maker and you will indemnify and hold us harmless from any claim or Loss alleged by anyone arising from the notation. See your Relationship Manager or a Client Representative at your branch to discuss special processing of any such item you may write. A fee may be charged for special processing of any such item.

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

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

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

**Note:** We may close your account if you repeatedly draw items against insufficient or uncollected funds.

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

If any item drawn on your account is presented to us for payment on the same Business Day the covering deposit is made with us, an

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

**Please note:** We may close your account if you have repeated intra-day overdrafts on your account. A fee may be charged for an intra-day overdraft.

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

Sometimes checks that you write may be converted into an electronic check and we will receive an electronic debit for the transaction amount. When we receive the electronic debit, we charge it to your account. It is possible that we may receive the debit immediately after the business enters the transaction so you may have a reduced right to place a stop payment order and you may incur an overdraft if you do not have sufficient funds in your account at the time of debit. You agree that a determination of your account balance for purposes of making a decision to dishonor an item for insufficiency of available funds may be made by us at any time between the receipt of such presentment or notice and the time of return of the item, and no more than one such determination need be made. A fee may be charged when a check presented by electronic means is dishonored.

**Note:** We do not have a copy of the check if it is presented by electronic means. Electronic debits will be listed in your account statement.

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

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

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

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

#### **Check Stock**

You may order your checks through us or you may use an outside vendor. If you order through us we may receive compensation from our check vendor. If you use an outside vendor, your checks must conform to our specifications. You are responsible for any error on checks provided to you by your outside vendor and any resulting

Loss. Non-conforming or erroneous checks from your outside vendor may cause your checks to be refused or delayed. If any such error results in cost or Loss to us, you are liable to us for any Loss, cost, liability or expense we may incur. We may return checks unpaid when drawn on your account using check stock provided to you by your outside vendor which cannot be processed in a normal manner by our equipment at the time of presentment and we may charge a fee for each returned check. If errors on your checks provided to you by your outside vendor are not corrected promptly, we may impose additional charges after notice to you.

You must notify us promptly if a check you write or a blank check of yours is lost or stolen. If a blank check is lost or stolen or any unauthorized transaction is attempted or conducted on your account and we ask you to close your account and open a new account, you shall do so. If you refuse to close your account as we request, we will not be liable to you for any unauthorized transactions on your account thereafter.

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

At our discretion, we may limit the amount of any large cash withdrawal from your account at any time unless you have notified us in advance of your intention to make the cash withdrawal. We may refuse or limit cash withdrawals from any branch that is not your branch of account. We may require that you arrange to receive the cash to be withdrawn at our central cash vault or other location designated by us by armored transport acceptable to us at your risk and expense. You are solely responsible for the security of the cash withdrawn and in your possession.

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

If you provide your account number to a third party to enable the party to prepare a demand draft drawn against your account, you authorize us to pay such draft when presented to us even though it does not bear your signature and may exceed the amount you authorized. We are not obligated to honor demand drafts and may refuse to do so at any time without notice to you, even if we have honored similar items previously.

Furthermore, if you voluntarily disclose your account number to another person verbally, in writing or by other means, you are deemed to have authorized the item, including an electronic debit, which results from your disclosure. We may pay such items against your account.

#### **Consumer ACH Debit Entry (Business Accounts Only)**

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

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

#### **Overdraft Liability**

Your account is considered overdrawn when the account ledger balance is negative. This may occur when items are presented to us for payment and you do not have sufficient funds in your account to cover the item, and we make the decision to pay the item. Any such decision is at our discretion. Your account also may become overdrawn if you do not have sufficient funds to cover account maintenance fees, service fees or returned items. You are liable to us to repay any overdraft on your account. If there is more than one person authorized to sign on your account, you, as owner of the account, or, when there is more than one owner, each owner of the account, jointly and severally, is liable to us for any overdraft on the account and any associated interest or fees whether you signed or initiated the item that created the overdraft or not and whether you benefited from the proceeds of the item creating the overdraft or not. BY OPENING AN ACCOUNT WITH US YOU WAIVE ANY PROVISION OF STATE LAW TO THE CONTRARY. The fact that we allow one or more overdrafts on an account shall not obligate us to allow another overdraft or to increase an existing overdraft and we shall not be liable for not allowing or increasing overdrafts without notice to you even though we may have previously done so. Please see "Items Presented Against Insufficient, Unavailable or Uncollected Funds" section.

You may be charged a per-item overdraft fee, interest on the daily amount of any overdraft on your account, or a combination thereof. Debits for which overdraft fees can be assessed include any transaction presented for payment against an account (such as checks, ACH transactions, online or mobile payments, and returned deposited items). We do not assess a per-item overdraft fee for an ATM or debit card transaction. Overdraft fees are not assessed on our fees and charges if the fees and charges create or increase an overdraft. Our waiver or reversal of an overdraft fee does not obligate us to waive or reverse such a fee in the future.

You can avoid fees for overdrafts and returned items by making sure that your account ledger balance is sufficient to cover all of your outstanding transactions. We recommend that you enroll in one of the optional overdraft protection plans: Personal Savings Overdraft Service, Personal Overdraft Line of Credit, Personal Overdraft Sweep Service, Business Overdraft Line of Credit, or Commercial Credit Sweep Service. Information on our overdraft protection plans is available in the *Personal Options: Overdraft Protection* and *Business Options: Overdraft Protection* documents. These plans can help you avoid overdrafts and returned items. While there are fees when you use an overdraft protection plan, they may be less expensive than the fees for overdrafts and returned items.

#### **Order of Posting**

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

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

The law allows us to process your account transactions by any method and in any order that we consider reasonable. We may change the method or order at any time without notice to you.

#### **STOP PAYMENT ORDERS**

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

You or any Authorized Signer on your account may request a stop payment on a check or other item drawn against your account in a time and manner allowing us a reasonable opportunity to act on it before we pay, cash, or otherwise become obligated to pay your check or item. The order may be given either in person at one of our branches, by calling the number listed on your account statement, by using our online banking service, or as we otherwise allow. To stop payment on a consumer electronic payment, such as a preauthorized automated clearing house (ACH) debit, online payment, or consumer international wire transfer, refer to our *Consumer Electronic Fund Transfer Agreement and Disclosure* for stop payment procedures.

We require the following information to stop payment on an item (also required for postdated check orders; see "Postdated Checks" section):

- The account number

- The check number
- The check date
- The exact amount of the check (both dollars and cents)
- The payee(s) name(s)

If any of the information is not correct, we are not responsible or liable to you or to anyone else if we do not stop payment on the item and we pay it when it is presented to us for payment.

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

A stop payment order is valid for six (6) months only and must be renewed by you at six (6)-month intervals thereafter to remain effective. We also offer stop payment orders that are valid for longer periods. If a stop payment order is not renewed and the item is presented for payment after the order expires, the item may be paid and charged to your account. At the time you place your stop payment order you may request that the stop payment order remain valid for a longer period than six (6) months. See your Relationship Manager or a Client Service Representative at your branch for details.

If you are concerned that a check you ordered stopped may still be presented after the stop payment order term expires, you should renew your stop payment order. Although we may return an item unpaid because the date on the item is six (6) months old or more, you should not expect us to notice the date and return the item and we are not required to do so. It is not our practice to notify you prior to the expiration of a stop payment order and we are not required to do so.

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

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

We may charge a fee to accept or renew a stop payment order. Please refer to the applicable fee schedule for more information on the fees and types of stop payments available to you.

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

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



## TERMS FOR INTEREST-BEARING ACCOUNTS

### *Interest on Funds*

The interest rate and associated annual percentage yield (APY) are established by us and may vary as often as daily. The APY assumes no withdrawal of credited interest and no change in interest rate for a full year.

All interest-bearing accounts are variable rate accounts unless otherwise specified in writing. At our discretion, we may change the interest rate and APY on your account at any time without notice. The interest rate and APY for a particular type of account may differ depending on the account balance. For example, we may establish a rate and APY for two or more balance ranges or balance tiers, which may differ by account type. Two or more tiers may be offered at the same rate. Tier rates may vary and may be higher or lower than a preceding tier. We may change tiers at any time without notice. The rate and APY for all balance tiers for an account type are disclosed at the time of account opening or upon request or available in the current applicable CNB Interest Rates Bulletin.

Unless otherwise indicated, the interest rate and APY assigned to the tier that corresponds to the entire balance for savings accounts and to the collected funds balance for interest-bearing checking and money market accounts will be applied to all such balances.

Your account must remain open through the time interest is credited to receive accrued interest.

### *How Interest is Calculated*

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

For all interest-bearing checking and money market accounts:

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

For all savings accounts:

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

## CERTIFICATES OF DEPOSIT

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

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

### *How Interest is Calculated*

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

### *Interest on Funds*

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

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

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

### *Renewals*

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

An automatic renewal account renews on its maturity date for the same period as originally selected unless we notify you of a different term. If the CD has a term of greater than one (1) month, we will notify you in advance of the renewal and will tell you when the rate will be known. The interest rate at renewal will be determined by us on or before the renewal date.

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

### *Transaction Limitations*

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

### *Early Withdrawal Penalty*

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

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

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

Each penalty is calculated on the amount withdrawn.

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

### *Notice for Withdrawal*

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

## GENERAL ACCOUNT INFORMATION AND TERMS

### ACCOUNT ANALYSIS

Account Analysis is a service which offsets eligible Treasury Management and depository fees and charges by an "earnings credit allowance" determined by the Bank based upon the value to the Bank of your eligible deposit account balances. At the end of each monthly account analysis cycle, the Bank applies an annualized "earnings credit rate" to the eligible deposit balances to calculate the monthly earnings credit allowance. The earnings credit rate is determined by the Bank from factors applicable to it and the rate may vary. The earnings credit allowance so determined is then applied to the eligible Treasury Management and depository fees and charges assessable against your analyzed deposit account(s) during the month to cover or reduce the assessable fees and charges. Standard settlement is monthly. Any fees and charges not covered by the earning credit allowance are assessed against your account(s). Any unused earnings credit allowance is not available for withdrawal and not available to carry forward. From time to time, the Bank may review your accounts to determine, at the Bank's discretion, if the Account Analysis service is appropriate for you. Based on the review, the Bank may convert your accounts to analyzed status or to non-analyzed status, without notice to you unless required by law.

If you deposit funds you hold for the benefit of a third party in any account maintained by you with us on which our fees and charges are offset by means of an earnings credit allowance, you represent that your use of the earnings credit allowance or any interest credited to the account will not violate any law, regulation, or agreement with the third party.

### BANK AND CLIENT ACCOUNT RELATIONSHIP

The account relationship between you and us is based on the contract created when you sign our account documentation and open an account with us. For a deposit account, the account relationship is that of a debtor (us) and a creditor (you). We are indebted to you to repay the money you deposit with us in accordance with the deposit terms. No fiduciary or other special relationship is formed between you and us unless we specifically agree to such a special relationship in writing.

### BREACH OF WARRANTY

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

### CHECK IMAGES

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

### COMPLIANCE WITH LAW

It is our policy to comply with the laws and regulations applicable to us and we expect our clients to comply with the laws and regulations applicable to them. You specifically acknowledge that you are responsible for compliance with the tax laws and regulations applicable to you; for timely filing all required tax returns and other documents with each taxing authority having jurisdiction over your tax affairs by reason of your citizenship, residence or domicile; and, for paying your applicable taxes. We reserve the right to require you to certify your compliance with such laws and regulations to us upon our request. You shall not use any account you maintain with us or any service we provide to you to violate any law or regulation to which you are subject. Your obligation of compliance includes compliance by any beneficial owner of your account. We may exercise our right to close your account and

terminate the relationship between you and us if we reasonably believe that you are violating or may have violated this provision.

You shall not use any CNB account or service for unlawful Internet gambling. Federal regulation requires us to identify, block or otherwise prevent or prohibit unlawful Internet gambling. We may not process any such activity we identify and your account may be closed.

### CONDUCT OF BUSINESS ACTIVITY

We conduct our business in a professional manner and expect our staff to be courteous to and respectful of all of our clients. We do not discriminate against any client on any basis prohibited by law including, but not limited to, race, gender, religious preference, national origin or sexual orientation. We expect our clients to conduct their business affairs with us in a professional manner and to be courteous to and respectful of our staff. We reserve the right to close your accounts and terminate all of your relationships with us immediately if we determine that your conduct or the conduct of anyone acting on your behalf toward any of our staff is discourteous, disrespectful, harassing or discriminatory.

### CONFIDENTIALITY

We regard the relationship between you and us to be confidential. We will not release information concerning your account or the services we provide to you to others without your consent except as otherwise stated in our Privacy Policy and as we are required or permitted to do so by law. See the "Privacy Policy" section for greater detail. By opening and maintaining an account with us you agree that we may share information about you with our subsidiaries and affiliates as permitted by law. We employ non-affiliated vendors who provide services to us for the purpose of maintaining your accounts and other relationships with us. In the course of their employment the vendors may have access to information about you necessary to provide their services. We obligate these vendors to maintain the confidentiality of the information and to use the information only for the purpose intended to maintain the service provided to you.

Your privacy protection rights arise under federal law and applicable state law. To the extent not prohibited by applicable law, you waive any privacy protection rights provided under the law of any foreign country or jurisdiction.

### "CUT-OFF" TIMES

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

### DEPOSIT INSURANCE COVERAGE

We are an FDIC-insured depository institution. Qualified deposits maintained with us are insured, up to applicable limits, by the FDIC which is a corporation organized by the government to insure deposits. Premiums for this insurance are generally paid by us but we reserve the right to assess the insurance premiums to accounts in a manner determined by us. You may obtain further information about the FDIC and the insurance of your accounts by requesting the FDIC publication regarding your insured deposit available from your Relationship Manager or a Client Representative at your branch. You may also contact the FDIC directly by writing to the FDIC Attn: Deposit Insurance Section, at 550 17th Street, N.W., Washington D.C., 20429-9990, or by calling (877) 275-3342, or through the FDIC website at [www.fdic.gov/deposit/deposits](http://www.fdic.gov/deposit/deposits).

### ELDER OR DEPENDENT ADULT FINANCIAL ABUSE

If we reasonably and in good faith believe a transaction you or another person acting on your behalf requests may be a result of elder or dependent adult financial abuse as defined under applicable law, **or we believe you are the victim of such abuse**, we may report our suspicion to the appropriate local or state agency or law enforcement authority without notice or liability to you. We may conduct or refuse to conduct the transaction at our discretion with no liability to you.

### ELECTRONIC FUND TRANSFER SERVICES

Electronic fund transfer services are available to consumers and to businesses. By opening a deposit account with us each person

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

Electronic Fund Transfer services are subject to the *Consumer Electronic Fund Transfer Agreement and Disclosure* or *Business Electronic Fund Transfer Agreement and Disclosure*. To request a copy or for more information, see your Relationship Manager or a Client Representative at your branch or visit [cnb.com](http://cnb.com).

#### **FACSIMILE SIGNATURES**

If you use a facsimile signature (often called a "signature stamp," "automatic laser check signature" or mechanical signature), we may rely and act upon the facsimile signature, and you are responsible for any withdrawal from your account that bears or appears to us to bear a facsimile signature that resembles or purports to be the signature of an Authorized Signer. If you or your agent has provided a facsimile signature exemplar to any of our subsidiaries, you authorize our subsidiary to provide the facsimile signature exemplar to us and we may rely upon it to conduct transactions on your behalf. We will not be liable to you if use of the facsimile device (or other device utilized to affix the signature) was unauthorized. You agree to reimburse us (and we may charge your account) for all Losses related to our reliance on the facsimile signature. You agree to review each statement we make available to you for an account and report any item bearing an unauthorized facsimile signature exemplar to us immediately. If you do not report an unauthorized facsimile signature exemplar to us within 30 days (14 days for businesses) from the receipt of the first statement containing an item with an unauthorized facsimile signature exemplar, each item containing an unauthorized facsimile signature exemplar thereafter shall be deemed approved by you for payment.

#### **FEES AND CHARGES**

We may charge our fees and charges and any fees or charges assessed by others for transactions requested or initiated by you to any account you maintain with us. You are provided a schedule of our fees and charges when your account is opened. When a fee or charge is changed, we will notify you as required by law. Fees and charges assessed will appear on your statement and we are not required to give you a separate notice each time a fee or charge is assessed. You may obtain our current fee schedule for your account from your Relationship Manager or a Client Representative at your branch or at [cnb.com](http://cnb.com).

#### **FOREIGN CURRENCY ITEMS**

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

#### **FREEZING YOUR ACCOUNT**

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

#### **HEADINGS**

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

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

We may consider an account with no deposit or withdrawal activity for a period of time determined by us to require special monitoring for inactivity. We may hold and not mail the statements on the account and automated teller machine and point-of-sale access may also be discontinued. Normal service charges will continue to apply.

If any account requires special handling for inactivity and is unclaimed by you for the period required for escheat under applicable state unclaimed property law, we shall deliver the balance of the account to the state as required by its law or, when applicable, as required by agreement between the states. A fee may be charged for mailing a notice of escheat. Upon escheatment, the account is closed, no interest accrues thereafter, and we have no further responsibility or liability to you for the funds. You must file a claim with the state receiving the funds to recover funds and we shall not be required to recover the funds for you.

#### **INTERNATIONAL WIRE TRANSFERS**

U.S. Dollar wire transfers to a foreign beneficiary's account may be converted to the foreign currency of the beneficiary's account by us or by any intermediary bank, including the bank of account, unless the foreign beneficiary's account is also a U.S. Dollar account and payment is required in U.S. Dollars.

When you initiate an international wire transfer in U.S. Dollars through us, at our option, we may convert, or arrange with any intermediary bank to convert, your U.S. Dollar wire transfer to the foreign currency of the beneficiary's account at a preferred buying rate determined by us or the intermediary bank processing your wire transfer order.

We may retain or share in any foreign currency exchange proceeds we or the converting intermediary bank receives. In the event your wire is converted and the beneficiary requires the payment be received in U.S. Dollars, the wire will be re-converted and settled in U.S. Dollars. Any Loss or gain in the foreign exchange re-conversion to U.S. Dollars will be for our account or the account of the intermediary bank and at no re-conversion cost to you.

For information specific to international wire transfers from a consumer account, please refer to our *Consumer Electronic Fund Transfer Agreement and Disclosure*.

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

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

#### **LEGAL PROCESS**

We may accept and comply with any legal process (such as a levy, notice of garnishment, attachment, tax levy, injunction, restraining order, or subpoena for records) that we reasonably believe is valid and applies to your account or our relationship with you. We may accept and comply with any legal process served by mail, electronic mail transmission (email) or facsimile transmission or delivered to a location of ours other than the location designated by us for receipt of legal process or the branch or location at which the account, property or records are held. We may, but are not required, to notify you of the receipt of legal process. We will not send a notice if we believe the law prohibits us from doing so. You are responsible to assert any third party rights to the funds in any account maintained by you with us and we have no obligation to ascertain or assert the rights of such third parties.

We may hold or hold and turn over funds or other property as directed by the legal process, subject to our right of setoff and any security interest we may have in the funds or other property. We do not pay interest on the funds during the period we hold them pursuant to legal process. If we hold or turn over funds, we may

return checks and other items unpaid and refuse to permit withdrawals from your account with no liability to you. If the legal process applies to a CD, we may charge the applicable early withdrawal penalty for funds taken from the CD.

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

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

We have no liability to you if we accept and comply with legal process as provided above or by law.

#### **LIMITATION ON ACTIONS**

Any action or proceeding based on an account error, discrepancy or unauthorized transaction, including a forged, unauthorized or missing signature on an item, or an alteration of an item, shall be brought or commenced within one (1) year after the date of the first account statement on which the error, discrepancy or unauthorized transaction appears.

Unless a shorter period applies by law, any action or proceeding to recover money or other property deposited with us, including money deposited with us in a certificate of deposit or other instrument, shall be commenced within four (4) years of the last deposit or withdrawal or, in the case of a certificate of deposit or other instrument, within four years following the first maturity of the certificate or instrument without a further deposit or withdrawal. The crediting of interest to an account is not a deposit for the purposes of extending the time within which an action or proceeding to recover the money or property may be brought.

#### **LIMITATION ON LIABILITY**

##### **General**

We are not liable to you for:

- taking any action authorized or permitted by this Agreement, even if such action may cause you to incur fees, expenses or damages;
- errors that do not result in a financial Loss to you;
- any claim, cost, Loss or damage caused by an event that is beyond our reasonable control, including any failure or delay when delivering our products or services to you if the failure or delay is attributable to circumstances beyond our reasonable control. Examples include natural catastrophe, acts of government authority, war, revolution, civil unrest or other disorder, labor disputes, fire, flood, earthquake, software defect and electrical, computer or telecommunications failure, provided that we shall have acted reasonably under the circumstances.

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

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

**IN NO EVENT SHALL WE BE LIABLE TO YOU FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGE OF ANY KIND AS A RESULT OF OUR BREACH OF ANY OBLIGATION OR TERM ARISING UNDER OUR AGREEMENT WITH YOU OR IN CONNECTION WITH THE ACCOUNTS YOU**

#### **MAINTAIN WITH US, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.**

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

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

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

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

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

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

We have established security procedures to be followed in connection with online, mobile and other electronic services using the Internet ("Security Procedures") for the purpose of verifying that a payment order or other instruction is from you. You understand and agree that the Security Procedures are chosen by you and are intended to determine whether (1) access to the online, mobile or other electronic service is by authorized persons, and (2) any instructions or other transmissions received by CNB through the Internet ("Instructions") are authorized, but that the Security Procedures are not (unless otherwise specified in writing) intended to detect any errors in the content or transmission of such Instructions. You shall promptly notify us of any suspected breach of security of the online, mobile or other electronic services (whether or not involving Bank employees) of which you have knowledge. We will distribute passwords, verification codes or other Security Items, which are a part of and included in the Security Procedures, directly to you. You agree to be bound irrevocably by any Instructions received by us through the online, mobile or other electronic service and accepted and authenticated by us in compliance with the Security Procedures, whether or not the Instruction was authorized. When you use an online, mobile or other electronic service, you acknowledge that you have been advised of the various Security Procedures employed by us, that you understand and agree to them, and that the Instructions issued

to us will employ the Security Procedures. You agree that the Security Procedure and Security Items used by you are a commercially reasonable method of providing security against unauthorized payment orders. We reserve the right to change the Security Procedures upon reasonable written notice to you, provided that we may change the Security Procedures immediately without prior notice if we determine that such action is necessary to address a security risk, in which case we shall notify you of the change as soon as is practicable after the change. Any change to the Security Procedures undertaken or proposed by us shall not reduce or impair the level of security provided for the online, mobile or other electronic services.

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

#### **NOTICE OF SEVERABILITY**

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

#### **PHOTOGRAPHY**

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

#### **PROTECTION AGAINST UNAUTHORIZED ITEMS. (FOR BUSINESS ACCOUNTS ONLY)**

We offer services that provide additional means for controlling the risk from unauthorized items, including:

- Positive Pay
- ACH fraud filter

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

#### **RECORDS**

We are required by law to keep certain of our records of transactions conducted by clients for a stated period of time. We are not liable to you for failing to do so or if the records are illegible or otherwise unavailable.

If we are not able to produce the original or a copy of your Personal or Business Account Agreement or any other document relating to your account or service, our records (including our electronic records) will be deemed conclusive. If there is a discrepancy between your records and our records, our records will be deemed conclusive.

#### **RIGHT OF SETOFF**

If you owe us money and do not pay us as you agreed, we may apply any funds you have on deposit with us or with our affiliates to satisfy or reduce the debt you owe us to the extent permitted by law. We may apply all funds in a joint tenancy account to satisfy or reduce a debt owed to us by one of the joint tenants. We may restrict all funds in a tenancy in common account to determine the interests of the tenants in the account and apply the interest of a tenant to satisfy or reduce a debt owed to us by that tenant. If the funds we apply to satisfy or reduce a debt owed to us are in a CD

and are principal, we may also assess our applicable early withdrawal fee. We may also restrict access to any safe deposit box you maintain with us until the money you owe us is paid.

If the law imposes conditions, protections or limits on our ability to take or setoff funds in your accounts, to the extent that you may do so by contract, you waive those conditions and limits and you authorize us to apply funds in any of your accounts with us and with our affiliates to obligations you owe us.

#### **RIGHT TO CLOSE ACCOUNT**

You may close your account at any time, unless the account is an interest-bearing account with a stated maturity or the account requires a notice period for withdrawal and we do not waive these requirements; the account is pledged to us or to another; or the account may not be closed for other reasons. If there is more than one signer on your account, any signer may order the account closed but signing requirements must be met for withdrawals. If you close your account in the first 90 days after opening, a fee may be charged except where prohibited by law.

We may consider your account closed and close it if the balance in the account is at zero or is overdrawn for a period of time determined by us unless the account with a zero balance is maintained with us under the provisions of a zero balance account agreement or similar arrangement. If your account is closed with an overdraft, we may report you and the amount of the overdraft to an appropriate consumer reporting agency. We may also pursue collection efforts to recover the amount of the overdraft and associated fees.

We may terminate our account relationship with you and close your account at any time upon reasonable notice to you unless we otherwise agreed in writing to maintain the account for a stated period. For good cause, we may close your account at once. If we close your account for cause, such as improper or unsatisfactory activity in the account, we may report that fact to third parties as permitted by law.

When your account is closed, all services related to your account end as well. If we close your account and there is a balance remaining in the account, we may mail our check for the amount of the balance payable to the account owner(s) to you at the address to which we mail your statement and we may return deposits, checks and other items that we receive after your account is closed without liability to you. Matters related to your account continue to be governed by the terms and conditions of this Agreement even after your account is closed.

#### **SUB-ACCOUNTS**

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

#### **SUSPICIOUS ACTIVITY**

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

#### **USURY SAVING CLAUSE**

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

#### **WAIVER OR DELAY**

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

## SUBSTITUTE CHECK POLICY

### SUBSTITUTE CHECKS

Federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check. Some or all of the checks that you receive back from us may be substitute checks.

You agree that you will not cash or deposit "substitute checks" as defined by federal law or Image Replacement Documents that purport to be substitute checks and have not been previously endorsed by a bank. If you do cash or deposit substitute checks, you give us the same warranties and indemnities that we, as a reconverting bank, would give under applicable law or regulation and you agree to reimburse us for any Losses we may incur. If the substitute check is an electronic representation (instead of the original check), you agree to reimburse us for all Losses we incur because the substitute check does not meet applicable standards or causes duplicate payments.

### CONSUMERS' RIGHTS REGARDING SUBSTITUTE CHECKS

In certain cases, federal law allows you to request a refund for Losses you suffer if a substitute check is erroneously 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.

The amount of your refund is limited to the amount of your Loss or the amount of the substitute check, whichever is less. You may be entitled to interest on the amount of your refund if your account is an interest-bearing account.

If you make a claim, you may receive up to the lesser of the amount of your refund or \$2,500 within 10 Business Days after we receive your claim and the remainder of your refund (plus interest if your account earns interest) no later than 45 calendar days after we receive 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.

### CLAIM FOR 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 by calling **(800) 773-7100** or write to us at 1801 West Olympic Boulevard, Suite 300, Los Angeles, CA 90006, Attn.: Deposit Services.

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.
- A copy of the substitute check or the following information to help us identify the substitute check: the account number, the check number, the name of the person to whom you wrote the check and the amount of the check.

## DISPUTE RESOLUTION

Maintaining a good relationship with you is very important to us. If you have a dispute, problem, or concern arising out of, affecting, or relating to your account(s), and/or the products or services we have provided, will provide, or have offered to provide to you, and/or any aspect of your relationship with us (hereafter referred to as the "Claims"), please contact us immediately. If you and we are not able to resolve the Claims quickly and informally, then you agree that the Claims will be resolved using the procedures set forth below.

### SMALL CLAIMS

If the Claims can be filed in or transferred to small claims court, they shall be resolved through small claims court and not through the Arbitration Agreement set forth below.

### ARBITRATION AGREEMENT

Except to the extent that they may be resolved through small claims court or as set forth in the "Miscellaneous" section below, any and all Claims, regardless whether they (a) arise out of, affect, or relate to conduct that occurred prior to the Effective Date of the Agreement, or (b) are in contract, tort, statute, or otherwise, shall, at the election of either you or us, be resolved by confidential and binding arbitration.

Either you or we may elect to resolve any and all Claims through arbitration, even if one of us has already initiated litigation in court related to such Claim(s), by: (a) making written demand for arbitration upon the other party, (b) initiating arbitration against the other party, and/or (c) filing a motion to compel arbitration in court. **AS A RESULT, IF EITHER YOU OR WE ELECT TO RESOLVE ANY CLAIM(S) THROUGH ARBITRATION, YOU GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR CLAIMS, RIGHTS, AND POSITIONS AS TO SUCH CLAIM(S)** (except for a claim brought individually within small claims court jurisdiction, so long as the claim remains in small claims court).

The parties shall mutually agree that the arbitration be administered by either the American Arbitration Association ("AAA") or JAMS, in accordance with the AAA or JAMS rules and procedures, respectively, then in effect and applicable to the type of dispute at issue ("the Rules"). The Rules can be obtained free of charge from AAA ([www.adr.org](http://www.adr.org)) or from JAMS ([www.jamsadr.com](http://www.jamsadr.com)). In the event of an inconsistency or conflict between the Rules and this Arbitration Agreement, this Arbitration Agreement shall supersede the conflicting Rules only to the extent of the inconsistency or conflict. If the parties cannot mutually agree on either AAA or JAMS, then you shall select either AAA or JAMS to administer the arbitration, in accordance with that forum's applicable Rules. You may not elect to have the Claims resolved in court. If you do not select either AAA or JAMS within thirty days of the date that we inform you that the parties cannot mutually agree on an arbitration forum, then we will select either AAA or JAMS to administer the arbitration.

Any party that fails to submit to arbitration following a proper demand to do so shall bear and agrees to pay all costs and expenses, including reasonable attorneys' fees, incurred to compel arbitration. Such party shall bear and agrees to pay such costs and expenses (1) even if such party otherwise prevails, in whole or in part, on the Claim(s); and (2) notwithstanding any other provision of this Arbitration Agreement.

This Arbitration Agreement shall be interpreted and enforced in accordance with the Federal Arbitration Act set forth in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claims at issue. You and we agree that, by virtue of your relationship with us and the products or services we have provided, will provide, or have offered to provide to you, we are participating in transactions involving the movement of money or goods among states.

This Arbitration Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local governmental agency or entity.

### ***Selection of Arbitrator(s)***

If the total amount of money at issue in all Claims is \$500,000 or less, the Claims shall be resolved by a single neutral arbitrator. In that case, the arbitrator will only have the authority to award up to \$500,000 in total, including all damages and costs of every kind. If the total amount of money at issue in all Claims is greater than \$500,000, the Claims shall be resolved, upon the request of you or us, by a majority vote of a panel of three neutral arbitrators. Unless you and we expressly agree in writing otherwise, a submission to a single arbitrator will be deemed a waiver of any right to recover more than \$500,000. If neither you nor we request a panel of arbitrators, then the Claims shall be resolved by a single neutral arbitrator. The arbitrator(s) (a) shall be selected in accordance with the Rules; (b) must have at least fifteen years' experience as an attorney, or be a retired judge; and (c) must have some experience with financial services issues or business contracts.

### ***Arbitration Proceedings***

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

### ***Appeal***

If, in any arbitration, a single arbitrator awards \$0 to the claimant, then the claimant may appeal. If, in any arbitration, a single arbitrator awards more than \$100,000 against the non-claimant, then the non-claimant may appeal. Except as specified in the foregoing two sentences, no party may appeal any arbitration award. Any appeal must be filed in writing with AAA or JAMS within thirty days of award issuance. If a party files a timely and proper appeal, the appeal shall be heard by a panel of three neutral arbitrators. No new testimony or evidence may be presented on appeal. The panel shall not be bound by any factual findings or legal rulings made by the single arbitrator, and may reconsider all factual and legal issues de novo. The panel shall decide the appeal by majority vote. There shall be no appeal in a case where the Claims are resolved in the first instance by a majority vote of a panel of three arbitrators (i.e., in a case where the total amount of money at issue in all Claims is greater than \$500,000). Any final arbitration award after any appeal has been concluded shall be binding on the named parties, may be entered as a judgment in court, and shall be enforceable by any court having jurisdiction.

### ***Validity and Enforceability***

Except as set forth in the following sentence, any determination as to whether this Arbitration Agreement is valid, applicable, or enforceable in part or in its entirety shall be made solely by the arbitrator(s), including without limitation any issues relating to whether a Claim is subject to arbitration. Notwithstanding the previous sentence, the enforceability of the Class Action Waiver set

forth below shall be determined by a court. If any provision in this Arbitration Agreement, other than the Class Action Waiver set forth below, is found to be unenforceable, the remaining provisions in this Arbitration Agreement shall remain fully enforceable. If the Class Action Waiver set forth below is found to be unenforceable in any proceeding, the remainder of the provisions in this Arbitration Agreement shall also be unenforceable in that proceeding. If, as a result of any provision in this Arbitration Agreement being found to be unenforceable, any Claim is sent to any court for resolution, then to the maximum extent permitted by the laws of the relevant jurisdiction, both you and we (a) waive and give up any and all rights that may exist to a jury trial, and (b) agree that the court shall be the trier of fact.

### ***Class Action Waiver***

**ANY ARBITRATION OF ANY CLAIM(S) SHALL BE ON AN INDIVIDUAL BASIS ONLY. YOU UNDERSTAND AND AGREE THAT YOU AND WE ARE WAIVING AND GIVING UP THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER (INCLUDING THE RIGHT TO RECOVER ANY MONIES OR DAMAGES) IN ANY AND ALL CLASS ACTION LAWSUITS, WHETHER SUCH LAWSUITS ARE BROUGHT BY YOU, US, OR ANY OTHER PARTY, IN ARBITRATION OR IN ANY COURT. IN ANY AND ALL ARBITRATIONS AND COURT ACTIONS OF ANY KIND, NEITHER YOU NOR WE SHALL BE ENTITLED TO JOIN OR CONSOLIDATE CLAIMS BY OR AGAINST OTHERS, OR TO INCLUDE OR PARTICIPATE IN ANY CLAIM AS A REPRESENTATIVE OR MEMBER OF A CLASS, OR TO ACT IN THE INTEREST OF THE GENERAL PUBLIC OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.**

### ***Miscellaneous***

Nothing contained in this Arbitration Agreement shall prevent you or us from applying to any court of competent jurisdiction for emergency, provisional, injunctive, or ancillary relief, such as a temporary restraining order, a temporary protective order, an attachment, an appointment of a receiver by a court having jurisdiction, or any other pre-judgment remedies. Nothing contained in this Arbitration Agreement will limit the right of any party before, during or after any proceeding hereunder: (1) to exercise any right or remedy as a secured party against any collateral pursuant to the terms of a security agreement, pledge agreement, or applicable law; (2) to exercise self-help remedies such as setoff; or (3) to comply with any legal process involving your accounts or other property. The institution and maintenance of an action for emergency, provisional, injunctive, or ancillary remedies, or exercise of a right or remedy of a secured party or a self-help remedy, will not constitute a waiver of the right of any party to (1) submit any Claim to arbitration; and/or (2) seek to compel arbitration of any Claim brought, filed, or submitted by any other party. This Arbitration Agreement shall survive the closing of your account(s), the termination of any service(s) or product(s) that we have provided to you, and the termination of the relationship between you and us.

## **AVOIDING FEES AND CHARGES**

Many clients are charged fees and interest which they could easily avoid by keeping accurate and timely records of their account balance. Remember to record withdrawals from automated teller machines, point-of-sale transactions, online banking and mobile banking transfers and payments, and automated payments from your account. You may verify the available balance in your account and the checks and other transactions pending or paid against your account since your last statement by using our telephone banking, mobile banking or online banking service. You may also verify your available and your total accessible balance at any of our automated teller machines.

Do not write and deliver checks or make other payments or charges against insufficient funds. The collection process is very fast and you should not rely on a covering deposit being posted to your account before a check or other payment made against insufficient funds is presented for payment. We may assess a fee for any such item and the merchant or other person to whom you made a

payment which is returned unpaid may also be entitled to additional fees or penalties.

Take the time to read and understand our fee schedules to determine if there are any fees you are paying unnecessarily.

## PROTECTING YOUR ACCOUNT

You should comply with your obligations as stated in this document. You may also find the following guidelines helpful to prevent or deter crime.

### PROTECT YOUR ACCOUNT INFORMATION

- Do not provide your account number, your personal identification number ("PIN") or any other account information to anyone you do not know or to anyone over the telephone, email or the Internet, unless you are positive you know the person and you want the person to be able to conduct transactions on your account.
- Review your bank statements upon receipt. If you do not receive a bank statement when you should, contact us at once. If there is anything in your statement that does not look right, contact us at once.
- If you order checks and do not receive them promptly, contact us at once.
- Store your check stock, check images and statements securely and notify us at once if a check or statement is missing.
- Carefully shred or otherwise destroy cancelled checks, check images, bank statements, deposit slips and receipts, including ATM receipts, before discarding them.
- Notify us if your identification is missing, lost or stolen.
- Be disciplined in the management of your financial accounts. Check them often even if you have not initiated transactions and report suspicious activity to the bank right away.

### WRITING CHECKS

- Write your checks in ink and fill in all lines carefully and completely. Do not leave room on the numeral line to insert a number between the dollar sign and the first Arabic numeral or on any written line to insert a word. Use a check protector to imprint the amount of your check if you have one.
- Sign your checks clearly. Illegible signatures are more easily forged.
- Do not give anyone a blank check that you have signed.
- Do not preprint your driver's license number or Social Security or taxpayer identification number on your checks.
- Use tamper-resistant check stock.
- Do not allow anyone to sign your name on your checks.

### COMPUTERS, EMAILS AND MOBILE DEVICES

- Keep your mobile devices with you or lock them away when they're not needed. Password-protect them to protect against unauthorized use. When it comes to apps, be careful before you click. Only download from legitimate online stores.
- If your computer is set up to "auto-load" removable media (e.g., USB drives, SD cards), disable this feature and instead scan these items before you open them.
- Passwords should be complex and frequently changed. Do not share passwords. Password-protect your router and other wireless connections.
- Never open email attachments or click on links from unknown or suspicious sources, including social media sites.
- Disregard in-person, phone, text message, email or web requests that ask you to share your personal or account

information unless you are sure the request and requestor are legitimate.

- Be careful on social media. Avoid posting too much personal information. Utilize privacy controls to limit who can see what.

### FUNDS TRANSFERS

- ACH transaction and wire transfer security is especially critical - Use security tokens only when releasing an ACH or wire transaction, never at login. CNB will never initiate a communication to request entry of security tokens. If you enter a token to complete a transaction and you get an error message, you are logged off the system or you do not get a confirmation contact us IMMEDIATELY. There is increased likelihood your computer has been hacked.

### AUTOMATED TELLER MACHINES (ATMS) SAFETY TIPS

- Keep your card in a safe place. If your card is lost or stolen, contact us at once.
- Remember your personal identification number ("PIN"). Do not write it on your card, keep it in your wallet or share it with anyone.
- Do not provide your card information or your PIN to anyone over the telephone, email, Internet or otherwise, unless you are positive you know the person and you want the person to be able to conduct transactions on your account. We or any agent of ours will never request you to divulge your PIN in an oral or written manner.
- Plan ahead to minimize your time at an ATM. Prepare as much of your transaction in advance as you can at your home or office by filling out your deposit slip and endorsing the checks "for deposit only" to your account.
- Be aware of people and your surroundings at an ATM before, during and after you use an ATM. If you observe any suspicious person or unusual activity near the location at any time, do not use it and go somewhere else. At night, if the ATM location is not well lighted, do not use it and go somewhere else.
- Prevent others from seeing you enter your PIN when using an ATM by shielding the keypad with your hand or body.
- If you notice anything suspicious or any other problem arises after you begin your transaction, cancel the transaction, recover the card you are using from the ATM and leave.
- When your transaction is complete, recover your card, your receipt and any cash you have requested from the ATM and promptly leave the area. Do not display money taken from the ATM. Put the money away and wait until you are in a safe place to verify it. Do not leave your receipt at the ATM location.
- When using any drive-up ATM facility, lock your car doors and roll up all the windows except the window you are using.
- In the event of an emergency, contact your local police or 911.
- Please report any complaint you may have concerning the safety or security of any of our ATMs or any emergency to our ATM security division at (213) 427-5454 or (800) 773-7100. In New York, complaints about the security of our ATMs may also be reported to the New York Department of Financial Services at (800) 342-3736.

### ADDITIONAL TIPS FOR BUSINESSES OR INDIVIDUALS WHO TRUST OTHERS WITH BANKING

- Separate bank account responsibilities. Do not allow the same person who reconciles your bank statement to also issue checks on your account.



- Watch for out-of-sequence checks and checks made payable to cash or to a bank. Watch for checks not used to pay your debts such as a check payable to a credit card company or utility. These are some classic red flags for embezzlement.
- Conduct a regular review of your transaction activity for unexpected fluctuations.
- Consider maintaining separate accounts and segregating employees for accounts payable and accounts receivable.
- Notify the Bank immediately when an employee who was authorized to transact business with the Bank leaves your employ.
- Conduct thorough background checks on employees who have financial responsibilities or access to financial documents.
- Provide cyber-security training and share fraud protection and other important information with all company users.
- Monitor security threats and periodically assess network and security risks. Develop a cyber-incident response plan and test it regularly.
- Maintain "cyber insurance" appropriate to your financial risks.
- Take full advantage of bank-related security products and alerts (e.g., Positive Pay and ACH blocks and filters).
- Encrypt sensitive data, whether transmitting or simply storing it.

## GLOSSARY OF TERMS AND ACRONYMS

**accessible balance** – (also called total accessible balance) - Your available balance, plus the amount available in your Personal Savings Overdraft Service, Personal Overdraft Line of Credit, Personal Overdraft Sweep Service, Business Overdraft Line of Credit, Business Overdraft Sweep Service, Commercial Credit Sweep Service or other applicable overdraft protection plan, plus amounts that have been transferred pursuant to a deposit sweep arrangement.

**ACH** – Automated Clearing House

**ATM** – Automated Teller Machine

**authorized signer** or Authorized Signer – A person who has your actual or apparent authority to use your account even if they have not signed the account application.

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

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

**CNB** – City National Bank

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

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

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

**EFT** – Electronic Fund Transfer

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

**FDIC** – Federal Deposit Insurance Corporation

**FinCEN** – Financial Crimes Enforcement Network

**IRA** – Individual Retirement Account

**IRS** – Internal Revenue Service

**item** – An item is an order, instruction or authorization to withdraw or pay funds or money from an account. Examples include: a check, substitute check, and ACH or other electronic transaction (such as an ATM withdrawal or transfer or point of sale transaction), draft, demand draft, remotely created check, preauthorized payment, online banking transfer, bill payment instruction. Unless prohibited by law or regulation, an item also includes any purported order, instruction or authorization to withdraw or pay funds or money from an account.

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

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

**MICR** – Magnetic Ink Character Recognition

**PIN** – Personal Identification Number

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

**TIN** – Taxpayer Identification Number





# Fee Schedule and Other Account Information Business Products and Services Account Analysis for Business Accounts

November 1, 2023

For use with Account Agreement and  
Disclosures

Please see the last page of this document for explanation of all footnotes. For fees applicable to analyzed business accounts, see the ACCOUNT ANALYSIS section.

Other fees may apply depending on the services used. Check with your CNB Relationship Manager for more information.

This document constitutes the terms and conditions that govern the deposit products and many of the banking services we make available to you. **Please read them carefully.**

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

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

## CHECKING, MONEY MARKET, SAVINGS

### BUSINESS CHECKING ACCOUNT

*Business Checking is a non-interest-bearing account.*

	<u>Balance</u>	<u>Charges and Fees</u>
Average daily balance <sup>1</sup>	\$7,500	No monthly maintenance fee
If balance above is not met for the statement period		\$22 monthly maintenance fee
<i>Fees listed below assessed monthly regardless of balance</i>		
First 100 combined transactions <sup>2</sup>	No charge	
Each transaction over 100		\$0.45 per transaction
Excess cash deposited <sup>3</sup>	>\$5,000	\$0.002 per \$1

### NON-PROFIT CHECKING ACCOUNT

*Non-Profit Checking is a non-interest-bearing account.*

	<u>Balance</u>	<u>Charges and Fees</u>
Average daily balance <sup>1</sup>	\$7,500	No monthly maintenance fee
If balance above is not met for the statement period		\$17 monthly maintenance fee
<i>Fees listed below assessed monthly regardless of balance</i>		
First 250 combined transactions <sup>2</sup>	No charge	
Each transaction over 250		\$0.45 per transaction
Excess cash deposited <sup>3</sup>	>\$5,000	\$0.002 per \$1

### ATTORNEY-CLIENT TRUST ACCOUNT (IOLTA/IOTA)/ ATTORNEY ESCROW ACCOUNT (IOLA)

(Required by California, Florida, Georgia, Nevada, New York, Tennessee, Virginia and Washington, D.C. State Bar IOLTA/IOLA programs.)

	<u>Charges and Fees</u>
California	No charge
Florida	No charge
Georgia	No charge
Nevada	No charge
New York	\$8 Processing fee
Tennessee	\$8 Administrative fee
Virginia	No charge
Washington, D.C.	No charge

Attorney-Client Trust and Attorney Escrow are interest-bearing accounts. Interest earned on this account is remitted to the State Bar, depending upon the State in which the account is located. The monthly maintenance fee, processing fee or administrative fee is deducted only from interest on the account and not from the principal. All other service charges on any such account will be charged to a personal or business checking account specified by the attorney or law firm. Such checking account is required to open and maintain an IOLTA/IOTA/IOLA.

**Non-Deposit Investment Products:**

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

**PUBLIC FUNDS AND BANKRUPTCY CHECKING ACCOUNTS**  
*Public Funds and Bankruptcy Checking are non-interest-bearing Accounts.*

(Fees below also apply to Bankruptcy and Public Funds Checking with Interest accounts.)

	<u>Balance</u>	<u>Charges and Fees</u>
Minimum daily balance <sup>1</sup>	\$7,500	No monthly maintenance fee
Average daily balance <sup>1</sup>	\$15,000	No monthly maintenance fee
If neither balance above is met for the statement period		\$22 monthly maintenance fee
<u>Fees listed below assessed monthly regardless of balance</u>		
First 125 checks or other debits		No charge
Each check or debit over 125		\$0.40 per item
First 20 deposit tickets		No charge
Each deposit ticket over 20		\$1.25 per ticket
First 100 items deposited		No charge
Each item deposited over 100		\$0.30 per item
Excess cash deposited <sup>3</sup>	>\$1,000	\$0.002 per \$1

**BUSINESS MONEY MARKET ACCOUNT**

*Business Money Market is an interest-bearing account.*

(Fees below also apply to Bankruptcy, Excess Deposit Coverage, and Public Funds Money Market Accounts.)

	<u>Balance</u>	<u>Charges and Fees</u>
Minimum daily balance	\$5,000	No monthly maintenance fee
If minimum balance above is not each day during the statement period		\$20 monthly maintenance fee

**THE LADDER BUSINESS MONEY MARKET ACCOUNT**

*The Ladder Business Money Market is an interest-bearing account.*

	<u>Balance</u>	<u>Charges and Fees</u>
Required opening deposit	\$10,000	
Minimum daily balance	\$10,000	No monthly maintenance fee
If minimum balance above is not each day during the statement period		\$25 monthly maintenance fee

**BUSINESS SAVINGS ACCOUNT**

*Business Savings is an interest-bearing account.*

(Fees below also apply to Bankruptcy and Public Funds Savings Accounts.)

	<u>Balance</u>	<u>Charges and Fees</u>
Average daily balance <sup>1</sup>	\$1,000	No monthly maintenance fee
If balance above is not met for the statement period		\$5 monthly maintenance fee

**BUSINESS PACKAGES**

**THE BUSINESS BUILDER ELITE<sup>SM</sup>**

The *Elite* package requires a Business *Elite* Checking or Business *Elite* Checking with Interest Account as the primary checking account for the Package.

**Package Benefits**

With the Business Builder *Elite* Package, the following benefits and options are available:

- The Business *Elite* Checking or Business *Elite* Checking with Interest Account and up to three eligible checking, money market, or savings accounts ("Benefit Accounts"), with the regular monthly maintenance fees waived, may be included in the Package for the monthly Package fee. The monthly Package fee is waived when the combined balance in the Business *Elite* Checking or Business *Elite* Checking with Interest Account and the Contributing Accounts (which

include the Benefit Accounts) meets or exceeds the minimum balance requirement for the Business *Elite* Checking or Business *Elite* Checking with Interest Account. See also "Benefit Accounts," "Contributing Accounts," and "Qualification Balance" below.

- The monthly Package fee is waived for the first three months.
- Discount of up to \$75 on the first order of business checks ordered through City National Bank.
- Debit Card for eligible business and personal accounts.
- No fee for domestic incoming wires for the Business *Elite* Checking or Business *Elite* Checking with Interest Account and the Benefit Accounts.
- City National Business Online for Business Builder *Elite* first four accounts and three users at no charge, and first 1,000 transactions per month at no charge. See City National Business Online for Business Builder *Elite* for more information.<sup>4</sup>
- City National Business Essentials for Business Builder *Elite* first four accounts and three users at no charge, and first 500 transactions per month at no charge. See City National Business Essentials for Business Builder *Elite* for more information.<sup>4</sup>
- Business Bill Pay with monthly fee waived and first 20 payments per month at no charge. See Business Bill Pay for Business Builder *Elite* for more information.
- Commercial Credit Card with City National Rewards<sup>®</sup>, annual per card fee waived for up to five cards. Excludes any Crystal Commercial Card.
- Business Overdraft Line for the Business *Elite* Checking or Business *Elite* Checking with Interest Account, no annual fee. Transfer fee applies.
- Basic Business Builder Line of Credit, no annual fee first year.
- Business Term Loan, documentation fee waived up to \$100.
- Online Loan Transfers, complimentary service.
- Merchant Services, \$100 application fee refunded and credited by Elavon on activation<sup>5</sup>.
- Payroll Service, setup fee waived up to \$250 only if service is obtained through RaBco Payroll Services, Inc.<sup>6</sup>
- City National E-Deposit<sup>SM</sup>, electronic deposit service for moderate volume check deposits with a complimentary single-feed scanner at a monthly fee of \$25.<sup>7</sup>
- Fee free foreign currency exchange service.

*Note: All credit facilities are subject to approval. Annual and monthly fee waivers do not include fees for excess accounts or transactions and other fees may apply. Separate applications may be required for some services.*

**BUSINESS ELITE CHECKING ACCOUNT**

*Business Elite Checking is a non-interest-bearing account.*

(Fees below also apply to Business *Elite* Checking with Interest.)

	<u>Balance</u>	<u>Charges and Fees</u>
Minimum Qualification balance	\$50,000	No monthly Package fee
If minimum Qualification balance is not met for the statement period		\$50 monthly Package fee

Fees listed below assessed monthly regardless of balance

	<u>Balance</u>	<u>Charges and Fees</u>
First 500 combined transactions <sup>2</sup>	No charge	
Each transaction over 500		\$0.45 per transaction
Excess cash deposited <sup>3</sup>	>\$25,000	\$0.002 per \$1

## BENEFIT ACCOUNTS

Each Business Package allows you to designate a specified number of additional accounts as Benefit Accounts. You may designate any of your business or personal non-analyzed checking, savings, and money market accounts as Benefit Accounts. See "Excluded Accounts" below.

It is your responsibility to tell us which accounts you would like to designate as Benefit Accounts. If you do not designate all your eligible Benefit Accounts, or if a previously designated Benefit Account becomes ineligible or is closed, we may choose an eligible Benefit Account(s) for you from your eligible Contributing Accounts. The regular monthly maintenance fee for each Benefit Account will be waived, as long as the primary account for the Package is open. All other fees, including any excess transaction fees, will apply to each account type as stated in the fee schedule for that account.

## CONTRIBUTING ACCOUNTS

Contributing Accounts are accounts with the same primary ownership as the primary account for the Package, and accounts that have the same primary ownership as any Benefit Account in the Package. Contributing Account types include eligible non-analyzed business or personal eligible checking accounts, savings accounts, money market accounts, eligible certificates of deposit and Attorney Client Trust or Attorney Escrow (IOLTA/IOTA/IOLA).

## EXCLUDED ACCOUNTS

Certain account types are not eligible to be Benefit or Contributing Accounts. These ineligible accounts are any accounts on account analysis, Pledged Certificates of Deposit, Public Fund Certificates of Deposit, Certificates of Deposit Account Registry, foreign or dual-currency deposits, retirement accounts, health savings accounts, accounts owned by minors, bankruptcy accounts and accounts used for other packages or programs, either as a Contributing Account or a Benefit Account. One exception is the Preferred Platinum Checking account, which may be used as a Contributing Account.

## QUALIFICATION BALANCE

The Qualification Balance is determined each month, three Business Days prior to the statement date of the primary account which is the Business *Elite* or Business *Elite* with Interest Checking Account. It is calculated by adding together the prior statement's average daily balance<sup>1</sup> from each primary, Benefit and Contributing Account associated with the Package and the prior month-end Certificate of Deposit principal balance. The minimum combined Qualification Balance must be met to avoid the monthly Package fee. If the minimum combined Qualification Balance is not met, the monthly Package fee will be charged to the primary account of the Package. All other fees, including any excess transaction fees, will be assessed on each individual account regardless of the balances maintained. See the applicable Fee Schedule for each account.

## PACKAGE ELIGIBILITY REQUIREMENTS

In order to maintain a Business Package, the primary checking account for the Package (either a Business *Elite* or a Business *Elite* with Interest Checking Account) must remain open throughout the entire statement cycle period. If the primary checking account for the Package is closed during a statement cycle period, or converted to another account type, the Package will close and any remaining accounts or services that are not closed will be subject to the standard fees as disclosed in the applicable Fee Schedule. Applicable Fee Schedules may include: *Fee Schedule and Other Account Information: Business Products and Services*; *Fee Schedule and Other Account Information: Personal Products and Services*; *Online Banking Fee Schedule*; and *fee schedules for Treasury Management Services and Business Credit Cards*. A copy of the applicable Fee Schedule is provided at the time an account or service is established and may be updated from time to time thereafter on notice to you as may be required by law. If you need another copy of any Fee Schedule, please ask us. We regard an account to be closed when the balance in the account is zero and you tell us it is closed; when the balance is at zero or less with no activity other than service charges for 30 days; or if we close the account and send any remaining balance to you.

## CITY NATIONAL BUSINESS ONLINE FOR BUSINESS BUILDER *ELITE*

The charges and fees below apply to existing accounts. This package is no longer available for new clients or accounts.

	<u>Charges and Fees</u>
First four accounts	No charge
Each account over four	\$5 per month
First three users	No charge
Each additional user	\$5 per month
First 1,000 transactions total per month	No charge
Each transaction over 1,000	\$0.30 per item

## CITY NATIONAL BUSINESS ESSENTIALS FOR BUSINESS BUILDER *ELITE*

	<u>Charges and Fees</u>
First four accounts	No charge
Accounts five through nine	\$5 per month
Accounts over nine	\$35 per month
First three users	No charge
Each additional user	\$5 per month
First 500 transactions total per month	No charge
Each transaction over 500	\$0.50 per item

## BUSINESS BILL PAY FOR BUSINESS BUILDER *ELITE*

	<u>Charges and Fees</u>
Monthly fee	No charge
First 20 payments per month	No charge
Each payment over 20	\$0.50 per payment

### **Required Initial Deposits**

The required initial deposits stated may vary when accounts are established online and may also be waived or varied at the discretion of CNB.

### **Miscellaneous Assessments**

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

## INTEREST ON FUNDS

For interest-bearing accounts, rates and yields are available in the current applicable CNB Interest Rates Bulletin.

## ACCOUNT ANALYSIS

The following fees are assessed to an account that has been set up as an analyzed business account. Analyzed business accounts may be interest-bearing or non-interest-bearing, depending on the account type.

	<u>Charges and Fees</u>
<b>Account Maintenance Fees</b>	
Accounts 1–10	\$25 per month
Accounts 11–50	\$22 per month
Accounts 51–150	\$18 per month
Accounts 151+	\$15 per month
<b>Other Services</b>	
ACH credits - incoming	\$0.50 per item
ACH debits - incoming	\$0.20 per item
Checks deposited	\$0.15 per item
Checks paid	\$0.20 per item

	<u>Charges and Fees</u>
Coin deposited	\$0.0062 per \$1
Coin furnished	\$0.13 per roll
Currency deposited	\$0.0013 per \$1
Currency furnished	\$0.0013 per \$1
Deposits	\$1.25 each

## SERVICE FEES – ANALYZED & NON-ANALYZED ACCOUNTS

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

	<u>Charges and Fees</u>
<b>Account Research/Reconciliation Fee</b>	\$50 per hour, 1 hour minimum
<b>ATM/Debit Card</b>	
Transactions conducted at a CNB ATM	No charge
Non-CNB ATM Withdrawal	\$2.50 per withdrawal
Expedited Card or PIN Delivery (Card and PIN must be delivered separately)	
Card delivery	\$25
PIN delivery	\$25
International Transaction Fee	3.0% of transaction amount
<b>Award Card</b>	
Purchase Fee	\$3 per card
Lost/Stolen Card Replacement Fee	\$6.95 per card
Shipping and Handling Fee	\$2 per card
Foreign Transaction Fee	3.0% of total transaction amount
Maintenance Fee	\$3.95 per month
Maintenance Fee is charged beginning the month after card expiration.	
<b>Branch Deposit Surcharge</b>	
Coin bag – loose	\$5 per bag
Coin bag – rolled	\$7.50 per bag
<b>Business Overdraft Line</b>	
Transfer Fee	\$10 per transfer
<b>Cashier's Checks</b>	\$10
Checks purchased by non-clients (Only with an item drawn on CNB)	\$15
<b>CityTax<sup>SM</sup></b>	
Setup fee <sup>8</sup>	\$20 per setup
Service maintenance	\$10 per access code per month
Payments	
Online	\$2 per transaction
Touch-tone	\$4 per transaction
Reversals (Bank-assisted)	\$20
Receipts	
Via mail	\$3 per receipt
Via facsimile	\$3 per receipt
Reports	
Monthly recap report	\$10 per report
Quarterly recap report	\$12 per report
<b>Collections</b>	
Domestic incoming/outgoing	\$30
International (clean) incoming/outgoing	\$100
International courier Foreign Check	\$35 each or cost, if higher

Charges and Fees  
Outgoing international collections will be assessed both the collection fee and the international courier fee. Fees imposed by the paying bank may also be assessed. Checks in an amount less than \$250 [U.S. Dollar (USD) equivalent] will not be accepted for international collection.

<b>Counter Check</b>	\$1 per check
<b>Deposit Account Control Agreement</b>	
Setup Fee	\$500 minimum or higher per setup – negotiated
Legal Review	\$300 per hour, 1 hour minimum
Monthly maintenance	\$100 per account
<b>Deposit Assessment Fee – Per \$1,000</b>	\$0.12
Monthly fee assessed on the combined average ledger balances of analyzed accounts with CNB.	
<b>Deposit Corrections</b>	\$3.50
<b>Deposit Courier/Armored Carrier Service</b>	Cost + 30%
<b>Deposited Checks Returned Item Advice</b>	
Special handling instructions	\$5 per account per month
Fax notification	\$6 each
Telephone notification	\$12 each
Photocopy of check	\$5 each
<b>Deposited Checks Returned Unpaid</b>	
Per check charged back	\$12
Per check re-cleared automatically	\$3
If re-cleared check is again returned unpaid	\$12
<b>Escheat/Abandoned Account Notice</b> (as permitted by law)	\$2
<b>Foreign Check Deposited</b>	
International outgoing collection See also Collections above	\$100
Expedited Processing	
<u>Check Amount</u> [U.S. Dollar (USD) Equivalent]	
\$0–\$1,000	\$25
\$1,001–\$25,000	\$45
\$25,001–\$100,000	\$75
> \$100,000	\$100
Expedited processing available for limited currencies only. This fee is in USD and is assessed against your designated USD deposit account unless otherwise instructed.	
<b>Foreign Currency Service</b>	
Non-Client Processing Fee	\$15 per occurrence
<b>Foreign Currency Denominated Deposit Account</b> (non-interest bearing)	
Monthly Maintenance Fee	\$50 per account
This fee is in USD and is assessed against your designated USD deposit account unless otherwise instructed.	
<b>Gift Card</b>	
Purchase Fee	\$3 per card
Lost/Stolen Card Replacement Fee	\$6.95 per card
Shipping and Handling Fee	\$2 per card
Inactivity Fee	\$4.95 per month
Inactivity Fee is charged beginning the 13 <sup>th</sup> month of no activity following card activation.	
<b>Legal Process Fee</b> (attachments, levies, garnishment, subpoenas, etc.)	\$125
<b>Legal Review of Documents</b>	\$300 per hour or cost, if higher 1 hour minimum

**Multiple Signature Requirement** Charges and Fees  
 \$7 per month per account

Multiple signature requirements apply only to checks (excluding checks that are converted to an electronic item) and withdrawals or transfers made in person. Fee does not apply to IOLTA or Non-Profit accounts.

**Night Depository Annual Fee** \$40  
 Night deposit bags (disposable) \$55 per box of 200

**Overdraft (OD/NSF) Fees - Non-Analyzed Accounts**  
 Basic OD/NSF Fee  
 Paid or returned debits \$25 per debit  
 Maximum daily OD/NSF fees \$250 per day  
 Accounts Overdrawn 60 days or more At the discretion of CNB, CNB's prime rate<sup>9</sup> plus 4% on 365-day year, 10% per annum minimum

<sup>9</sup>The rate established by CNB from time to time and published as its "prime rate."

**Overdraft (OD/NSF) Fees - Analyzed Accounts**  
 Overdraft (OD/NSF) Fee  
 Paid or returned debits \$25 per debit  
 No maximum  
 Interest on Overdrafts and Uncollected Funds CNB's prime rate plus 4% on 365-day year, 10% per annum minimum  
 (accrues daily)<sup>9</sup>

**Photocopy Fee for Canceled Checks** \$5 per copy  
 Clients may receive two check photocopies that include the front and back of a check at no charge, per monthly statement cycle.

**QuickBooks<sup>®</sup> Direct Connect**  
 Basic Service (Account activity and transfers) \$19.95 per month  
 First 10 accounts No charge  
 Each account over 10 \$2 account  
 Basic Service with Bill Payment \$29.95 per month  
 First 10 accounts No charge  
 Each account over 10 \$2 account  
 First 20 payments No charge  
 Each additional payment \$0.50 per payment

**Research Fee** (includes check reclamation, crime reports, legal records, and other requests) \$50 per hour, 1 hour minimum  
 \$1 per page

**Signature Guarantee - Standard** \$10 per signature

**Signature Guarantee - Medallion** \$15 per signature

**Special Handling**  
 For posted or non-posted items without Positive Pay  
 First 30 days No charge  
 After 30 days \$2 per item reviewed  
 After 60 days \$2 per item reviewed, plus \$75 per month or portion thereof

**Statements**  
 Paper Statement without Check Images  
 Business or Consumer Accounts No charge  
 Paper Statement with Check Images  
 Fee is charged even if minimum or average balance requirements are met. Image fees are not applicable to Money Market, IOLTA, Bankruptcy, or Non-Profit accounts..

Charges and Fees  
 Standard check images (18 images per page, front image only)  
 Business Accounts No charge  
 Large check image (12 images per page, front image only)  
 50 check images or fewer \$2 per month  
 51–249 check images \$2.50 per month  
 250 or more check images \$5 per month  
 Enhanced check image (12 images per page, front and back images)  
 50 check images or fewer \$3 per month  
 51–249 check images \$5 per month  
 250 or more check images \$10 per month  
 Other Statement Options  
 Duplicate (past cycles) \$6 per statement  
 Multiple statements per month \$5 per month

**Stop Payments**  
 6-month term \$30  
 Renewal, 6-month term \$30  
 Post-dating hold fee \$30  
 2-year term \$40  
 Renewal, 2-year term \$40  
 Range stop, 6-month term \$40  
 Range stop renewal, 6-month term \$40  
 No term specified  
 Setup \$50  
 Annual fee \$20  
 Accepted stop payment request - Cashier's check \$20

**Verification of Deposit** \$20  
 (Including written balance confirmations and credit ratings)

**Wire Transfers**  
 Domestic Incoming  
 Analyzed Accounts \$15  
 Non-Analyzed Accounts \$15  
 Domestic Outgoing  
 Internet-initiated  
 Repetitive/Non-Repetitive \$12  
 Internal Wire (Book Transfer) \$6  
 Non-Internet Initiated  
 Drawdown/Reverse \$18  
 Non-repetitive \$40  
 Repetitive \$35  
 International Incoming  
 Analyzed Accounts \$16  
 Non-Analyzed Accounts Outgoing \$15  
 International Outgoing  
 Internet-initiated (Foreign Currency or USD) \$25  
 Non-Internet Initiated  
 Non-repetitive - Foreign Currency \$55  
 Non-repetitive - USD \$60  
 Repetitive - Foreign Currency \$45  
 Repetitive - USD \$50  
 Wire Principal Protection Service \$25  
 Available for limited currencies only  
 Wire Investigation  
 Domestic Wire \$35  
 International Wire \$45

Includes amendments, recalls and tracers. Additional charges may apply due to charges incurred by CNB when conducting the investigation.

Charges and Fees

Wire Notification	
Fax	\$8
Telephone	\$16

**ADDITIONAL INFORMATION**

**ACCOUNTS ESTABLISHED ONLINE**

The required initial deposit and other account terms and conditions may vary when accounts are established online and may also be waived or varied at the discretion of CNB.

**MISCELLANEOUS ASSESSMENTS**

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

City National Bank does business in the state of Florida as CN Bank. QuickBooks is a registered trademark of Intuit, Inc.

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

<sup>2</sup> Combined transactions include deposits, deposited items, electronic credits, incoming and outgoing wires, checks, and all electronic debits. They do not include our fees and charges.

<sup>3</sup> A Cash Deposited Fee is assessed monthly on the total of all cash (currency and coin) deposited to this account in excess of the amount specified.

<sup>4</sup> For more complex requirements, other Treasury Management services are available and fees may apply.

<sup>5</sup> Elavon is an independent merchant transaction processing service and is not owned by City National Bank or any City National Bank affiliate. Pursuant to agreement, City National Bank exclusively markets the merchant services of Elavon to its clients and may receive compensation for its services. Services provided by Elavon are subject to a separate agreement and terms of service. Application fee statement credit requires activation of payment processing services within 90 days of application. The statement credit will be posted to the monthly statement within 60 days of account activation. City National Bank makes no representations or warranties as to the suitability, accuracy, completeness, or timeliness of the information provided, including any information provided by Elavon.

<sup>6</sup> RaBco Payroll Services, Inc. (RaBco) is a third-party provider of payroll processing and employee payroll tax filing services. Payroll services provided by RaBco are subject to a separate agreement and terms of service provided at the time of setup. RaBco is not affiliated with City National Bank. You are not required to use RaBco for your payroll services but the setup fee waiver applies only if RaBco is your payroll services provider.

<sup>7</sup> City National E-Deposit moderate volume means generally no more than 15 electronic check deposits per week with no more than 10 checks per deposit. The monthly fee and one complimentary single-feed scanner are subject to a two-year minimum service term and month to month thereafter. Should the service be cancelled for any reason by you or us prior to the end of the two-year term, a \$400 cancellation fee may be charged.

<sup>8</sup> Fee also applies to any setup changes (e.g., service additions or deletions).

<sup>9</sup> The rate at which interest is charged, established by CNB from time to time and published as its "prime rate," will be updated within five Business Days of the date that CNB's published prime rate changes.





# Treasury Management Services Disclosure and Agreement

## INTRODUCTION

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

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

## AGREEMENTS FOR THE SERVICES

### SERVICE DOCUMENTATION

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

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

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

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

### RULES GOVERNING A SERVICE

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

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

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

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

#### **GOVERNING LAW**

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

### **COMMENCING A SERVICE**

#### **DEPOSIT RELATIONSHIP**

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

#### **SERVICE REQUIREMENTS**

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

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

#### **IDENTIFYING YOU**

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

This means when you open an Account, we will ask for your name, address, date of birth, and other information that will allow us to identify you or to the beneficial owners of the business and individuals who will be conducting business with us on behalf of a business or entity. We may request additional information (including new signature exemplars) at any time.

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

#### **YOUR INFORMATION**

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

We may share your personal information and our experience with you for our everyday business purposes, including to process your transactions, maintain your Accounts, report suspicious or other

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

#### **AUTHORIZATION**

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

### **COMMUNICATIONS BETWEEN US**

#### **EMAIL COMMUNICATIONS**

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

#### **NOTICES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **SERVICE COMMUNICATIONS**

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

#### **RELIANCE ON SECURITY ITEMS**

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

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

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

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

which are a part of and included in the Security Procedures, directly to you.

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

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

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

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

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

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

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

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

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

## **INTERNAL CONTROLS**

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

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

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

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

## **RELIANCE ON THIRD PARTIES**

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

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

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

## **GENERAL TERMS AND CONDITIONS**

### **BUSINESS PURPOSE**

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

### **DUTY TO REVIEW**

You shall promptly review the reports and statements provided to you by us for accuracy and completeness. You shall immediately notify us of any error in a report or statement provided to you.

ID 66508E (Rev 06/2023)

Reports and statements for which no notice of error is received within ten (10) Business Days shall be deemed correct.

## **DEADLINES**

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

## **FUNDS TRANSFERS**

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

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

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

## **OTHER FRAUD SAFEGUARD SERVICES**

From time to time, we may develop or otherwise make available to you services that are designed, among other things, to detect and/or deter or to enable you to detect or deter specific instances of unauthorized, altered, counterfeit or fraudulent transactions, checks or other items, on your Accounts (each a "Fraud Safeguard Service"). These Fraud Safeguard Services include, by way of example and not exclusion, our ACH Fraud Protection Service (including ACH Filters with ACH Positive Pay and ACH Blocks) and our Check Positive Pay Service (with or without Payee Verify).

You acknowledge that your failure to use a Fraud Safeguard Service following our request that you do could substantially increase the likelihood of fraudulent activity on your Accounts and

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

#### **PROPRIETARY RIGHTS**

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

#### **CONFIDENTIALITY**

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

#### **FEES AND EXPENSES**

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

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

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

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

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

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

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

#### **FORCE MAJEURE**

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

#### **INDEMNIFICATION**

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

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

We shall indemnify and hold you harmless against any and all third-party claims that your authorized use of the Services infringes or violates any United States patent, copyright, trade secret or other proprietary right of any third party. We shall defend and settle, at our sole expense, all suits or proceedings arising out of the foregoing, provided that you have given us prompt written notice of any such claim and provided you reasonably cooperate with us and allow us to control the defense and settlement negotiations. We shall not enter into any settlement or compromise which creates any liability or obligation (whether legal or equitable) on your part without your prior written consent. If a Service, or any portion of the Service, is held, or in our reasonable opinion is likely to be held, to infringe or violate any United States patent, copyright, trade secret, or other proprietary right of any third party, we may at our option and sole expense: (a) secure for you the right to continue use of such Service; (b) replace such Service with a substantially equivalent service not subject to such claim; or (c) modify the Service so that it becomes no longer subject to such claim. Notwithstanding the foregoing, we shall have no liability for any third party claim of infringement based upon: (a) your failure to implement any change to the Service provided by us if such infringement would have been avoided by your implementation of such change; (b) your use, operation or combination of the Service

with a program, data, equipment or documentation not recommended or provided by us, if such infringement would have been avoided but for such use; or (c) your use of the Service in a manner beyond the scope of the Service if such infringement would have been avoided but for such use. The foregoing constitutes our entire liability and your sole and exclusive remedy with respect to any third-party claims of infringement of such intellectual property rights

#### **TERMINATION**

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

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

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

#### **DISPUTES**

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

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

#### **COMPLIANCE WITH LAW**

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

You acknowledge and agree that no Service can be used to conduct transactions in any country or territory, or with any individual or entity, that is subject to economic sanctions administered and enforced by OFAC. Additionally, you have verified that none of the Administrators (i) are a Sanctioned Person

or a Sanctioned Entity, (ii) have its assets located in Sanctioned Entities, or (iii) derive revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities.

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

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

#### **ASSIGNMENT**

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

#### **NOTICE OF SEVERABILITY**

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

#### **WAIVER OR DELAY**

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

## **SERVICE TERMS AND CONDITIONS**

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

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

#### **Full ARP**

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

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

#### **Partial ARP**

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

#### **Deposit Reporting**

You designate an Account for this Service and select a regular accounting cycle cutoff for the Accounts. Through the use of MICR

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

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

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

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

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

We may process your Entries either directly or through any mechanism we select. With respect to each Entry, you represent and warrant that, on its Effective Entry Date, on the origination date, and on the date we credit or debit your Account, you have obtained appropriate authorization from each Receiver and the Entry conforms to the authorization requirements of the NACHA Rules for the payment type you are originating, and all consumer payments comply with the notice requirements set forth in the NACHA Rules, the Electronic Funds Transfer Act and Regulation E, as applicable. You also represent and warrant that you will not originate Entries in violation of the laws of the United States. For each Entry initiated you represent and warrant that you are in compliance with all applicable Originator obligations and ODFI warranties as they relate to your actions as an Originator, as defined in the NACHA Rules. You agree to indemnify us for any loss, liability, cost or expense we suffer or incur as a result of any breach by you of these representations and warranties, including, but not limited to liability for fines assessed under the National System of Fines for NACHA Rules violations.

Your use of this Service may be subject to credit qualification. Once approved for this Service, you may originate CCD, CTX or PPD

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

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

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

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

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

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

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

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



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

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

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

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

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

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

### **ACH BLOCKS**

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

### **BUSINESS BILL PAY**

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

Each payment you initiate will have a "Deliver By" date, which represents the date by which the payee will receive the payment. Upon payment initiation, this Service will default to the earliest Deliver By date for each payee, which will fall between two (2) and four (4) Business Days from the date that you initiate the payment. Additionally, you can submit an "Expedited Payment," which will allow a Delivery By date of either the current or next Business Day. Expedited payments will result in an additional fee. You understand

and agree that you must select a Deliver By date that is absolutely no later than the payment due date provided to you by your payee. If the actual due date falls on a non-Business Day, you must select a Deliver By date that is at least one (1) Business Day before the actual due date.

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

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

### **BOOK2BANK®**

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

### **CASH VAULT SERVICE**

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

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

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

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

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

Your Agent must be approved and authorized by us. You assume the risk of loss for shipments in transit with your Agent. We may accept a Deposit Shipment from, and deliver a Cash Shipment to, any person we reasonably believe to be your Agent. We will have no responsibility for any Deposit Bag or its contents delivered to the Cash Vault or otherwise delivered to us until such Deposit Bag is accepted by us in accordance with the User Documentation for this Service and the contents are verified by us. We will have no responsibility for any Cash Bag or its contents after the Cash Bag is delivered to your Agent or a person we believed to be your Agent. The charge for this Service may include pass-through fee(s) ("base pricing") of your Agent plus a Bank fee based on a fixed percentage. If your Agent changes the base pricing or other

applicable terms between you and your Agent, your Agent may notify you of such changes directly. Bank will provide you notice of changes if Bank changes its fixed percentage in accordance with the terms of this Agreement.

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

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

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

#### **Remote Cash Vault Service**

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

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

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

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

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

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

You agree to provide us immediate notice of any change to your Vendor, default or breach of the Vendor Agreement by you or the vendor, or the termination of the Vendor Agreement. In addition to the standard termination rights set forth in the Service Documentation, if the Vendor Agreement is terminated for any reason, this Service will automatically terminate, unless otherwise agreed to by us.

#### **Currency Orders**

We provide an automated change order system ("VRU") that enables you to order currency and coin by telephone or online. A daily cash order limit may be specified, and you agree that you will not exceed that limit without our prior written consent. To access

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

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

#### **CITY TAX SERVICE**

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

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

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

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

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

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

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

any taxing authority. Our record of your Tax Payment instructions shall be deemed correct and complete.

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

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

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

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

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

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

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

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

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

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

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

that the error or loss or unauthorized access is not directly attributable to the Service..

### **CONTROLLED DISBURSEMENT SERVICE**

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

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

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

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

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

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

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

If the amount of collected funds available in your Concentration Account is not sufficient to pay all checks presented for payment against your Controlled Disbursement Account, we may return checks with the return reason of "Non-Sufficient Funds". We will have no obligation to pay items presented for payment against your

Controlled Disbursement Account if such payment will result in an overdraft; provided, however that you will repay to us any overdraft and associated service fees which we may incur in performing the Service or electing to make a disbursement which results in an overdraft. In the event you fail at any time to maintain sufficient collected funds in your Controlled Disbursement Account and associated Concentration Account, we may terminate this Service without notice to you.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

You acknowledge that your failure to use the DB's payee positive pay service could substantially increase the likelihood of undetected fraudulent activity on your account and that it is neither manifestly unreasonable nor unreasonable under the circumstances for us to require you to use DB's payee positive pay service upon request. You agree that if you fail to implement and use the DB's payee positive pay service properly, you will be precluded from asserting any claim against the DB or us for paying an unauthorized, altered, counterfeit or other fraudulent item that DB's payee positive pay service was designed to detect or deter, and neither the DB nor we will be

required to re-credit your account or otherwise be liable to you for paying such item.

#### DEPOSIT COURIER SERVICE

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

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

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

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

#### DEPOSIT ESCROW SUB ACCOUNTING SERVICE

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

As used in this subsection: (i) "Master Account" refers to the Account maintained with us in your name and TIN as designated on the Treasury Management Application for the DESA Service (the "Application"); and (ii) Subsidiary Account refers to the Account(s) maintained with us in your name and TIN, on behalf of your customer ("Customer"), or in the name and TIN of Customer, as designated on the Application or otherwise provided to us in writing

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

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

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

**Please Note:** Only the authorized signers on the Master Account (or other persons authorized by you) may access and transact on the Subsidiary Accounts. Your Customer is not entitled to open, access or transact in any Subsidiary Account, even if their name and TIN is on the Subsidiary Account. However, if we receive a claim to a Subsidiary Account from your Customer or another third party, we may exercise any of our rights set forth in the "Ownership Dispute and Adverse Claims" section in the *Account Agreement and Disclosures*.

You will promptly furnish us such documentation, as we may request, in form and substance satisfactory to us, evidencing

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

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

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

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

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

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

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

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

Our Landlord/Tenant Relationship DESA Service enables landlords, property owners and management companies (collectively, "Landlord") to establish Subsidiary Accounts for individual units or apartments (e.g., for security deposits or other tenant funds). You, as Landlord, are responsible for instructing us as to the appropriate type of account to be opened in order to meet state or local laws applicable to your establishment of accounts to hold tenant security deposits or other tenant funds. You agree that you are fully responsible for

ensuring that interest ultimately paid on tenant funds held in a Subsidiary Account, if any, is in the amount required by state or local law. We will not pay interest directly to your Customers. We shall have no responsibility for Landlord's payment of interest to its tenants or Customers.

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

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

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

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

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

You agree that all instructions to us related to your Master Account and any Subsidiary Account as outlined herein will be in full compliance with Section 468B of the Internal Revenue Code.

**EASI LINK® SERVICE**

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

accounting systems or software determined compatible by us. You select your third-party accounting system or software provider.

**EASI Link Deposit Direct Send Service**

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

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

In addition to the general indemnification obligations in this Agreement, you will defend, indemnify and hold us harmless from all Losses, claims, demands, cause of action, settlements, judgments or recoveries of third parties that arise, directly or indirectly, out of: (i) the violation of any applicable law, statute, or regulation in the performance of your obligations under our DDS Service or this Agreement; (ii) our acting as a "reconverting bank" through the creation of substitute checks or purported substitute checks using an Image or file of Images or an illegible Image transmitted to us by you; (iii) our acting as a presenting or collecting bank to the bank on which a check is drawn or to any intermediate collecting bank of an electronic file containing the Image of a check you create hereunder for deposit into your Account with us provided we shall have exercised reasonable care in so acting; and

(iv) your failure to fully destroy an original paper check the Image of which is deposited through our DDS Service in accordance with this Agreement and our instructions. Losses and liabilities arising from the failure to destroy any such original paper check shall include, without limitation, consequential damages.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Generally, a deposit you transit using this Service (including via a mobile device) that is received by us prior to 7:00 p.m. Pacific Time (PT) is processed on the Business Day of receipt. Any such deposits received after 7:00 p.m. PT on a Business Day or on a day other than a Business Day will be processed the next Business Day. We will acknowledge your deposit submission and will notify you if a deposit cannot be accepted for deposit. Acknowledgment that a deposit has been successfully submitted does not mean that the mobile deposit can be processed and credited to your Account. We reserve the right to delay the availability of funds deposited through



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

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

#### **Remote Deposit Capture Service International Restrictions**

Services, such as E-Deposit, Lockbox and Remote Cash Vault, which provide the ability to make deposits to an Account from a location other than at one of our branches, are called "remote deposit capture services." Because of additional risks associated with remote deposit capture service transactions originating outside the United States, we reserve the right to refuse and to reject any such transaction in its sole discretion. You agree that you will not originate any such transaction without our prior approval, which we may withhold in our sole discretion without further explanation. You will cooperate fully with all of our reasonable requests for further information related to any such transaction individually or in the aggregate. Unacceptable transactions include, but are not limited to: monetary instruments with blank payees; unsigned monetary instruments; and multiple consecutively numbered monetary instruments. If you fail to obtain prior approval for any such transaction we may immediately exercise our termination rights including terminating this Service and closing the Accounts.

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

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

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

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

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

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

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

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

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

##### **ACH Addenda – EDI 820**

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

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

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

#### **FUNDS TRANSFERS SERVICES**

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

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

We will assign a repetitive request number to each series of repetitive funds transfers that you request be established. Each

time you request a repetitive funds transfer, you must also provide the repetitive request number assigned to the related repetitive funds transfer series and the amount of the requested transfer.

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

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

### INTERNET-BASED BUSINESS SERVICES

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

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

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

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

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

As available, you may initiate ACH Entries online. You may transmit ACH Entries you create using your own software and transmit it to us using an Internet-Based Business Service or you may use the Services to both create and transmit ACH Entries to us. Each Internet-Based Business Service provides different means for the creation and transmission of ACH Entries and different Security Procedures. Please refer to the "Automated Clearing House" section for further details.

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

An Administrator is required for these Internet-Based Business Services, and you are required to use equipment and software with ID 66508E (Rev 06/2023)

at least the level of security we require and to access us using our required security procedures. See the applicable User Documentation for details and the "Responsibility of Client and Administrators" section for more information.

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

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

### LOCKBOX SERVICES

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

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

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

This Service provides you with access via your Internet to search, view, print and download and export images of items that were processed from a remittance, to view and print reports and optionally an enclosed correspondence as well as envelopes. (**Please Note:** Correspondence and envelopes are not available for Retail Processing.) You also have the ability to download your accounts receivables posting file. At your option, Exception Items (as defined below in connection with Lockbox Services) can be displayed for you to review and submit payment instructions online in order for us to post the items.

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

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

We will open all correctly addressed mail and examine it for invoices, cash, checks and other remittances, correspondence and other materials. You agree to instruct your customers and debtors not to remit cash. Although we have no obligation to process remittances containing cash, we may at our discretion remove cash, hold it and create a memorandum to you of the amount thereof.

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

All Lockbox Items in proper form may be endorsed by us as permitted by law and deposited to your designated Account on the Business Day processed. You warrant that each Lockbox Item

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

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

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

#### **Wholesale Processing**

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

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

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

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

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

- Undated Lockbox Items will be deposited.
- Any Lockbox Item without accompanying invoices or coupons will be deposited if we are able to determine what bank account to credit.
- Any Lockbox Item that is verified to be correct based on courtesy (numerical) amount matching the remittance amount.
- Any Lockbox Item with a discrepancy between the written and numerical amounts will be deposited at the written amount if the discrepancy is caught at the time of processing. If not caught, the item will be deposited at the numeric amount and you will be responsible for the difference.
- Any Lockbox Item returned for insufficient funds may, in our sole discretion, be presented to the drawee bank for payment

a second time without notice to you. If again returned unpaid, your designated Account will be charged and the Lockbox Item will be delivered to you.

- Any Lockbox Item returned for special endorsement will be endorsed "Pay to the Order of City National Bank" or the like and redeposited for payment without notice to you. If returned again the redeposited items and Items returned for any other reason will be charged to your designated Account and delivered to you.
- Any Lockbox Item that is payable in foreign currency and/or are drawn on a bank outside the United States will not be credited to your designated Account and will be delivered to you without further processing unless you instruct us to send them for payment and then they will be credited when payment is received by us.

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

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

#### **Wholesale Processing**

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

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

#### **Retail Processing**

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

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

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

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

#### **Web Exceptions**

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

unprocessed. Please refer to the applicable User Documentation for this Service.

### **Remit Scan Service**

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

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

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

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

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

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

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

### **Remit Pay**

Our Remit Pay Service provides for the conversion of your client's online bill pay initiated payments into electronic ACH payments by registering your company as a recognized participant of bill pay payment providers ("BPP"). To use this Service, you must provide a completed setup questionnaire. All documents must be signed by authorized signers of your organization. If you require additional customer account validation, you must also provide us with your billing file information to initially implement the service and each time the file is updated thereafter. Failure to provide an updated billing file may cause payments received for unrecognized entities or payor accounts to be rejected and returned to the initiating bank without notice to you.

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

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

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

### **Remit Direct**

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

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

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

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

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

### **OUTBOUND DATA EXCHANGE SERVICE**

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

### **POSITIVE PAY SERVICE**

This Service (also known as Check Positive Pay) is designed to help you identify and resolve suspect check activity in a timely manner. On or before the Business Day that you issue checks on your designated Account, you manually enter or otherwise provide us with a data file giving the issue date, number, and amount of each such check ("Issue Input"). Your Issue Input must be provided to us in accordance with the instructions in the User Documentation for this Service. If you issue a check and deliver it to the payee for payment on the same day, you must immediately notify us of the number and amount of such check. You acknowledge that if you provide a payee name as part of your Issue Input but do not subscribe to the Payee Verify Service, we are not obligated to compare the payee name to the corresponding check. Your Issue

Input may be provided to us through certain platforms and systems approved by us, including the Business Suite or EASI Link Services via your third-party accounting software or by SFTP. See "Internet-Based Business Services" section for further details.

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

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

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

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

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

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

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

#### **Payee Verify Service**

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

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

If you advise us of checks issued for payment as stated above or instruct us to pay an Item or Exception Item and based on the advice or instruction we pay the Item or Exception Item, we shall have no liability or responsibility to you if the Item or Exception Item

so paid bears a forged or unauthorized maker's signature, has no signature, is altered in any way, is incomplete, or is otherwise irregular.

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

#### **QUICKBOOKS® DIRECT CONNECT SERVICE®**

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

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

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

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

#### **REMOTE CHECK EXPRESS SERVICE**

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

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

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

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

the signing authority or any multiple signature requirements on the Account and each such request is deemed authorized.

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

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

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

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

#### **WIRE TRANSFER SERVICE**

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

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

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

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

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

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

FOR CITY NATIONAL BUSINESS AND OTHER CLIENTS USING CITY NATIONAL'S ONLINE SYSTEMS TO INITIATE CONSUMER ID 66508E (Rev 06/2023)

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

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

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

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

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

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

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

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

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

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

## INTERNET FRAUD PROTECTION PRACTICES

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

## GLOSSARY OF TERMS AND ACRONYMS

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

**ACH** - Automated Clearing House.

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

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

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

**Email** – electronic mail.

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

City National Bank  
Treasury Management Services  
350 South Grand Avenue, 2<sup>nd</sup> Floor  
Los Angeles, CA 90071  
(800) 599-0020  
**cnb.com**

ID 66508E (Rev 06/2023)

**ISP** - Internet Service Provider.

**IRS** - the Internal Revenue Service.

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

**MICR** - Magnetic Ink Character Recognition.

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

**PIN** - personal identification number.

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

**Sanctioned Entity** - (a) An agency of the government of, (b) an organization directly or indirectly controlled by, or (c) a person resident in, a country that is subject to a sanctions program identified on the list maintained by OFAC and available at

<https://home.treasury.gov> or as otherwise published from time to time as such program may be applicable to such agency, organization or person.

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

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

**SFTP** - secure file transmission protocol.

**TIN** - Taxpayer Identification Number.



City National Bank is a subsidiary of Royal Bank of Canada.  
CNB Member FDIC

(504)





**BUSINESS ELECTRONIC FUND TRANSFER  
AGREEMENT AND DISCLOSURE FOR  
CITY NATIONAL BANK VISA® BUSINESS DEBIT  
CARDS  
CITY NATIONAL BANK BUSINESS  
AUTOMATED TELLER MACHINE CARDS  
POINT OF SALE TRANSFERS  
TELEPHONE BANKING TRANSFERS  
PRE-AUTHORIZED TRANSFERS  
OTHER ELECTRONIC FUND TRANSFERS**

**Business Electronic Fund  
Transfer Agreement and  
Disclosure**

For use with Account Agreement and  
Disclosures

This Agreement contains terms and conditions governing City National Bank's electronic fund transfer ("EFT") services available to businesses and other entities that are not consumers ("natural persons"). As used in this Agreement, the terms "we," "our," "us" and "CNB" mean City National Bank and include each of our vendors providing one or more of our services. The terms "you" and "your" means you, the business owner or other authorized person using a service covered in this brochure. This Agreement is for use with our *Account Agreement and Disclosures* brochure, which you were provided. Capitalized terms not defined in this Agreement may be defined in that brochure. Additional terms and conditions governing our services and accounts, including the terms of our DISPUTE RESOLUTION PROGRAM, are contained in that brochure and should be read carefully. If you need another copy of that brochure, please contact us or check our website, *cnb.com*.

By opening a deposit account with us, each person designated in the account agreement as an "Authorized Signer" or otherwise designated as a person authorized to initiate an electronic fund transfer is authorized to initiate electronic fund transfers from the deposit account. We are entitled to rely upon electronic fund transfer instructions received from any such person by any means when confirmed in accordance with the security procedure to which you and we agree. **Instruction may be given to transfer funds between accounts maintained with us by any Authorized Signer or other authorized person without regard to the ownership of the account to which the funds are transferred and without regard to the number of signers required to withdraw funds from the account.**

**BUSINESS ELECTRONIC FUND TRANSFER  
SERVICES**

**CNB VISA BUSINESS DEBIT CARD TRANSACTIONS AND  
CNB BUSINESS ATM CARD TRANSACTIONS**

CNB Visa Business Debit Cards and CNB Business ATM Cards are provided for business use only and should not be used for personal, family or household purposes. By accepting and using either card, you, as the business owner or authorized representative of the business, and each person to whom a CNB Visa Business Debit Card or CNB Business ATM Card is issued on behalf of the business, represent to us that the card will not be used for personal, family or household purposes and that all transactions conducted by means of a card shall be the responsibility of the business. **Further, you understand and you shall advise each person to whom a card is issued that each transaction originated by means of either card is NOT a "consumer" transaction, as defined in the *Electronic Fund Transfer Act* and in Regulation E and is not governed by or entitled to the protection of federal law and regulation.**

You may use a CNB Visa Business Debit Card as a debit card to pay for transactions at locations participating in the networks identified on your card. Funds to pay for transactions originated by use of a CNB Visa Business Debit Card as a debit card are charged to the business account you designate and maintain with us.

You may use a CNB Visa Business Debit Card and CNB Business ATM Card to perform transactions at CNB ATMs and certain other ATMs participating in the networks identified on your card.

Transaction amounts conducted using your CNB Visa Business Debit Card or your CNB Business ATM Card are limited to the available balance (i.e., the balance on which no holds are placed) in your designated business account and your available overdraft protection, if any, and are subject to further limitation as stated below. Total daily card transaction and amount limits also apply.

Your CNB Visa Business Debit Card and your CNB Business ATM Card remain our property and must be returned to us upon request. Each person to whom a CNB Visa Business Debit Card or CNB Business ATM Card is issued on your behalf must sign the card upon receipt. Retention of, signature on or use of either card constitutes your agreement and the agreement of the person to whom the card is issued to comply with the terms and conditions set out in this Agreement and as they may be amended or otherwise changed by us from time to time. You are responsible to inform each person to whom the card is issued of these terms and conditions.

In the event you require emergency cash or emergency card replacement services through Visa, you agree that we may provide personal data to Visa U.S.A., its members or their respective contractors to meet your requirement.

Your CNB Visa Business Debit Card and your CNB Business ATM Card must be linked to a designated business account established with us. We may deduct from the account the amount of any transaction originated by use of either card as well as the amount of any fee or charge assessed by us or by others for use of either card. Your account and transactions conducted using either your CNB Visa Business Debit Card or your CNB Business ATM Card are subject to our applicable schedule of fees and the terms and conditions in this Agreement. For more information, refer to our *Fee Schedule: Business Products & Services*. To request a copy, contact your relationship manager or client representative at your branch. If a transaction requires a signed authorization, the transaction may be charged to your designated business account if the signature resembles the signature of an authorized person appearing on the card.

You shall maintain sufficient collected funds or available overdraft protection in your designated business account at all times. The amount shall be sufficient to allow us to deduct from the account or hold in the account the transaction amount when we are notified of a transaction or when a transaction is presented or charged. If you do not maintain sufficient collected funds or available overdraft protection in your account at that time, the transaction may be rejected. You acknowledge that neither your CNB Visa Business Debit Card nor your CNB Business ATM Card is a credit card and neither card automatically provides credit or overdraft protection.

You must apply separately for a credit line or for overdraft protection for your account. If an overdraft occurs in your account by use of either card you must repay the overdraft at once. A fee may be charged for an overdraft on your account and interest may be assessed.

A personal identification number ("PIN") must be used by each person to whom a card is issued who selects to pay for each nonsignature-based transaction by PIN at the PINPAD using a CNB Visa Business Debit Card.

You are responsible for all transactions and charges incurred by your use of your CNB Visa Business Debit Card (which includes use of your CNB Visa Business Debit Card's number) or your CNB Business ATM Card. You are responsible for all transactions and charges incurred by use of your CNB Visa Business Debit Card or your CNB Business ATM Card by anyone authorized by you. You, and each person to whom a card is issued, will take reasonable precautions to prevent unauthorized use of your CNB Visa Business Debit Card and your CNB Business ATM Card and you will not disclose the PIN for either card to anyone whom you do not want to use the card. If the PIN is disclosed to anyone and that person then conducts a transaction using your CNB Visa Business Debit Card, or your CNB Business ATM Card, the transaction will be deemed authorized and the person will continue to be authorized to conduct transactions until you notify us otherwise by telephone at (800) 773-7100. You shall notify us AT ONCE if you discover or suspect: unauthorized use of your CNB Visa Business Debit Card,

your CNB Visa Business Debit Card number or your CNB Business ATM Card; unauthorized disclosure of a PIN for either card; or any erroneous or unauthorized transaction appearing on your statement.

You are responsible and liable for transactions originated by means of a card issued to a person no longer authorized to conduct transactions on behalf of the business until we have received notice from you that the person is no longer authorized and we have had a reasonable opportunity to act on the notice.

If you are eligible, you may incur no liability for unauthorized use of your CNB Visa Business Debit Card or card number under our "zero liability" policy for transactions processed through the Visa network, including Internet and telephone purchases, and if you notify us as stated above but in no event later than sixty (60) days following the mailing date or delivery date of the first statement showing any unauthorized transaction. If you suspect that your CNB Visa Business Debit Card or card number has been lost or stolen, you may not be responsible for any unauthorized purchases if you report the theft to us promptly. We will reimburse you for the face amount of any "unauthorized transaction" conducted by use of the CNB Visa Business Debit Card or card number and processed through Visa unless we determine, based on evidence satisfactory to us, that you were grossly negligent or fraudulent in handling your CNB Visa Business Debit Card, card number or your account. We may provide you with provisional credit for an unauthorized transaction within five (5) business days from receipt of notice unless we determine a longer period is required. An "unauthorized transaction" does not include any transaction by you or anyone to whom a card is issued or person authorized by a cardholder, or other person with an interest in or authority or apparent authority to conduct business on the account. Nor does it include a transaction by a cardholder that exceeds the authority given by the CNB Visa Business Debit Card account owner or a transaction from which you, the person issued the card or the business derive no benefit. Under our "zero liability" policy, a transaction is not an "unauthorized transaction" if you furnish a CNB Visa Business Debit Card, the number for such card or any other identifying information respecting the card to another person and expressly or by implication give that person authority to perform one or more transactions, and the person thereafter exceeds that authority; or, for any other reason, CNB reasonably concludes that the facts and circumstances do not support a claim that the transaction was unauthorized. We reserve the right to deny you the benefit of this policy if we ask you for a written statement, affidavit or other information in support of the claim and you do not provide the information requested within a reasonable time set by us. Our "zero liability" policy does not apply to any unauthorized transaction not processed through Visa on an account that involves the use of a PIN for a cash withdrawal at an ATM.

#### **LIABILITY FOR UNAUTHORIZED TRANSACTIONS (MINNESOTA ACCOUNTS)**

CNB will be liable for unauthorized withdrawals, unless the unauthorized withdrawal was due to the loss or theft of your ATM or Debit Card or access code, in which case you will be liable for the withdrawal up to \$50.00, provided you notify us of the loss or theft of your card or access code within 60 days of receipt of the first statement showing the unauthorized transaction.

You shall not use your CNB Visa Business Debit Card or your CNB Business ATM Card for any illegal transaction, including but not limited to illegal Internet gambling.

You may not stop payment on a transaction originated by use of your CNB Visa Business Debit Card or your CNB Business ATM Card.

We may charge or restrict your designated business account for a transaction either on the day the transaction is presented to us for payment by electronic or other means or on the day we receive notice of the transaction, whichever is earlier. If we place a hold on your account and the transaction is charged to your account before the hold expires, the balance available to you in your account may be reduced by the amount of the transaction as well as the amount of the hold. We are not responsible or liable to you if a transaction is not charged to your account because a hold placed on a prior

transaction has not expired. We will place a hold on your account for the amount stated in the notice of the transaction. This hold may exceed the amount of the transaction that is charged to your account. **We are not responsible or liable to you if a transaction is charged to your account before a hold expires or if the amount of the hold placed for a reported transaction exceeds the amount of the actual transaction charged to your account.**

We may be liable to you for damage or loss you incur 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. However, we are not responsible or liable to you if a transaction originated by use of your CNB Visa Business Debit Card, card number or your CNB Business ATM Card is refused by anyone for any reason. We are not responsible or liable to you if, through no fault of ours, you do not have enough money in your account to make a transfer you order or authorize from the account or if the transfer would go over the limit on your overdraft protection, if any, or transactions on your account are restricted by legal process or otherwise. If you attempt to conduct a transaction at an ATM, we are not responsible or liable to you if the machine does not have enough cash to complete your transaction or the terminal or system is not working properly and you know about the breakdown when you start the transaction. We are not responsible or liable to you if you attempt to use your CNB Visa Business Debit Card, card number or CNB Business ATM Card during the period when our processing service is not available because of maintenance or for any other reason that is beyond our reasonable control, such as natural disaster, labor or civil unrest, mechanical or electrical failure, computer or equipment failure or otherwise.

IN NO EVENT WILL WE BE LIABLE TO YOU FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR EXEMPLARY DAMAGES.

#### **OTHERS' LIABILITY TO YOU (MINNESOTA ACCOUNTS)**

You may bring a civil action against any person violating the consumer privacy and unauthorized withdrawal provision of Minn. Stat. 47.61 to 47.74, and, if successful, recover, in addition to actual damages or \$500, whichever is greater, punitive damages, court costs, and reasonable attorney's fees.

You may not receive cash refunds for purchases you make using your CNB Visa Business Debit Card or CNB Business ATM Card. If a merchant who honors your CNB Visa Business Debit Card or your CNB Business ATM Card gives you credit for merchandise returns or adjustment, the merchant will do so by sending us a credit that we will apply as a credit to your designated business account with us. You are responsible to settle directly with the merchant or other business establishment that accepted your CNB Visa Business Debit Card or CNB Business ATM Card any claim or defense with respect to goods or services purchased with either card. Any such claim or defense that you assert will not relieve you of your obligation to pay the total amount of the transaction plus any appropriate charges we may be authorized to make. We are not responsible for any damages or liability if a merchant misrepresents the quality, price or warranty of goods or services you pay for by using your CNB Visa Business Debit Card or CNB Business ATM Card.

#### **REVERSAL OF TRANSACTIONS (MINNESOTA ACCOUNTS)**

When using your Debit Card to pay for goods or services purchased by you from a merchant using the merchant's point-of-sale terminal, you cannot reverse the transaction. However, by returning the item you may receive a reversal credit from the merchant. The payment for goods or services made in this manner does not affect any of the rights, protections or liabilities in existing law concerning a cash or credit sale made by means other than through use of a terminal.

You may not use your CNB Visa Business Debit Card or your CNB Business ATM Card in certain countries where, by reason of federal law or regulation, restrictions apply to monetary transactions conducted in or through the country. Transactions you attempt to conduct in such countries using your CNB Visa Business Debit Card or your CNB Business ATM Card may be blocked. When planning to travel abroad, you may call us at **(800) 773-7100** to determine the countries where restrictions currently apply.

If you use your CNB Visa Business Debit Card or CNB Business ATM Card to conduct a transaction in a foreign currency, we will

charge your account for the U.S. Dollar equivalent of the transaction currency as transmitted to us. The transaction currency amount will be converted to U.S. Dollars, the billing currency, by the bank or network through which the transaction is processed in accordance with its operating regulations or conversion procedures in effect at the time the bank or network processes the transaction. The exchange rate used for the conversion will be selected by the processor from a range of rates available in the wholesale currency market on the date of conversion or such other date as is provided in the processor's regulations, which rate may vary from the rate the processor itself receives, or the applicable government-mandated rate then in effect. The exchange rate used on the conversion date may differ from the rates available on the date the transaction was conducted or on the posting date identified in your monthly statement and may also differ from the rates available through financial institutions in the country in which the transaction was conducted. We do not determine the exchange rate. You agree to pay all charges and accept all credits for the converted transaction amounts.

We may establish daily limits on the number and dollar amount of transactions that you may originate by use of your CNB Visa Business Debit Card or CNB Business ATM Card. Your limits will be disclosed to you separately. We may change these daily limits from time to time.

If your designated business account also limits the number of transactions that may be conducted during a statement cycle, debit card and POS transactions conducted using your CNB Visa Business Debit Card and your CNB Business ATM Card may count toward this limit. Transactions conducted using an ATM do not count toward this limit. We count a transaction as having occurred when it is received by us in the Pacific time zone at local time. For more information, refer to our *Fee Schedules: Business Product & Services*. To request a copy, contact your relationship manager or a client service representative at your branch.

We may change the terms and conditions of this Agreement as it applies to our business electronic fund transfer services, our fees for these services and the transaction limits on these services from time to time on notice to you. Usually we will provide you with written notice sent to your address as shown on our records at least 21 days prior to any change. However, we reserve the right to make changes without prior written notice if the change is necessary, in our opinion, to maintain the security of your account or the electronic fund transfer system. You may cancel or discontinue use of any of your EFT services at any time.

We reserve the right to terminate your use of your CNB Visa Business Debit Card or your CNB Business ATM Card at any time with or without cause and without prior notice to you.

You are responsible to us for all damages or liability arising by reason of your failure or the failure of any other authorized person to abide by the terms and conditions of this Agreement as it applies to our business electronic fund transfer services or misrepresentations concerning your use of your CNB Visa Business Debit Card or CNB Business ATM Card to the extent permitted by law.

#### **USING YOUR CNB VISA BUSINESS DEBIT CARD OR YOUR CNB BUSINESS ATM CARD AT AUTOMATED TELLER MACHINES**

You may use your CNB Visa Business Debit Card or your CNB Business ATM Card at our ATMs and at other ATMs participating in the networks identified on your card.

Either card has access to your designated business account. We reserve the right to limit card access. Transactions on certain accounts may count toward transaction limits. For more information, refer to our *Fee Schedules: Business Product & Services*. To request a copy, contact your relationship manager or a client service representative at your branch.

If you use either card at one of our ATMs, you can:

1. Check the balance in your designated business checking account.

2. Withdraw cash from your account. You may withdraw up to the total of your disclosed daily limit.
3. Make deposits to your account (at ATMs that accept deposits).

There is no transaction charge when you use either card to conduct a transaction at one of our ATMs.

You may also use either card to conduct some of the transactions listed above at ATMs operated by other institutions. If you conduct a transaction at an ATM that is not operated by us, the operator of the machine or any network used to complete the transaction may impose a surcharge or fee. There are some limitations on transactions you may conduct through such a machine; for example, you may not make a deposit to your accounts with us. Also, we may charge a per withdrawal fee for each cash withdrawal conducted at an ATM operated by another institution. This charge is in addition to any fee imposed by the operator of the machine or the network used to complete the transaction.

You should receive a receipt at the time you get cash or perform another transaction using an ATM. If you do not receive a receipt for any reason and have requested one, please contact us. All withdrawals and deposits are subject to later verification by us. If you perform transactions at an ATM on a day that is not a Business Day for us or after our ATM processing cut-off time, your transaction will be posted to your account on our next Business Day.

Most of our ATMs are available 24 hours a day, 7 days a week, except for brief periods when routine maintenance, inspection or repair is required. Some of our ATMs located in building lobbies have limited availability and some do not accept deposits. For the locations and availability of our ATMs, please call the telephone number listed on your statement or contact us at **(800) 773-7100** or visit [cnb.com](http://cnb.com).

#### **POINT-OF-SALE ("POS") TRANSACTIONS**

You may purchase goods and services and get cash using your CNB Visa Business Debit Card at POS terminals in retail locations participating in the networks identified on your card.

The amount of the purchase, together with any charge related to the transaction imposed by others, will be automatically deducted from your designated business checking account. Participating retail outlets and locations are subject to change without notice. The maximum amount you can purchase on any day is disclosed to you when you receive your card. Each transaction is subject to the fee schedule for your account. Transactions received before our cut-off time on a Business Day will be processed that day. Transactions received after our cut-off time or conducted on days that are not Business Days will be processed on our next Business Day. You may not stop payment on a POS transaction.

#### **TIMING OF TERMINAL TRANSACTIONS (MINNESOTA ACCOUNTS)**

The approximate time needed to complete a deposit, cash withdrawal, or transfer between your CNB accounts at a CNB ATM or a purchase at a participating merchant's point-of-sale (POS) terminal is under two (2) minutes. Posting is generally immediate except for signature transactions at POS which depend on merchant presentation and are immediate following presentation.

#### **TELEPHONE BANKING SERVICE AND ACCOUNT-TO-ACCOUNT TRANSFER SERVICE**

Our Telephone Banking Service allows you to obtain information about your designated checking and savings accounts with us and, with authorization, to order the transfer of funds between your designated checking and savings accounts with us using a touch-tone telephone or as we otherwise permit. You may be required to complete our *Telephone Banking Transfer Authorization* form before we will provide the transfer service. Transfers between accounts are only processed on our Business Days. Transfer orders received on a Business Day during normal business hours and before our cut-off hour are usually processed at or about the time of the receipt of the order. Transfer orders received after our cut-off hour on any Business Day or on a day that is not a Business Day for us will be processed on our next Business Day. You may use our Telephone Banking Transfer Service 24 hours a day, 7 days a

week. We may restrict transfers between accounts to the collected funds in the account. Transfers from certain accounts are subject to excess transaction limits and fees.

#### **ABOUT YOUR PERSONAL IDENTIFICATION NUMBER ("PIN") FOR BUSINESS TRANSACTIONS AND YOUR SECURITY CODE**

A PIN may be required to conduct any transaction using your CNB Visa Business Debit Card or your CNB Business ATM Card. A PIN will be provided to each person to whom a card is issued on behalf of the business at the time that person first receives the card. The PIN may be changed by the person at any time and we encourage the person to do so. It is each person's responsibility to keep the PIN secure. Each person to whom a card is issued on behalf of the business agrees not to write the PIN selected on a CNB Visa Business Debit Card or CNB Business ATM Card or anything the person carries with or near the card. Each person agrees not to tell anyone else his or her PIN. Each person agrees not to let anyone else use his or her CNB Visa Business Debit Card or CNB Business ATM Card. Each person agrees not to allow anyone to see him or her entering the PIN in any machine. If any person does any of the foregoing, a person conducting a transaction on your account, using the PIN, may be deemed authorized to do so by you. You shall inform each person to whom a card is issued on behalf of the business of their obligations stated above.

We may provide you with a Security Code that may be required to conduct a transaction, for example, to conduct a transaction through our Telephone Banking Service. That Security Code must be safeguarded as you safeguard a PIN. You may change the Security Code we provide you at any time using our Telephone Banking Service.

#### **PREAUTHORIZED TRANSFER TRANSACTIONS**

You may arrange for the deposit of funds directly into your checking, money market or savings account with us. You may also arrange for payments to be made from your account to third parties. Payments made from your account may count toward transaction limits and may be subject to transaction fees or other restrictions. For more information, refer to our *Fee Schedules: Business Product & Services*. To request a copy, contact your relationship manager or a client service representative at your branch. These transactions are generally processed through automated clearing houses, are referred to as "ACH" transactions and are subject to the then current rules and regulations of the National Automated Clearing House Association ("NACHA"). Any transfer of funds you receive through an ACH is provisional and you must repay the funds if we do not receive final settlement.

If you receive a direct deposit from the government, which the government seeks to reclaim, you authorize us to charge any account of yours to pay the claim without prior notice to you.

#### **STOP PAYMENT PROCEDURE FOR PREAUTHORIZED PAYMENTS**

You can stop any payment which you have arranged to be made from your account by calling us toll free at **(800) 773-7100** or by writing us at City National Bank, 555 South Flower St., 20<sup>th</sup> Floor, Los Angeles, CA 90071, Attn.: Client Services Call Center in time for us to receive the request at least three (3) Business Days before the payment you want to stop is scheduled to be made. You must tell us your name, account number, the exact payment amount, the payment date and the person or company who is to receive the payment. If you call, we may also require you to confirm your request in writing and make sure we receive it within fourteen (14) days after you call. If you follow these instructions and we do not stop payment as you requested, we may be liable to you. You will be charged our regular stop payment fee for your request. Your stop payment request is effective for two (2) years and only for the preauthorized payment scheduled to be made on the payment date that you give us and only for the exact amount and payee. For specific recurring payments you want stopped the stop payment order will remain in place until withdrawn.

If a payment is processed for a different amount or on a different date, it will not be stopped. If you want preauthorized payments to a specific recipient permanently stopped, you must tell us and you

must also notify the recipient in writing that you are revoking the authorization and ordering the payments stopped. We generally do not notify the recipient. If you are not the person who originally authorized the preauthorized payments from your account, you must contact the originator to arrange to stop the preauthorized payments.

## OTHER ELECTRONIC FUND TRANSFERS

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

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

### FUND TRANSFER PAYMENT ORDER SECURITY PROCEDURES

We make available a variety of means to authenticate payment orders initiated through our Treasury Management Services. See your relationship manager or client representative at your branch for details. If you do not choose to use our Treasury Management Services to initiate and authenticate a payment order, you and we agree that a callback procedure shall be the security procedure that will be used to authenticate your payment order. You shall make available a person authorized to verify payment orders for electronic fund transfers by means of a callback. If no person is available to respond to our callback, we may delay or refuse processing the payment order and the electronic fund transfer without liability to you.

If you refuse to agree to authenticate a payment order by means of a security procedure which we make available to you and you do not authenticate the payment order by means of an agreed security procedure, the electronic fund transfer shall be deemed authorized by you and we shall not be liable to you if it is later determined that the payment order was unauthorized or erroneous.

### EXCEPTIONS TO USE OF SECURITY PROCEDURES

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

You may authorize a periodic transfer to a designated person or to an account at another bank and, after the initial transfer is authenticated by means of a security procedure, we may continue

to initiate the periodic transfers as you initially instructed without use of a security procedure until you tell us to stop.

### FUND TRANSFER CUT-OFF TIMES

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

### RIGHT TO REJECT A FUND TRANSFER

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

### RIGHT TO LIMIT THE AMOUNT OF A FUND TRANSFER

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

### ACCURATE ACCOUNT NUMBER AND BENEFICIARY OR BANK INFORMATION - EFFECT OF INCONSISTENT INFORMATION

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

PLEASE NOTE: We, any intermediary bank and the beneficiary's bank may process a payment order solely on the basis of the account number even if that number does not correspond to the beneficiary's bank or the named beneficiary of the payment order at the beneficiary's bank. You are obligated to pay any such order originated by you.

### ACH PROVISIONAL PAYMENT RULE

In the event final settlement is not received by a beneficiary's bank for a payment order transmitted through an Automated Clearing House, the beneficiary's bank is entitled to recover from the beneficiary any provisional credit given. Therefore, any transfer of funds you receive through an ACH is provisional and you must repay the funds if final settlement is not received.

### NOTICE OF INCOMING FUND TRANSFERS

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

### INCOMING THIRD-PARTY TRANSFERS

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

### CANCELLATION OR AMENDMENT OF FUND TRANSFERS

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

### UNAUTHORIZED FUND TRANSFERS

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

### **ERRONEOUS FUND TRANSFERS YOU ORDER**

You are obligated to pay us for an erroneous payment order, including any amendment, which you actually give us even if we did not comply with our agreed security procedure and the error would have been detected had we complied.

### **NOTICE OF ERRONEOUS OR UNAUTHORIZED FUND TRANSFERS**

Examine your monthly account statement for your account(s) showing transaction and other activity on your account promptly.

You must notify us at once if there is an error or discrepancy in any notice or statement you receive from us about a fund transfer, including a fund transfer you believe is unauthorized. If you fail to notify us of any such error, discrepancy or unauthorized transfer within fourteen (14) days following the day we send you the first notice or statement that contains evidence of the error, discrepancy or unauthorized transfer, you assume liability for all loss, including loss of interest, which results from such failure. In the case of any unauthorized fund transfer, you specifically agree that we shall not be liable for any loss of interest you incur by reason of your failure to give us notice.

### **INTERNATIONAL FUND TRANSFERS**

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

NOTE: If the beneficiary of an international fund transfer payment order must receive a specific amount, you must contact us in advance to determine the additional amount, if any, to be included to pay any intermediary bank's charges for service and expenses. If you do not wish to have intermediary bank charges for service and expenses deducted from the amount the beneficiary's bank will receive, you must contact us to make alternative payment arrangements.

### **INTERNATIONAL FUND TRANSFERS CURRENCY CONVERSION AND EXCHANGE RATE RISK**

Foreign currency fund transfer transactions may require conversion of foreign currencies from or to U.S. Dollars. We may use our current buying or selling rates as applicable when processing a foreign currency wire transfer requiring conversion by us from or to U.S. Dollars, including receiving a foreign currency fund transfer returned to us for any reason.

When you initiate an international fund transfer in U.S. Dollars through us to a beneficiary's account at a foreign bank, unless you specify otherwise, at our option we may convert or arrange with any intermediary bank to convert your U.S. Dollar fund transfer to the foreign currency of the beneficiary's account at a buying rate determined by us or the intermediary bank processing your fund transfer order. We may retain or share in any foreign currency exchange proceeds we or the converting intermediary bank receives as additional compensation for our service in processing the fund transfer order. In the event the fund transfer is converted and the beneficiary or the beneficiary's bank requires the payment be received in U.S. Dollars, the fund transfer will be re-converted and settled in U.S. Dollars and any loss or gain in the foreign exchange re-conversion to U.S. Dollars will be for our account or the account of the intermediary bank and at no re-conversion cost to you.

NOTE: Transactions other than in U.S. Dollars are subject to exchange rate risk. You carry the exchange rate risk.

### **INTEREST COMPENSATION**

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

### **LIMITATION OF LIABILITY FOR CIRCUMSTANCES BEYOND OUR CONTROL**

We shall not be liable to you if we fail to credit a fund transfer to your account or if we are delayed in crediting a fund transfer to your account or if we fail to transmit or delay transmission of your payment order because of circumstances beyond our reasonable control, including but not limited to legal process, labor unrest, equipment or software failure, interruption of communication facilities, civil unrest or disturbance, natural catastrophe, or acts of government authority. We shall not be responsible to transmit a payment order, that, in our opinion, may violate any guideline, law, rule or regulation of any government authority, and we shall not be liable to you or anyone else for our refusal to do so. Our entire liability, and your sole remedy, for any failure or delay shall not exceed the lesser of your actual damages or the fees actually paid to us by you for our fund transfer service and associated account maintenance fees during the six (6) months preceding the date of the alleged failure or delay. **IN NO EVENT WILL WE BE LIABLE TO YOU FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR EXEMPLARY DAMAGES.**

### **PERIODIC STATEMENT**

We will send a monthly account statement for your account(s) to you, showing your CNB Visa Business Debit Card and CNB Business ATM Card transactions and other activity from and to your account. You are responsible to promptly review your statement for accuracy. Failure to report errors, discrepancies or unauthorized transactions within fourteen (14) days may affect your rights.

### **IF YOU HAVE QUESTIONS ABOUT A BUSINESS OR OTHER FUND TRANSFER**

Contact us AT ONCE if you think a transaction on your account is unauthorized or otherwise erroneous or you have a question about your statement. You may contact your relationship manager directly or you may call us at **(800) 773-7100** or you may write us at City National Bank, 555 South Flower St., 20<sup>th</sup> Floor, Los Angeles, CA 90071, Attn.: Client Services Call Center. Failure to contact us promptly may prevent us from blocking an unauthorized transaction or recovering money for you and may also further limit our liability to you.

### **LIMITATION ON ACTIONS FOR BUSINESS AND OTHER FUND TRANSFER TRANSACTIONS**

Except as may otherwise be required by law, any action on any business or other fund transfer transaction must be commenced within the same statute of limitation period applicable if the transaction had been conducted by check. If the action is not commenced within the applicable period, it shall be barred.

### **NOTICE TO ACCOUNT HOLDERS AND CARD USERS**

**Fraud is an ever-growing problem. It is in your best interest to take precautions to protect yourself while conducting transactions at home and at your place of business. As part of our ongoing efforts to serve all of your financial needs, here are several suggestions to help increase your personal safety and reduce the risk of fraud and identity theft.**

#### **GENERAL INFORMATION:**

1. **Conduct a regular review.** You can catch unauthorized transactions early by checking your account details regularly - at least once a week. Consider using online services to receive statements and pay bills.
2. **Get your credit report.** It's your credit, so make sure no one else is using it. Check to ensure there aren't activities listed that you didn't initiate.

## CARD AND PERSONAL IDENTIFICATION NUMBER "PIN"

### SAFETY:

1. Report lost or stolen cards immediately.
2. Sign your card on the signature panel as soon as you receive it.
3. Protect your cards as if they were cash.
4. Make a comprehensive list of all your cards and their numbers and store it in a safe place.
5. Don't leave your cards in the glove compartment of your car. An alarmingly high proportion of all card thefts occur from glove compartments.
6. When selecting a PIN avoid using information that can be tied to in-wallet information (e.g., birth date, social security number, telephone number).
7. Never write down your PIN-memorize it. Also, never use your PIN as a password.
8. We or any agent of ours will never request you to divulge your PIN in an oral or written manner.
9. Whenever possible, keep an eye on your card when doing a transaction. Ensure that you get your card back after every purchase. If any activity during the transaction concerns you, call us promptly.
10. Always check sales vouchers for the correct purchase amount before you sign them, and keep copies of your vouchers and ATM receipts. Always check your billing statement and verify the amounts of your purchases.
11. Don't volunteer any personal information when you use your credit card, other than by displaying personal ID as requested by a merchant.
12. Don't lend your card to anyone. You are responsible for its use. Some card misuse can be traced directly to family and friends.

### AUTOMATED TELLER MACHINE ("ATM") SAFETY TIPS:

1. Plan ahead to minimize your time at an ATM. Prepare as much of your transaction in advance as you can at your home or office by filling out your deposit slip and endorsing the checks "for deposit only" to your account.
2. When you approach an ATM location, look around and be alert to your surroundings, especially in areas unfamiliar to you. If you observe any suspicious person or unusual activity near the location at any time, do not use it and go somewhere else. At night, if the ATM location is not well lighted, do not use it and go somewhere else.
3. Consider going to an ATM location with someone you know and trust. If the ATM is in an enclosed facility that requires entry using an access device, close the entry door completely upon entering and exiting. Do not permit any unknown person to enter the facility with you after regular banking hours. Do not accept assistance from anyone you do not know and trust when using an ATM.
4. Prevent others from seeing you enter your PIN when using an ATM. Consider using your body to shield the view of the keypad.
5. If you notice anything suspicious or any other problem arises after you begin your transaction, cancel the transaction; recover the card you are using from the ATM and leave.
6. When your transaction is complete, recover your card, your receipt and any cash you have requested from the ATM. Place the cash securely on your person before exiting the ATM facility. Do not display money taken from the ATM. Put the money away and wait until you are in a safe place to verify it. Mark each transaction in your account record but do so away from the machine in a safe place. Save your receipt and do not leave a receipt at the ATM location because it contains important account information. Compare your records with the account statement you receive.
7. When using any drive-up facility, lock your car doors and roll up all the windows except the window you are using to

access the ATM. If you keep your engine running, be sure your car is in "park" or "neutral" and the brake is set.

8. Do not let anyone else use your card. Do not disclose your PIN to anyone else, even if the person is offering assistance. Do not write your PIN on your card. If you lose your card or it is stolen or your PIN is lost or stolen, report the loss to us at once.

PLEASE NOTE: The activity at our ATMs is being recorded by surveillance cameras.

In the event of an emergency, contact your local police by telephone or dial 911.

Please report any complaint you may have concerning the safety or security of any of our ATMs to our Corporate Security Department at telephone number 213-427-5454.

In New York, complaints about the security of our ATMs may also be reported to the New York Department of Financial Services at telephone number 800-342-3736. Use the nearest available public telephone to call the police if emergency assistance is needed.

### ONLINE SAFETY:

1. Never send account information, such as your account number or PIN, in the body of an email. You never know who could be intercepting it.
2. Beware of phishing emails. These are emails that appear to be from your bank or an online merchant asking you to provide or validate your account information. CNB and reputable merchants will never ask for any account or personal information in an email.
3. Never click on Internet links within emails. Instead, type the known URL.
4. Before making purchases online, be sure that the site has built-in security features to protect your account information. All reputable merchant sites use encryption technologies that will protect your private data from being read by others as you conduct an online transaction.
5. If possible, avoid using a public computer to shop online or access your account(s), always remember to log off and quit the browser when you are finished. All it takes for someone to view your personal information is simply hitting the Back button.
6. To protect your information use only a computer that has a firewall in place. Install anti-spyware and anti-virus software and implement updates as soon as they are available.

## INTERNET FRAUD PROTECTION PRACTICES

In addition to other Security Practices and Procedures that we may advise you about or provide you from time to time, here are some of the steps you should take to protect yourself from Internet (online) fraud:

1. Install an anti-virus program that will help fight viruses and malicious software on your computers, tablets, mobile phones and other devices. Use firewalls to secure and protect your home and/or office network.
2. Be conscientious about installing critical updates for your computer's operating system. Better yet, set it up for automatic updates. The bad guys don't stand still and you shouldn't either.
3. Keep your mobile devices with you or lock them away when they're not needed. Password-protect them to protect against unauthorized use. And, when it comes to apps, be careful before you click. Only download from legitimate online stores.
4. Is your computer set up to "auto-load" removable media (e.g., USB drives, SD cards)? If so, disable this feature. Play it safe by scanning these items before you open them.

5. When it comes to your passwords, be extra diligent. Passwords should be complex, frequently changed, and unshared. And be sure to password-protect your router and other wireless connections.
6. Never open email attachments or click on links from unknown or suspicious sources, including social media sites.
7. Don't be manipulated. Disregard in-person, phone, text message, email or web requests that ask you to share your personal or account information unless you are sure the request and requestor are legitimate.
8. Be careful on social media. Avoid posting too much personal information. At the very least, utilize privacy controls to limit who can see what.
9. Be disciplined in the management of your financial accounts. Check them daily even if you have not initiated transactions and report suspicious activity to the bank right away.
10. ACH transaction and wire transfer security is especially critical - use security tokens only when releasing an ACH or wire transaction, never at login. CNB will never initiate a communication to request entry of security tokens. If you enter a token to complete a transaction and you get an error message, you are logged off the system or you do not get a confirmation contact us IMMEDIATELY. There is increased likelihood your computer has been hacked.
11. Internet security is a family affair. Make sure all Internet users in your home and business are educated about online safety and know what needs to be done.
12. Read and understand your obligations as stated in our "Internet Fraud Notice to Account Holders and Agreements Respecting Internet Fraud and Security."

**MAIL AND PHONE SAFETY:**

1. Never give your account information to anyone claiming to be from your bank unless you initiated the call and are calling a number you know to be your bank's number.
2. Record the name, address, and phone number of the soliciting organization, and obtain names of other customers who can supply references.
3. Be wary of high-pressure sales tactics, especially if the sale must be completed immediately.
4. Ask questions. The fewer questions a telemarketer can answer, the less likely that he or she is calling from a legitimate business.
5. Notify us and the U.S. Postal Service immediately if you change your address.
6. Make sure your mailbox is secure, and promptly remove delivered mail.
7. Call the Post Office immediately if you are not receiving your mail.
8. If you are told of a forwarding order placed on your mail without your knowledge, go to the Post Office to check the signature and cancel the order.





## Business Options: Overdraft Protection

### Overdraft Protection: Peace of Mind

Avoid the fees, hassle and embarrassment of rejected transactions or overdrafts in your checking account with one of our overdraft protection options. City National offers two options; a Business Overdraft Line of Credit and a Commercial Credit Sweep Line of Credit.

Your City National overdraft protection is linked to your City National checking account. Both of our overdraft options act like an insurance policy against overdrafts by automatically advancing funds to cover checking account overdrafts up to your available credit. The best means to avoid overdrafts is to keep sufficient funds in your checking account to cover all transactions. City National Bank does not encourage you to present transactions for payment against insufficient or uncollected funds in your account. Our Overdraft Protection options are offered to you as a means to allow us to pay the transactions up to the limits of the protection and avoid overdrafts. Without Overdraft Protection, at our discretion, we may pay transactions that overdraw your checking account but we are not obligated to do so. We reserve the right to close any account when checks or other items are repeatedly drawn against insufficient or uncollected funds or credit. Overdrafts in account must be repaid at once.

HOW OUR OVERDRAFT OPTIONS WORK		
Features	Business Overdraft Line	Commercial Credit Sweep
Product summary description	A smaller line of credit with standard terms and conditions linked to your checking account. We automatically transfer funds, in \$100 increments, from the line of credit to cover transactions if there are not enough available funds in the linked checking account.	A larger line of credit with negotiated terms and conditions linked to your checking account. We automatically transfer the exact amount of funds from the line of credit to maintain the established Target Collected Balance in the linked checking account. Collected funds from deposits and other credits in the checking account that exceed the Target Collected Balance are automatically transferred back to the line of credit to reduce any outstanding balance.
Who would benefit	A small business wanting pay-as-you-go protection.	Commercial clients that want to minimize interest expense.
% of available credit eligible to provide overdraft protection	100%	100%
Advance increments	\$100 increments, up to the amount available in the Business Overdraft line of credit.	The exact amount needed to cover an overdraft or bring the checking account to its Target Collected Balance, up to the amount available in the Commercial Credit Sweep line of credit.
Maximum Potential Overdraft Coverage Amount	\$50,000	Negotiable
Minimum Line of Credit Amount	\$2,501	Negotiable
Repayment	5% of principal balance + fees, monthly. \$25 minimum payment.	Subject to the terms and conditions relating to the Commercial Line of Credit.
Automatic payment feature	Automatic payment for the minimum amount due monthly is required.	Automatic payment for the minimum amount due monthly is required.
Annual Fee	None	Negotiable
Monthly Fee	None	\$200, assessed to the linked checking account
Transfer Fee	\$10, assessed to the line of credit	None
Interest Rate	18.00%	Negotiable
NSF/OD Fees*	Assessed on the linked checking account only when items paid or rejected exceed both the balance in the checking account and the amount of credit available in the Business Overdraft line of credit.	Assessed on the linked checking account only when items paid or rejected exceed both the balance in the checking account and amount of credit available in the Commercial Credit Sweep line of credit.
Notes	Requires loan application and credit approval.	Requires loan application and credit approval.

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