

EFFECTIVE JANUARY 1, 2020

Business
Accounts &
Services and
Transaction
Banking Services

Disclosure and Agreement



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Accounts
& Services

Disclosure and Agreement



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INTRODUCTION

Welcome to MUFG Union Bank, N.A. ("Union Bank"). Your account is backed by the reputation and resources of one of the largest banks on the West Coast, as well as by coverage of the Federal Deposit Insurance Corporation (FDIC) to permissible limits.

Most accounts may be accessed in person at a Union Bank® branch location, through Online Banking or Telephone Banking, or by using your ATM Card or Union Bank Debit Mastercard BusinessCard® ("Debit Card"). Not all accounts and services are offered at all times at every Union Bank branch for all account types.

This *Business Account & Services Disclosure and Agreement*, Bank Depositor Agreement (signature card), applicable fee schedule, other related documents we may provide you, and any amendments contain the terms of our agreement ("Account Agreement") with you for your account and any related services. This Account Agreement supersedes all previous agreements related to its subject matter including any oral or written communication. Except as otherwise stated, this Account Agreement does not alter or amend the terms or conditions of any other agreement you have with us.

English as the Primary Account Language

How this affects our communications with you: English is the controlling language of this Account Agreement. If there is any inconsistency between English and another language that we use to communicate with you, the English version shall control unless we agree otherwise in writing or the laws governing your account specifically require a different result.

How this affects the way you communicate with us: All written instructions that you give us (e.g., on a check) must be in English. We may decline to process any instruction written in a language other than English, whether issued by you or another person. We are not responsible for any liability you may incur as a result of our failure to honor such instructions.

Business Accounts

Business accounts are those accounts used for other than personal, family, or household purposes.

Customer Identification

Important information about procedures for opening a new account – To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

We may further ask you for specific information regarding the nature of anticipated activity, the sources of your funds, the purposes of transactions, the anticipated frequency of such transactions, the relationship you have with persons to whom you send funds and the persons who send funds to you, the ultimate beneficiaries of funds you send and receive, and other questions that may help us clarify the nature and purpose of transactions.

We may, at our sole discretion, elect not to open an account or close any existing account, with or without cause. We may, at our sole discretion, open additional accounts upon your telephone, written, or online instructions. These accounts must be in the same title as previously established accounts you maintain with us.

We may close accounts if we are unable to understand the purpose of the account, the structure of an organization, the authority of the signers, the documentation provided, or the general risk associated with the establishment of the account. We may elect not to disclose the specific reason for our action.

Identification for certain cash transactions – The Bank may ask all individuals for certain identification when making certain cash transactions:

- Union Bank account holders will be required to provide their ATM or debit card, or a valid government-issued ID, driver's license, or passport.
- Non-clients will be required to provide a valid government-issued ID, driver's license, or passport.

ERISA STATUS

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

DEFINITION OF CERTAIN TERMS

Adjustments – Corrections or changes we make to your account (both credit and debit). For example, corrections or changes made as a result of deposits recorded on deposit slips in the wrong amount, or Items you deposit that are returned unpaid.

Annual Percentage Yield (APY) – The total amount of interest paid on an account, based on the interest rate and the frequency of compounding. Unless otherwise noted, it is for a 365-day period (366 days each leap year), and is expressed as a percentage.

Annual Percentage Yield Earned (APYE) – An annualized rate that reflects the relationship between the amounts of interest actually earned on your account during a statement period and the average daily ledger balance in the account for that period.

Authorized Signer – Authorized Signers on your account are those noted on the signature card or as authorized by you in writing. An Authorized Signer may act alone in conducting withdrawal transactions and transfers from the account, despite multiple signature requirements.

Available Balance (or Available Funds) – The amount of funds available in your account for withdrawal. This amount may be different from your **Ledger Balance** or **Collected Balance**.

Average Monthly (Ledger) Balance (Statement Average Ledger Balance) – The amount calculated by adding the Ledger Balance in the account for each day of the statement period (excludes interest paid on the last day of the statement period) and dividing that figure by the number of days in the period. The Average Monthly Ledger Balance, which may be used to avoid the Monthly Service Charge, is based on a monthly statement period.

Collected Balance – The Ledger Balance minus the amount of your uncollected funds.

Combined Balance – This applies to one or more accounts that you have agreed to link to your primary checking account. The Combined Balance may be used to determine whether or not you will be assessed a Monthly Service Charge.

Combined Balance is determined by combining:

- The previous monthly statement's Average Monthly Ledger Balance in all Linked Accounts plus the current monthly statement Average Monthly Ledger Balance in your primary checking account; and if linked,
- The previous day's Ledger Balance in accounts for which a statement has not been generated (e.g., time deposit accounts).

What accounts you can include in your Combined Balance:

- You can ask us to combine balances of linked eligible checking, savings, money market, and time deposit accounts to arrive at your Combined Balance. Restrictions may apply.
- Priority Banking® and The Private Bank clients may include amounts held in IRAs, some Union Bank business accounts (excludes analyzed accounts); and UnionBanc Investment Services®¹ brokerage accounts, including Portfolio Connection® accounts.

What you can't include in your Combined Balance:

- You cannot link accounts to more than one checking account for Combined Balance purposes.
- Combined Balance excludes PurePoint® Financial accounts.

Daily Minimum Balance – The lowest Ledger Balance in the account for any day of the monthly period.

Business Days – Monday through Friday, excluding federal holidays, even though we may be open on a Saturday or Sunday. Unless otherwise noted, time refers to Pacific Time.

Combined Transactions – Includes each check deposited, each debit or paid Item, and each credit or deposit. Bank transactions, such as fees or adjustments, are excluded. For example, a deposit of 5 checks is considered 6 Combined Transactions; 1 transaction for each check and a separate transaction for the deposit itself.

Contracting Officer – Designated by corporate resolution or by a company's governing body and is authorized to enter into deposit account, funds transfer, or treasury management services agreements with us, and to authorize individuals to withdraw funds, initiate payment orders, execute service agreements, and otherwise give instructions on behalf of a company with respect to its deposit accounts and treasury management services.

Debit – An entry that reduces the Available Balance in your deposit account, such as checks you write or other Items authorized or presented for payment.

1 Brokerage and investment advisory services (including Portfolio Connection accounts) available through UnionBanc Investment Services LLC, an SEC-registered broker-dealer, investment adviser, member FINRA/SIPC, and subsidiary of MUFG Union Bank, N.A.:

- **Are NOT deposits or other obligations of, or guaranteed by, the Bank or any Bank affiliate**
- **Are NOT insured by the FDIC or by any other federal government agency**
- **Are subject to investment risks, including possible loss of the principal amount invested**

Item – An order, instruction, or authorization to withdraw or pay funds or money from an account, such as a check; substitute check; electronic transaction; draft; demand draft (commonly referred to as a remotely created check); or other order or instruction for the payment, transfer, or withdrawal of funds.

Ledger Balance – The total collected and uncollected funds shown for your account in our records.

Linked Account – A Union Bank account that is connected to another Union Bank account that you have requested to link, and for which the balance history, transaction activity, or other factors may be taken into consideration, typically for the purpose of account analysis, higher interest rate on a deposit, to avoid the Monthly Service Charge, or another enhanced account benefit. Restrictions may apply. Information about Linked Accounts, including account numbers and balances, may appear on combined statements.

MICR – An acronym for Magnetic Ink Character Recognition. MICR line refers to the numerical information contained on the bottom line of a check or deposit slip, which includes the bank routing number, depositor account number, check serial number, and dollar amount of the check or deposit slip.

Overdraft – A negative balance in your account resulting from Debits presented against an insufficient Available Balance. An Overdraft does not guarantee payment of such Debits.

Overdraft Fees – Refers to Overdraft Item Paid, Overdraft Item Returned, and Continued Overdraft Fees.

Owner – Refers to the legal owner of the account, including any business entity, sole proprietor, partnership, limited liability company, or public agency.

PIN – Refers to your personal identification number.

Service – “Service” or “Services” shall mean one or more of the Services associated with your deposit account, as described in this Account Agreement.

We, our, us, and the Bank – Refers to MUFG Union Bank, N.A., including, without limitation, any branch, division, or other unit of MUFG Union Bank, N.A., and to Union Bank, a registered trademark and brand name of MUFG Union Bank, N.A.

You and your – The words “you” and “your” refer to an Owner of an account, or anyone you authorize to either act on your behalf or to appoint others that can act on your behalf.

ANALYZED BUSINESS CHECKING

Accounts on analysis typically have a high volume of activity or are linked to treasury management services. Account analysis is used to assess bank fees and other charges on accounts maintained by both for-profit and non-profit organizations. You may request that one or more accounts be added to account analysis. We may also review an account's activity to determine if it should be added to account analysis. Upon review, we may determine, in our sole discretion, to add an account to analysis and will notify you accordingly. If a money market account is linked to a business checking account on analysis for your analyzed relationship, please refer to the Accounts on Analysis section in your applicable *Fee Schedule* for the appropriate monthly maintenance and statement fees.

Fees and Charges – Bank fees and other charges are reflected on your periodic Account Analysis statement. Your service charge for each settlement period is based on the activity of your account and the fees associated with that activity, as described in the applicable *Fee Schedule*.

We will calculate an Earnings Allowance by applying the Earnings Credit Rate to the balance available to support activity for each settlement period. The "balance available to support activity" is calculated as follows: Ledger Balance plus funds advanced; plus or minus adjustments; minus uncollected funds; minus Legal Reserves; minus Other Compensating Balance requirements that may be required to offset charges for bank services. For interest-earning accounts, with the exception of the Analyzed Business Interest Checking account, the interest accrued or paid for the month is deducted from the Earnings Allowance for the month.

- *Legal Reserves* are the percentage of deposits that we are legally required to hold or keep with the Federal Reserve Bank. This rate is determined by the Federal Reserve Bank and is calculated on Collected Balances, plus uncollected funds advanced.
- *Other Compensating Balances* may include special pricing for loans or other services that may be agreed upon in return for maintaining a minimum average Collected Balance in your account.

If your Monthly Service Charge for the settlement period is the same as or less than your Earnings Allowance, you will not be assessed a Monthly Service Charge. If your Monthly Service Charge for the settlement period exceeds your Earnings Allowance, you will be charged for the amount by which your Monthly Service Charge exceeds your Earnings Allowance.

We will charge your account for the amount due within 30 days after the end of the settlement period. If you are invoiced, we will send an invoice for the amount due approximately 2 weeks after the end of the settlement period. You agree either to have your account charged by us or to pay the invoice upon receipt. Any excess Earnings Allowance will not be paid to you and does not accumulate from settlement period to settlement period.

Multiple Accounts – More than one account may be linked on account analysis for purposes of determining Monthly Service Charges, and the Earnings Allowance. Ownership of all Linked Accounts may differ. If more than one account is linked, one account will be designated as the “master account,” and the Owner of the “master account” will be responsible to the Bank for all monthly charges on all Linked Accounts. By including an account under analysis, all account Owners waive any requirement for advance notice for any changes to a charge tied to the Reference Rate.

Earnings Credit Rate – Your Earnings Credit Rate appears on each analysis statement. Your Earnings Credit Rate is determined by us, and is set each month based on market conditions, account balances, and market segment. You agree that this rate is subject to change without prior notice to you. Our current Earnings Credit Rate may be obtained by contacting us.

Earnings Allowance – The Earnings Allowance is the earnings credit minus earned interest (if applicable) for the current settlement period. It is applied only to the current settlement period’s service charges.

Reference Rate – The Reference Rate is the rate of interest periodically indicated by us. Our current Reference Rate may be obtained by contacting us. This rate is subject to change without prior notice to you. Our Reference Rate and charges tied to it may vary as often as daily.

Compensating Balances – In some instances, special pricing for loans may be agreed upon in return for maintaining a minimum Collected Balance in your account(s). The Compensating Balances amount indicates the minimum balance agreed upon.

Termination of Analysis Service – We may terminate analysis service on an account upon prior written notice. In such a case, any remaining amounts payable may be charged to your account.

Overdrafts – Interest charges for funds advanced due to an insufficient Available Balance during the settlement period are determined by using our Reference Rate plus a differential. See the *Overdraft Services* section of this Account Agreement for more information.

We may advance funds, from time to time, to cover a Debit presented against an insufficient Available Balance. If we do so, and unless a different rate is expressly agreed to in writing, we will charge interest daily on the funds advanced at the rate published in the applicable *Fee Schedule*. The daily rate is calculated using a 360-day year and computed on the daily usage of insufficient funds for the month. Interest is assessed from the date an overdraft balance is incurred, and then added to the overdraft balance along with any Overdraft Fees assessed.

ANALYZED BUSINESS INTEREST CHECKING

The Analyzed Business Interest Checking account has the same features as the Analyzed Business Checking account with the exception of the features listed in this section. The Analyzed Business Interest Checking account is an interest-bearing transaction account that allows deposit balances to first pay for fees as outlined in the *Fees and Charges* paragraph above. This account type is not offered to sole proprietors.

Multiple Accounts – More than one account may be linked on account analysis for purposes of determining Monthly Service Charges and Earnings Allowance. All accounts in an Analyzed Business Interest Checking relationship must be Analyzed Business Interest Checking. If any other account type is included in the account analysis relationship, interest will not accrue and will not be paid on the Analyzed Business Interest Checking account balances.

Interest:

- The interest rate for the account is variable and is set at our discretion. The interest rate may change as often as daily without notice to you. We reserve the right to change the balance ranges or to apply the same interest rate to more than one balance range.
- Interest is accrued and paid monthly using a 365-day year (366 days each leap year). We will pay interest based on the calculated Excess Earnings Balance. The Excess Earnings Balance is the balance equivalent of Earnings Allowance minus fees, or zero, whichever is greater. The interest paid on the Excess Earnings Balance may differ from the Earnings Credit Rate applied to your balances to calculate the Earnings Allowance. For accounts owned by Public Agencies, interest is calculated as stipulated by state laws. State statutes may require interest to be calculated on a 360-day year. Please refer to the laws in your state for more information.
- Interest is accrued for the entire analysis relationship. Interest is paid only to the account designated as the “billing account.”
- Interest is paid monthly, generally before the 22nd of the month following the checking account statement month, and is calculated based upon the number of days in the month in which interest is paid.
- If your relationship is closed before interest is calculated, your account will not be paid any interest for the cycle.

INTEREST ON LAWYERS TRUST ACCOUNT (IOLTA)

An IOLTA is available to attorneys and law firms required to establish such accounts under state law. It is an interest-earning trust account for the purpose of receiving and disbursing client funds that are nominal in amount or on deposit for a short time. The interest earned, less permitted charges, is paid to the agency stipulated by state law.

Additional Fees:

- Fees or charges will be deducted from the IOLTA as permitted by applicable state law. If such charges are not permitted to be deducted from the IOLTA, we may deduct them from another operating account maintained with us by the Owner of the IOLTA.

Interest:

- The interest rate on the IOLTA is set according to state law and guidelines published by the applicable state agency or association. In the absence of such law or guidelines, the interest rate is set at our discretion and may change as often as daily.
- Interest is calculated on the Collected Balance and compounded daily, using a 365-day year (366 days each leap year), and paid monthly.
- Interest begins to accrue no later than the Business Day we receive credit for the deposit of cash and non-cash Items, such as checks. No interest accrues unless the principal balance in the account is sufficient to earn at least 1/10 of one cent per day at the daily periodic rate then in effect.

Other:

- An IOLTA cannot be linked to other accounts owned by your law firm for purposes of analysis.

**SAVINGS AND MONEY MARKET ACCOUNTS—
GENERAL INFORMATION****Interest:**

- The interest rate and corresponding APY for business savings and business money market accounts are variable and are set at our discretion. Except for time deposits (which usually earn the same interest rate through maturity), the interest rate and Annual Percentage Yield on deposit can change as often as daily, at our sole discretion, without prior notice to you. Interest rates and APYs for different balance ranges are listed on the interest rate sheet, which is provided separately as part of this Account Agreement. We reserve the right to change balance ranges or to apply the same interest rate to more than one balance range.
- On tiered-rate accounts, the interest rate for the account is determined by its range of balance amounts for each interest rate tier. The entire balance is subject to the interest rate tier based on the Collected Balance at the end of each day. We reserve the right to change balance ranges within each interest rate tier and to apply the same interest rate tier to more than one balance range. Please see your Interest Rate Sheet for additional information.
- We use the daily balance method to calculate the interest. We apply a daily periodic rate to the Collected Balance in the account each day.

- Interest on cash deposits, electronic payments, and checks drawn on Union Bank begins to accrue on the Business Day we receive the deposit.
- Interest compounds (is paid on both principal and accrued interest) daily on savings accounts and monthly on interest-bearing checking accounts and money market accounts.
- No interest accrues unless the Collected Balance in the account is sufficient to earn at least 1/10 of one cent per day at the daily periodic rate in effect.
- Interest is credited to interest-bearing checking and money market accounts monthly on the last day of the cycle period. Interest will be paid to savings accounts quarterly on the last Business Day of each quarter. If an account is closed during a month, accrued interest will be paid up to (but not including) the closing date. If an account is converted to a non-interest earning account, accrued but not yet paid interest will be forfeited. For accounts with special statements (e.g., weekly, dated, or flexible), interest will be paid on the last Business Day of the month.

Interest on Accounts Owned by Public Agencies – Interest on business savings and business money market accounts owned by public agencies is calculated and paid as described above, except as follows:

- Interest is calculated as stipulated by state laws governing public funds accounts. State statutes may require interest to be calculated on a 360-day year. Please refer to the laws in your state for more information.
- Interest on a business money market account is compounded monthly. Three balance ranges are established, and a different interest rate may apply to each. One interest rate applies to the balances below \$2,500. If the account has a balance of \$2,500 to \$100,000, then the entire balance (including the first \$2,500) earns interest at the rate set for the balance range of \$2,500 to \$100,000. A different interest rate may be established for balances greater than \$100,000, and will be applied only to amounts in excess of \$100,000. This means that only that portion of the account balance in excess of \$100,000 will earn interest at the rate established for the highest balance range. We reserve the right to change balance ranges or to apply the same interest rate to more than one balance range.

Advance Notice of Withdrawals/Transfers – We reserve the right to require 7 days' advance written notice before you withdraw funds from your savings and money market deposit account.

Transaction Limitations for Savings and Money Market Accounts – Transactions involving these accounts are limited by federal regulation. You may make no more than 6 limited transfers and/or withdrawals (subject to Available Balance):

- Per calendar month for savings accounts
- Per monthly statement period for money market accounts
- Per calendar month for money market accounts if statements were requested to be on a specific day each month

By:

Limited Transactions (subject to Available Balance):

	Savings	Money Market
Business Deposit Overdraft Transfers	●	●
Checks	N/A	●
Debit Card (or ATM card) purchases or payments	●	●
Preauthorized or automatic transfers to another payee or institution (includes ACH, wires) or to a Union Bank account	●	●
Online banking bill payments	N/A	●
Mobile banking bill payments	N/A	●
Online banking transfers	●	●
Mobile banking transfers	●	●
Telephone transfers	●	●

Unlimited Transactions (subject to Available Balance):

	Savings	Money Market
ATM transactions	●	●
In-person transactions (includes Express Banking kiosks)	●	●
Automatic transfers to make a Union Bank loan payment	●	●
Deposits of any kind	●	●

If you exceed these limitations, we may refuse to honor the excessive transactions, remove your transfer privileges, close your account without prior notice, or convert it to another type of account without prior notice. If we convert your account to a non-interest earning account, accrued but not yet paid interest will be forfeited. We will impose an Excess Activity Charge for exceeding the limits. We will immediately charge this fee for each transaction that exceeds the limits, regardless of the account balance (however, any Excess Activity Charges assessed in excess of 5 per statement period/calendar month will be subsequently added back to your account balance). If your account is closed or converted as a result of excessive transactions, you will not be able to open another savings and/or money market account with us for 12 months from the time the account is closed or converted. If you use Online Banking Bill Pay, we recommend you do not use a money market account as your bill payment account because of these limits on transfers. **Please note:** We count a transaction as of the date we post it to your account (not the date you initiate the transaction or write the check). Therefore, a transaction initiated by you during one statement period may not be counted against the 6-transaction limit until a later statement period.

INFORMATION RELATING TO CHECKING, SAVINGS, AND MONEY MARKET ACCOUNTS

Account Statements

We will make account statements available to you as required by law or upon request. In any case, you will get a statement at least quarterly, unless your account is inactive or in default.

Statement Options:

- **Online Statement** – Your statement is available electronically and can be accessed through the Bank’s Online Banking service at *unionbank.com*. Each statement lists your deposit and withdrawal activity and allows you to view the front and back of checks and deposit tickets posted to your account during the statement period.
- **Paper Statement** – We will mail you a statement that lists your deposit and withdrawal activity. With a paper statement, you may request the check image service for a fee. This includes an image of the front of each check, or the front and back of each check, posted to your account during the statement period. Check image is not available for money market accounts or Foreign Currency Demand Accounts.

Combined Statements – You may request, and we may require, combined statements if you have more than one eligible account with us. You may designate up to 20 checking, savings, and money market accounts to appear on one comprehensive monthly statement with your designated primary checking account. All accounts combined for one statement will have the same monthly cutoff date. You may choose the “online statement” or “paper statement” option for your primary checking account. All other accounts combined for the statement will be assigned the paper statement option. The combined statement will be delivered to the address of your primary checking account. Combined statements are not available for online statements.

When periodic statements are combined, you agree that copies of these statements, which include information such as account numbers and balances, may be provided to any Owner, Contracting Officer, Authorized Signer, or other person authorized by any of them.

Special Statement Services:

The following special statement services are available.

- **Snapshot Statement** – Lists all activity for your account since the beginning of the statement period; ordered through Telephone Banking or at a branch
- Month-end cycle statement
- Flexible statement rendering on your custom calendar (up to 5 statements per month)
- Overnight or express courier

Reviewing Statements – You are responsible for monitoring and reviewing the activity on your account. You agree to inspect your statements as soon as you receive them and to

promptly report any irregularities to us. We recommend that you have at least 2 individuals inspect your statements. You should not permit the same person who issues checks to review paid checks and reconcile your bank statements. Failure to separate these functions may allow a wrongdoer to avoid detection.

- **Time Limit for Claims** – If you think there is an error or an unauthorized transaction shown on your statement, you must notify us immediately and in no case later than 30 days after we mail, deliver, or otherwise make the statement available to you. If you do not, we may refuse to reimburse you for future unauthorized transactions by the same wrongdoer(s). In addition, if you do not report an error or unauthorized transaction within 6 months after we mail, deliver, or otherwise make the statement available to you, the account balance indicated on your statement will be considered correct. We are not responsible for any liability you may incur as a result of your failure to timely notify us of errors and you lose any and all rights you may have to assert the errors or unauthorized transaction against us.
- **Claim of Loss** – If you claim a credit or refund because of a forgery, alteration, missing endorsement, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing any reasonable information we require concerning your account, the transaction(s), and the circumstances surrounding the loss. You also agree to file a police report if we request you to do so.

You agree that we have a reasonable period of time to investigate the facts and circumstances surrounding any claimed loss, and we have no obligation to provisionally credit your account. Our maximum liability is the lesser of your actual damages proved or the amount of the forgery, alteration, or other unauthorized withdrawal reduced by an amount that could have been avoided by 1) your use of ordinary care; 2) your compliance with the requirements of this Account Agreement; and 3) any proceeds from any insurance carrier or other third party that you receive or are entitled to receive.

You will pursue all rights you may have under any insurance coverage you maintain before making a claim against us and provide us with all reasonable information about your coverage, including your insurance carrier, policy number, policy limits, and applicable deductibles. If we repay you for the loss before you receive compensation, you agree to assign us your rights under your insurance policy.

If you have experienced an unauthorized, missing, or improper signature; an alteration; or any other evidence of possible fraudulent activity on your account, we may at our sole option require you to:

- Subscribe to Basic Positive Pay or Positive Pay and/or any other fraud prevention products reasonable for your circumstances; and/or
- Close the account

After experiencing fraud on your account, if you and the Bank agree to keep the account open without any fraud prevention products, you agree to hold harmless and release the Bank from all liability for later fraudulent Items paid on the account. For more information, please refer to the section entitled Fraud Detection, Deterrence, and Safeguarding your Account herein.

Our brochure, *Safeguards Against Internal Fraud and Embezzlement*, discusses many procedures proven effective in preventing fraud. Ask us for a copy. You should consult your own auditors and accountants to determine the internal controls best suited for your business.

Available Balance Determination and Use

The Available Balance in your deposit account is the amount we can use to pay Debits presented for payment.

Some or all of the funds in your deposit account may not be immediately available for withdrawal or use because of a delay in availability pursuant to our *Funds Availability Policy* or a hold as allowed under law or this Account Agreement.

Specifically, we calculate your Available Balance as follows:

Each Business Day, we start with the ending balance in your deposit account from the previous Business Day, which is a result of our overnight processing of all transactions that were presented for debit or credit to your deposit account. This ending balance is also referred to as your "Ledger Balance."

We start with the Ledger Balance and then we:

- Add all incoming credits which we are required to make available in your deposit account for immediate use, such as cash or other deposits.
- Subtract any amounts you cannot immediately withdraw or use due to a hold we placed including holds due to our *Funds Availability Policy*.
- Subtract funds held in connection with an adverse claim, a dispute, a levy, or other legal process; or funds held because of a security agreement.
- Subtract funds held in connection with transactions identified in a notice of presentment or return.
- Subtract your pending Debit transactions that are known to us, such as debit card purchases, ATM withdrawals, or other preauthorized withdrawals and applicable fees.

Debit or credit transactions presented during the day are "pending" until we "post" them through our nightly batch process each Business Day. Transactions presented on a non-Business Day will be pending until we post them on the next Business Day.

Please note: Your Available Balance will not reflect the following:

- Credits for outstanding ATM deposits that were made after the applicable cutoff hour.

- Debits that are received after the applicable cutoff hour, such as outstanding checks you have written and preauthorized one-time or recurring automatic debits.

How ATM and Debit Card Transactions Affect Your Available Balance

Transaction Authorizations – If we authorize an ATM or debit card transaction, we will reduce your Available Balance by the amount we authorized (“Transaction Authorization”) until we receive the merchant’s request for final payment or the Transaction Authorization expires. Once authorization is given to the merchant, we are obligated to pay the merchant upon the merchant’s request for final payment.

Final Payments – Merchants will generally request final payment within 2 Business Days after we receive the request for authorization, but may take up to 30 Business Days. When we receive the merchant’s request for final payment, we will then post the Debit to your deposit account during our nightly batch process. This means there is a delay between the time we provide the Transaction Authorization to the merchant and when the merchant requests final payment from us. Therefore, Transaction Authorization and final payment of debit card transactions do not occur simultaneously.

Transaction Authorization Period – For the purposes of this Agreement, “Transaction Authorization Period” means the period of time between when we provide Transaction Authorization to the merchant and when we either pay the merchant’s request for final payment or the Transaction Authorization expires.

Transaction Authorization Expiration- If the merchant takes more than 7 Business Days to request final payment, in most cases the Transaction Authorization will expire on the 8th Business Day and the Available Balance will no longer be reduced by the Transaction Authorization amount. If the merchant submits a request for final payment after the Transaction Authorization expires, Overdraft Fees may apply. Please see *“How Transaction Authorizations for ATM and Debit Card Transactions May Lead to Overdraft Fees.”*

Also, it may be possible that the amount presented to us for final payment is lower or higher than the Transaction Authorization amount. For example, if the Transaction Authorization for a debit card transaction was prior to any tip you added; or a merchant such as a gas station, hotel, or car rental agency estimated the Transaction Authorization amount of the purchase.

How Transaction Authorizations for ATM and Debit Card Transactions May Lead to Overdraft Fees

It is your responsibility to have a sufficient Available Balance in your deposit account for ATM transactions, debit card transactions, and other Debits (e.g., check, ACH, etc.) that may post to your deposit account during the Transaction Authorization Period. If you do not have a sufficient Available

Balance to cover those other Debits, then you may be subject to one or more Overdraft Fees.

ATM and debit card transactions also may be subject to Overdraft Fees if for example:

- the final payment amount exceeds the Transaction Authorization amount and you do not have a sufficient Available Balance in your deposit account for the final payment amount (e.g., you added a tip to the bill after the merchant received an authorization from us);
- we did not receive an authorization request from the merchant and you do not have a sufficient Available Balance in your deposit account for the final payment; or
- the transaction was presented by the merchant for final payment after the Transaction Authorization expires and you do not have a sufficient Available Balance in your deposit account.

Please see the discussion on “Overdrafts” below for further information.

Changing Account Types

How this affects your account number: If you make a request to change your account type, you may be able to do so without changing your account number or ordering new checks. Any applicable service charge will be based on the new type of account.

When the change will take effect: When you request to convert your account to a different product, the conversion to the new product will not take effect until the next Business Day.

How this may affect interest on your account:

- **When you change to an account that does not earn interest –** You will forfeit the interest accrued but not yet paid on your account since the end of your last monthly statement period.
- **When you change to an account that earns interest –** You will begin earning interest no later than the Business Day following the day of the change. If you change from an account that earns interest to another type of account that also earns interest, the new interest rate becomes effective that day. All interest earned until the day of the change will remain in your account, and your account will begin earning interest based on the new type of account.

Check Orders and Bank-by-Mail Kits

You may order personalized checks, Bank-by-Mail kits, and deposit slips by contacting us or ordering online. Applicable fees will automatically be deducted from your account. You must verify the accuracy of all information shown on your checks. If you find an error, do not use the checks and notify us immediately of the error.

Overdraft

How Overdrafts Occur

When a Debit is presented against an insufficient Available Balance we will look to any linked Overdraft Protection Services you established for your account. If you do not have sufficient available balances in your linked Overdraft Protection Service(s) to pay the Debit, then your deposit account will be overdrawn.

You can check your account activity through Online Banking or contact us. We also offer the ability for you to enroll in Alerts through Online Banking in order to get account balance information through email and text alerts or push notifications.

Overdraft Services

We offer two categories of overdraft services. One category is Overdraft Protection Services and the other category is Overdraft Coverage.

Overdraft Protection Services

Our Overdraft Protection Services involve either an Available Balance that you maintain in another eligible deposit account held with the Bank, or available credit on an eligible line of credit (subject to credit approval). Overdraft Protection Services may be less costly than paying Overdraft Fees.

Please Note: Overdraft Protection Services will not be used in circumstances that involve an account having an insufficient Available Balance to pay a Debit due to a hold we placed on your funds pursuant to this Account Agreement (e.g., a hold placed by us pursuant to our Funds Availability Policy or in connection with an adverse claim, a dispute, a levy, or other legal process). For example, if your checking account has an insufficient Available Balance to pay a Debit presented for payment because the funds are subject to a hold we placed, then we will not use available funds from another deposit account, such as your savings account, or available credit from a line of credit, such as your Business Cash Reserve Account, to pay the Debit.

Business Deposit Overdraft Protection

What is Business Deposit Overdraft Protection: With this service, you authorize the Bank to make automatic transfers from your eligible checking, money market, or savings account (“Business Deposit Overdraft Protection Account”) to your checking account to cover Debits (including transfers between checking, money market, and savings accounts) authorized or presented for payment against an insufficient Available Balance. This service allows you to designate only one eligible deposit account as the Business Deposit Overdraft Protection Account. Also, please keep in mind that if you designate a savings or money market account as the Business Deposit Overdraft Protection Account, then each transfer from the savings or money market account to cover

a Debit presented against your checking account will count as one of the 6 “limited transfers” you are allowed per monthly statement period or calendar month. Please see the heading, “*Transaction Limitations for Savings and Money Market Accounts*” of this Account Agreement for further information.

How does Business Deposit Overdraft Protection work:

Each Business Day one or more Debits are presented for payment against an insufficient Available Balance in your checking account, we will transfer the exact amount from your Business Deposit Overdraft Protection Account needed to cover each Debit plus the amount of our Business Deposit Overdraft Protection Fee (“Transfer Fee”) and place it in your checking account. However, we will only make a transfer from your Business Deposit Overdraft Protection Account if your Available Balance in the Business Deposit Overdraft Protection Account will be enough to cover at least one entire Debit presented against the insufficient Available Balance in your checking account **and** the Transfer Fee. We will make transfers only once each Business Day. Also, the Available Balance in your Business Deposit Overdraft Protection Account may be reduced to as low as a \$1, unless you specify a different minimum dollar amount that must remain in your Business Deposit Overdraft Protection Account as the Available Balance in connection with Business Deposit Overdraft Protection.

We will deduct the Transfer Fee when we post the Debits to your checking account. We only charge the Transfer Fee once per Business Day, as applicable. Please see the applicable *Fee Schedule* for further information.

At our option, we will either pay or return Debits that cannot be covered by the combination of the Available Balance in both your checking account and Business Deposit Overdraft Protection Account. Either action will cause you to incur Overdraft Fees and may cause your checking account to remain overdrawn.

If your checking account remains overdrawn and your Business Deposit Overdraft Protection Account later contains a sufficient Available Balance to cover part or all of the overdrawn amount, we will then transfer funds from your Business Deposit Overdraft Protection Account to cover or reduce the overdrawn amount. In this instance, we will not charge our Transfer Fee.

What happens when you have multiple overdraft services:

Please see below, under the heading, “**Processing Order for Multiple Overdraft Services,**” for further information on how transfers or advances are processed when you have multiple overdraft services.

Business Cash Reserve Account

What is Business Cash Reserve Account: This service involves a revolving line of credit subject to credit approval. Specifically, if you are approved for a Business Cash Reserve Account, we will make automatic advances from your Business Cash Reserve Account to cover Debits (including

transfers between checking, money market, and savings accounts) authorized or presented for payment against an insufficient Available Balance in your checking account. You agree and acknowledge that any advances made by us in connection with Business Cash Reserve Account are subject to your available Business Cash Reserve Account limit. Further, you agree and acknowledge that all advances from your Business Cash Reserve Account are subject to the terms and conditions of our *Business Cash Reserve Account Disclosure and Agreement*, including, but not limited to, the terms and conditions regarding repayment calculations.

How does Business Cash Reserve Account work: Each Business Day one or more Debits are presented for payment against an insufficient Available Balance in your checking account, we will advance the total amount for each Debit, rounded up to the nearest dollar, from your Business Cash Reserve Account. We will charge a Cash Reserve Advance Fee to your Business Cash Reserve Account, which will be listed on your Business Cash Reserve Account statement as a "Cash Reserve Advance Fee" when we make automatic advances from your Business Cash Reserve Account pursuant to the *Business Cash Reserve Account Disclosure and Agreement*. We will make advances only once each Business Day.

However, we will only make an automatic advance from your Business Cash Reserve Account if your Business Cash Reserve Account available credit will be enough to cover at least one entire Debit presented against the insufficient Available Balance in your checking account **and** the Cash Reserve Advance Fee. The Advance Fee does not apply to advances of less than \$10 or to Cash Reserve Accounts originated in the state of Washington.

Also, Debits that cannot be covered by the combination of the Available Balance in your checking account and the Business Cash Reserve Account available credit may be returned unpaid. Our decision to pay or return the Debit will cause you to incur Overdraft Fees and may cause your checking account to remain overdrawn.

If your checking account remains overdrawn and any funds become available in the Business Cash Reserve Account on a later date, we will advance funds from your Business Cash Reserve Account to cover or reduce the overdrawn amount. In this instance, we will not charge our Cash Reserve Advance Fee.

What happens when you have multiple overdraft services: If you are enrolled in a Business Cash Reserve Account, then your checking account will not be eligible for Overdraft Coverage or Business Line Overdraft Protection.

Accounts enrolled in Business Deposit Overdraft Protection that have Business Cash Reserve Account covering the same checking account: In the event a checking account is enrolled in both Business Deposit Overdraft Protection and Business Cash Reserve Account and you do not have a

sufficient Available Balance in Business Deposit Overdraft Protection to cover an entire Debit, the Available Balance from the Business Deposit Overdraft Protection Account will be used first, and then the remaining amount needed to cover the Debit will be advanced from the Business Cash Reserve Account. In these instances, a Business Deposit Overdraft Protection Fee will be charged to the checking account **and** a Cash Reserve Advance Fee will be charged to your Business Cash Reserve Account.

Please see below, under the heading, **“Processing Order for Multiple Overdraft Services,”** for further information on how transfers or advances are processed when you have multiple overdraft services.

Business Line Overdraft Protection

What is Business Line Overdraft Protection: With this service, you authorize the Bank to use your business line of credit to make automatic advances to cover Debits posting at the end of the Business Day against an insufficient Available Balance in one or more designated eligible checking accounts. This service will not be used to authorize payment of transactions on the designated accounts during the day, such as ATM and debit card transactions. Advances can be made up to your available business line of credit limit or the Line Overdraft Protection Service daily limit, whichever is less. You agree and acknowledge that all advances from your business line of credit are subject to the terms and conditions that govern your loan. Line terms are determined in accordance with your loan documents.¹

How does Business Line Overdraft Protection Work: Each Business Day one or more Debits are presented for payment against an insufficient Available Balance in your designated eligible checking account(s) we will advance the exact amount needed to pay each Debit from the business line of credit plus a daily advance fee. We will make overdraft advances once each Business Day.

However, we will only make an automatic advance from your business line of credit if your available business line of credit will be enough to cover at least one entire Debit presented against the insufficient Available Balance in your checking account.

Also, Debits that cannot be covered by the combination of the Available Balance in your checking account and the available business line of credit will be returned unpaid. Our decision to pay or return the Debit will cause you to incur Overdraft Fees and may cause your checking account to remain overdrawn.

¹ Subject to credit approval. Certain fees apply. Terms and conditions subject to change. Refer to your loan documents for full details.

If your checking account remains overdrawn and your Business Line Overdraft Protection Account later contains a sufficient Available Balance to cover part or all of the overdrawn amount, we will then transfer funds from your Business Line Overdraft Protection Account to cover or reduce the overdrawn amount. In this instance, we will not charge an advance fee.

Further service terms are contained in the *Line Overdraft Protection Service Agreement and Disclosure*.²

What happens when you have multiple overdraft services:

If you are enrolled in Business Line Overdraft Protection, then your checking account will not be eligible for Overdraft Coverage, Business Deposit Overdraft Protection, or Business Cash Reserve Account.

Overdraft Coverage

Our Overdraft Coverage serves as an accommodation, and is based on our sole discretion. Whether we authorize or pay a Debit presented against an insufficient Available Balance in your checking or money market account depends upon several factors, including your account-related behavior. For example, we typically do not authorize or pay such Debits if your checking or money market account is not in good standing or you are not making regular deposits. We may not authorize or pay Debits presented against an insufficient Available Balance in a new account for approximately 30 calendar days after the date of account opening.

Enrollment in Overdraft Coverage is not guaranteed. Further, you agree and acknowledge that we reserve the right not to pay a Debit presented against an insufficient Available Balance if your checking or money market account is not in good standing. Authorization or payment of a Debit presented against an insufficient Available Balance is always at our sole discretion. The dollar amount we may authorize or pay under Overdraft Coverage is subject to change daily without prior notice to you.

What is Overdraft Coverage: With this service, we may, at our sole discretion, pay checks, bill payments, ACH Debits, ATM or debit card transactions, and other Debits when they are presented to us for payment or authorization and you do not have a sufficient Available Balance to cover the Debit.

How does Overdraft Coverage work: Each time a Debit is presented to us for payment or authorization and you do not have a sufficient Available Balance at the time, we will look to see if you have enrolled in Business Deposit Overdraft Protection. Specifically, if you do not have Business Deposit Overdraft

² Subject to credit approval. Certain fees apply. Terms and conditions subject to change. Refer to the *Line Overdraft Protection Service Agreement and Disclosure* for full details.

Protection or the Business Deposit Overdraft Protection Account is otherwise not available for use, then we will look to your Overdraft Coverage to decide whether we will pay the Debit presented for payment or authorization against the insufficient Available Balance in your checking or money market account. If you are enrolled in and still eligible for Overdraft Coverage, we may decide to pay the Debit. This will cause you to incur Overdraft Fees and will cause your checking or money market account to be overdrawn.

Your checking or money market account is automatically enrolled into Overdraft Coverage after approximately 30 calendar days after account opening. However, enrollment does not guarantee we will use Overdraft Coverage.

You may cancel Overdraft Coverage at any time by contacting us. If you cancel Overdraft Coverage and you do not have a sufficient Available Balance in your checking or money market account to cover a Debit, we will return the Debit and charge you an Overdraft Fee (see the applicable Fee Schedule). You may incur additional fees from the merchant or payee.

What deposit accounts are not eligible for Overdraft Coverage: Checking accounts enrolled in Business Cash Reserve Account or Business Line Overdraft Protection are not eligible for Overdraft Coverage.

Please see below, under the heading, **“Processing Order for Multiple Overdraft Services,”** for further information on how transfers or advances are processed when you have multiple overdraft services.

Processing Order for Multiple Overdraft Services

Depending upon the Overdraft Protection Services and/or Overdraft Coverage linked to your deposit account, Debits presented for payment or authorization when your deposit account has an insufficient Available Balance will be covered first by Business Deposit Overdraft Protection and then Business Cash Reserve Account or Overdraft Coverage as applicable.

Postdated Checks

Postdated checks are checks you issue that are dated in the future, but are presented for payment prior to the date on the check. If a postdated check is presented for payment, we may pay the check and debit your account, even if before the date on the check.

What is required to prevent a postdated check from processing – To stop payment on a postdated check, you must provide us with the following: the **exact** amount (dollars and cents), account number, check number, date of the check, and name of the payee. And you must provide this information in a time and manner that allows us a reasonable opportunity to act on it (e.g., in writing at a branch or through the Telephone Banking Service). You are responsible for instructing us to cancel the stop payment when you are ready to have the check paid.

How we honor a written notice – If a check is presented to us prior to the date indicated on the stop payment (up to 6 months from the date of the stop payment or date of the check, whichever is earlier), we will not pay the check and may return it marked “payment stopped,” “postdated,” or otherwise. After 6 months, a stop payment is no longer effective and must be renewed.

What happens when you don’t provide accurate and timely information – We may pay the check before the date stated on the check.

About fees – We may charge a Postdated Fee for each notice.

If we pay a postdated check over a valid and timely stop payment – If we recredit your account, you agree to assign to us all rights against the payee, and/or any other holder of your check, and you agree to cooperate with us in any legal action that we may take against such persons.

Stale-Dated (Old) Checks

If a check is presented to us for payment more than 6 months after it is written/dated (a “stale-dated check”), we may pay or reject the check at our sole discretion, even if the presentment occurs after the expiration of a stop payment order. We normally do not examine the date on checks presented for payment. You agree that we are not required to identify stale-dated checks or to seek your permission to pay them.

Cashier’s checks must be cashed or deposited within 3 years of the date printed on the cashier’s check. The Bank may not accept a cashier’s check for deposit if the date on the cashier’s check is older than 3 years.

Stop Payments

Contact us or visit us online in order to initiate a stop payment request for a check. You agree to pay us a fee for each stop payment order you place. This section does not apply to cancellation of electronic transactions. Refer to the *Electronic Transaction Cancellations* section of this Account Agreement for information on cancelling electronic transactions.

We will send you a confirmation notice of your stop payment request. You must notify us immediately if it contains any errors; otherwise our records will be considered conclusive proof of the accuracy of the stop payment order.

Paper Checks – You may ask us to stop payment on a check. When you request a stop payment, you must provide us with the following: a) your account number; b) the check number; and c) the **exact** dollar amount of the check. We may also request the payee name or check date. If any of the required information is incomplete or incorrect, we will not be responsible for failing to act on the order. We must receive a stop payment order from you early enough to allow us reasonable time to act on it before your check is

presented. A stop payment order becomes effective after we have verified that the check has not been paid and have processed your request. If you request a stop payment on a check that has been previously paid, the stop payment order is void. We will research whether a check has been paid up to 90 days prior to your request. We are not responsible for any liability you may incur as a result of placing a stop payment order on a check regardless of when it was negotiated or paid.

Stop payments expire 6 months after the date we process the order. If you wish to reactivate an expired or released stop payment order, you must place a new order. If your account is on automated account analysis, the stop payment will automatically renew at 6-month intervals until you request its release. If a stop payment order expires or is canceled by you, we may pay the check if it is presented for payment, even though it may be stale-dated by that time.

We may process stop payment orders that cover a range of checks that are missing or stolen without you specifying the dollar amount. In this case, we may require you to close your account and open a new one.

You should be aware that anyone holding your check, including us, may be entitled to enforce payment against you despite the stop payment order.

If we pay your check over a valid stop payment order, we will credit your account for the amount of loss you prove has occurred or the face amount of the check, whichever is less. However, we must have a reasonable period of time to research the circumstances concerning any such check before crediting your account. Until such research is complete, we have no obligation to “provisionally” credit your account. You agree to assign to us all rights against the payee, and/or any other holder of your check, and agree to cooperate with us in any legal action that we may take against such persons.

Cashier's Checks – You do not automatically have the right to stop payment on cashier's checks you purchase from us. In the event that a cashier's check is lost, stolen, or destroyed, please contact us for the procedures to follow to obtain reimbursement or have the cashier's check reissued. In general, you will have to complete a Declaration of Loss of Cashier's Check form, describing the cashier's check and how it came to be lost, stolen, or destroyed, and sign the declaration under penalty of perjury. We must then wait 90 days from the date the cashier's check was issued before we can pay your claim. If 90 days have already passed, then we will act on your claim within a reasonable time. If the cashier's check is presented during the 90-day waiting period, we may pay the cashier's check to a person entitled to enforce it. If this happens, we will not pay your claim.

Sub-Accounts

Why sub-accounts are created: For regulatory reporting and reserve purposes, we divide checking accounts into

2 sub-accounts: a checking sub-account and a savings sub-account. At the beginning of the month, we allocate funds between the 2 sub-accounts as we deem appropriate. Items are paid from the transaction sub-account. Funds are transferred from the savings sub-account to the transaction sub-account as needed to cover checks and other debit transactions. On the 6th transfer from the savings sub-account during a statement period, all of the funds from the savings sub-account will be transferred to the transaction sub-account.

Your access to your checking account occurs at the master account level, and your periodic statements will reflect transactions at the master account level, without reference to either sub-account. The master account and the sub-accounts are maintained on our books, but you do not have direct access to the sub-accounts. Except as provided in this paragraph, the provisions of this Account Agreement apply to your checking account as a whole.

If you have an interest-bearing checking account, the interest rate for your account applies to the Combined Balance of the sub-accounts, and a single interest rate will appear on periodic statements. We will use the Combined Balance of the sub-accounts to determine if your checking account qualifies for applicable fee waivers.

Substitute Checks

To make check processing faster, federal law permits banks to replace original checks with "substitute checks" (as defined in the Check Clearing for the 21st Century Act). These checks are similar in size to original paper 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.

Substitute Checks – A substitute check, which is the legal equivalent of the original check from which it was created, may be accepted for deposit only if the Item has been returned unpaid and is being redeposited. Unless we agree otherwise in writing, our acceptance of substitute checks shall not obligate us to accept such Item at a later time, and we may cease doing so without prior notice. If we approve the deposit of substitute checks, you agree to indemnify, defend, and hold us harmless from all losses, costs, and expenses (including attorneys' fees), claims, actions, and proceedings that we incur as a result of such checks, including, without limitation, any indemnity or warranty claim that is made against us because a) the check fails to meet the requirements for legal equivalence; b) a claimant makes a duplicate payment based on the original check, the substitute check, or a paper or electronic copy of either; or c) a loss is incurred due to the receipt of the substitute check rather than the original check. Upon our request, you agree to promptly provide us with the original check or a copy that accurately reflects all of the information on the front and back of the original check when it was truncated (that is, converted from

physical to electronic form). We may convert original checks to substitute checks.

Transaction Posting Order

Each Business Day, we post debit and credit transactions to your deposit account during our nightly batch process in the following order:

First, we post all credit transactions that we receive before the applicable cutoff hour.

Next, we post debit Adjustments, Union Bank fees, and Debits that we have previously authorized and are required to pay (such as ATM withdrawals, ATM and debit card transactions, legal orders, and chargebacks). Some fees will post with the affected transaction and not separately. Fees related to the balance in your deposit account will post at the end of the batch process. We will sort like transactions into separate groups and post transactions in each group in ascending order (lowest to highest) by amount.

Finally, we post all the remaining Debit transactions in descending order (highest to lowest) by amount. These transactions include checks, bill payments, one-time and recurring transfers from your deposit account to another deposit account or Union Bank loan account, electronic debits (such as ACH), and any remaining fees that have not posted (such as a Monthly Service Charge and other fees that are based on your ending Ledger Balance).

Please Note: Our transaction posting order may affect the number of Overdraft Fees assessed when there is an insufficient Available Balance in your deposit account to cover all Debits processed on a given Business Day.

What We Do If Overdrafts Occur

If an Overdraft occurs, we can exercise our discretion to pay the Debit or return the Debit unpaid. If we return the Debit unpaid, the amount of the Debit will be credited to your account the following Business Day.

When We Charge Overdraft Fees

Overdraft Fee (Overdraft Item Paid or Overdraft Item Returned Fees) – We may charge Overdraft Fees when Debits are presented against an insufficient ending Available Balance (up to the daily maximum), whether we pay or return a Debit. We may assess this fee for each Debit we pay or return when your ending Available Balance is overdrawn by \$5 or more at the end of overnight processing. For the purpose of charging Overdraft Fees, we consider the “ending” Available Balance as your Ledger Balance minus your pending Debit transactions that are known to us, such as debit card purchases.

Continued Overdraft Fee – Depending on your applicable Fee Schedule, if you overdraw your deposit account and fail to deposit

enough funds to fully cover any overdraft amount by the 7th consecutive calendar day that your deposit account has been overdrawn, we will charge you a Continued Overdraft Fee. For this purpose, the 1st day is the day the overdraft occurred. Starting on the 7th calendar day, we will charge this fee for each Business Day that the account remains overdrawn for up to 5 Business Days.

For further information on Overdraft Fees, please see the applicable *Fee Schedule*.

Your Obligation to Cover Overdrafts

In the event your deposit account is overdrawn, you agree to pay the amount of the overdraft promptly, without notice or demand from us. Also, you agree that each account Owner is jointly and severally responsible for paying any overdrafts created by an Owner or Authorized Signer(s) or party to the account, whether or not the Owner participates in the transaction or benefits from its proceeds.

You agree and acknowledge that our decision to pay one or more Debit transactions presented against an insufficient Available Balance in your deposit account which will result in an overdraft in no way obligates us to continue the practice at a later time. Also, you agree and acknowledge that we can discontinue the practice at any time without cause or notice to you.

Further, you agree that we may use subsequent deposits and other credits to the account, including, without limitation, deposits of state and federal benefit payments, such as deposits of government, welfare, retirement, and Social Security benefits, to cover any overdraft existing in your deposit account, to the fullest extent permitted by law.

FRAUD DETECTION, DETERRENCE, AND SAFEGUARDING YOUR ACCOUNT

There are precautions that you can and should take to decrease the risk of unauthorized transactions from your account(s). Such precautions include, without limitation:

- Safeguarding and not disclosing to third parties information about your account, such as your account number(s).
- Safeguarding materials and information that can be used to access your account, including, but not limited to, your checkbook; blank or unused checks and deposit slips; electronic access devices, including Deposit Cards, ATM Cards, and Debit Cards; personal identification numbers (PINs); security tokens; and any passwords or other access-related information, to prevent them from being misused by an unauthorized party.
- Calling us immediately if you suspect any problem with your account or if your account, card, PIN, other access code, or other service might be compromised in any way.
- Placing stop payments immediately on your unused checks if lost, stolen, or misplaced.

- Reviewing carefully your checkbook and unused checks for unauthorized activity if you suspect that any of these Items may have been stolen or tampered with, or if you are the victim of theft or your property is burglarized.
- Keeping accurate records of your transactions.
- Promptly and carefully reviewing your statements for unauthorized activity or missing deposits.
- Closing your account immediately upon discovery of any known or suspected unauthorized activity. When you report missing, stolen, or unauthorized checks, we may recommend that any account(s) that has been compromised by unauthorized or fraudulent activity be closed. If you decline this recommendation and elect to leave your account open, you agree that we shall not be liable to you for subsequent losses on the account due to unauthorized activity, and you agree to indemnify us for any losses we incur as well.
- Maintaining close control over your facsimile signature devices to immediately detect any unauthorized use of those devices.
- Issuing any checks with care to avoid alterations or forgeries. Precautions include, without limitation, using a dark-colored permanent ink to write out your checks, making sure the numeric and written amounts match and are readable, and making sure there are no blank or open spaces in the body of the instrument where words or figures can be inserted.
- Segregating employee duties whenever possible. For instance, payables personnel should not be responsible for reconciling bank accounts.

In addition, we make available to you certain products and services designed to detect and/or deter fraud. While no product or service can provide complete protection from all potential sources of risk or fraud, we believe that using available fraud protection products in conjunction with appropriate internal controls within your operation can reduce the likelihood of fraud on your account. Such products include, without limitation:

- **Positive Pay Services (Positive Pay(ee), Basic Positive Pay(ee), Reverse Positive Pay, and Basic Reverse Positive Pay)** – Provides early fraud detection and prevention when issuing checks on an account, and allows you to block payment of unauthorized checks.
- **ACH Block** – The ACH Block service allows you to restrict the posting of all ACH transactions, debits, credits, or both. We will return, unprocessed, all ACH Transactions, debits, credits, or both, presented against your account.
- **Electronic Payment Authorization (EPA) ACH Positive Pay** – The EPA service allows you to filter the posting of ACH Transactions to your account. We will return, unprocessed, ACH Transactions presented against your account that do not match the parameters you provided. You will be responsible for adding EPA/ACH Positive pay filters through the ACH Exchange online system.
- **Universal Payment Identification Code or UPIC** – Is an account feature that is a permanent and secure account identifier that you can freely distribute to encourage the receipt of electronic payments to your account. The UPIC

number should only be used for incoming electronic credits of ACH entries.

- **Information Reporting** – Enables review of all transactions posted to your account daily.
- **View Image** – Allows you to view images of paid checks.

You agree that if you fail to implement any of these products or services, or you fail to follow these and other precautions reasonable for your particular circumstance, you will be precluded from asserting any claims against us for paying any unauthorized, altered, counterfeit, or other fraudulent Item that such product, service, or precaution was designed to deter or detect, and we will not be liable for paying such Items.

Additional security measures include:

Checks

- Write checks in dark ink and fill in all lines completely. Make sure all numbers begin at the far left of the line.
- Do not keep blank checks with bank statements and paid checks.
- Do not give anyone a pre-signed check (a check signed by the maker but with the amount and/or payee designation blank) or allow someone else to sign your name on a check.
- Only use checks ordered through Union Bank.
- Do not include your driver's license, tax identification, or Social Security number on a check unless you believe it is necessary and you are directly providing the check to a trusted person.

Online

- Do not share your User ID, PIN, or password with anyone.
- Closely scrutinize employee entitlements. Allow access to only those services necessary to perform the job.
- Use security tokens for online sign-on. You can obtain these tokens from us. Report lost or stolen tokens to us immediately.
- Use IP address restrictions. This will restrict online access to your bank information based on IP addresses you provide us.
- Use dual control for making online payments such as wires and ACH, where possible.
- Check your account balance and transactions regularly, and check your notifications as applicable.
- Avoid using public or shared computers to access Online Banking services.
- Set up dedicated computers and use them for online banking only. Keep the computers in a secure location and limit access.
- Install a reputable vendor security software suite that includes firewall security, anti-virus, anti-spyware, and malware and adware detection, and keep it up to date. Run periodic scans.
- Routinely install all new operating system and browser software and hardware patches, or use the automatic update feature when available.
- Routinely install all patches and updates for software applications (e.g., operating systems, browsers, etc.).
- Educate employees on good cyber security practices.

- Do not open any attachments or click any link in an email requesting your account information. *We do not request information about you or your accounts by email.* If you receive such an email request, call us immediately.
- Use our secure message system when sending confidential information, such as account numbers or financial data, to Bank staff.
- Tell your employees not to open email or attachments from unknown senders.
- Periodically engage a security expert to test your network or run security software that will help close known vulnerabilities.

Deposit Cards, ATM Cards, and Debit Cards

ATMs are convenient and provide many of the banking services you need. To ensure your safety when using an ATM, remember the following:

- When entering your PIN at an ATM or in a public place, cover the PIN pad while entering the number.
- Never disclose your PIN to anyone, including Bank employees, merchants, government officials, or law enforcement.
- When selecting or changing a PIN, do not use any number or word that appears in your wallet (e.g., birth date, address, phone number, or Social Security number).
- Memorize your PIN; do not write it down or carry it with you.

ATM and Night Depository Safety

- Be aware of your surroundings, particularly at night.
- Park nearby, in a well-lighted area.
- Look around. If you notice anything or anyone suspicious, use another ATM or come back later.
- Stand in a position so the person behind you cannot see you enter your PIN.
- Ensure Items have been fully accepted into the ATM or night depository.
- Always take your receipt with you to keep your account information confidential.
- Do not accept offers of help from anyone you do not know. If you have a problem or question, contact your branch.
- Make sure the passenger windows in your vehicle are closed and your doors are locked when you are using a drive-up ATM or night depository.
- Do not display your cash. Pocket it and count it later in the safety of your car, office, or home.

Mail

- Deposit mail only in a locked U.S. Postal Service mailbox. Do not leave outgoing mail for pickup from your home or an unsecured area at your work.
- Pick up your mail as soon as possible each day and promptly pick up any statements or other mail held for you at one of our branches.
- Call or otherwise contact us immediately if you do not receive communications from us as expected.

COMMERCIAL CASH SERVICES

Our Commercial Cash Services allow you to place orders for coin or currency from our cash vaults, and to make cash and check deposits at our processing centers. To do this, you must enter into a separate contract with an armored carrier service acceptable to us. Refer to the *Transportation* section of the *Deposits* section and procedures described in the *Deposit Delivery Handbook*.

With our consent, you may arrange for a local branch to provide currency or coin for subsequent transport by you, your employees, Authorized Signers, or an armored carrier. Special currency or coin order procedures and requirements may be specified by the branch that fulfills the order. We will require reasonable advance notice for all branch-fulfilled coin and currency requests.

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, in 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.

BSA/CTR/OFAC Compliance for Financial Institution Clients

You are responsible for filing all reports as required by the Bank Secrecy Act, including, but not limited to, Currency Transaction Reports and Report of International Transportation of Cash or Monetary Instruments, with the Financial Crimes Enforcement Network ("FinCEN") of the United States Department of the Treasury (the "Treasury") for transactions with your customers.

Your policies and procedures must be able to identify suspicious cash transactions or activities, including the structuring of transactions to avoid reporting requirements. You will file Suspicious Activity Reports (SAR) with FinCEN for such suspicious cash transactions or activities.

You further agree to abide by all economic and trade sanctions administered and enforced by the Office of Foreign Asset Control ("OFAC") of the Treasury.

You represent and warrant, for each Money Service Business ("MSB"), as defined by federal regulation and for which you provide cash, that it:

- Is properly licensed with each state that has a licensing requirement to transact business in that state
- Confirm FinCEN registration, if required
- Maintains an Anti-Money Laundering and Bank Secrecy Act compliance program

Order and Delivery of Coin and Currency

We may charge your account for the amount of each order placed. A copy of the order will be forwarded with each cash shipment. You agree to inspect all cash shipments prior to accepting them from the armored carrier by examining the bag and bag seal for integrity and condition. You also agree to refuse damaged or torn shipping bags or bags with loose or missing seals, as well as to visually verify the shipment strap count through the shipping bag before you accept it from the armored carrier. You must, within 24 hours after your acceptance and before you use any of its contents, open and piece-count the bag, in dual custody and/or under surveillance, to verify the order.

You must, within 5 Business Days of the receipt of the cash order, report to us in writing any discrepancy between the amount you verify and the amount we have charged your account (the "Difference"). Each report of a Difference must be accompanied by the strap in which the Difference occurred, the shrink-wrap packaging around the strap and, if possible, the shipping bag and bag shipping seal.

Each Difference of \$50 or more must be reported to us immediately by telephone, followed by written notice in the manner described above.

You authorize us to debit your account for any cash order overage and credit the account for any cash order shortage.

You agree that we may charge your account for the amount of each order placed and any applicable fees. A copy of the cash order receipt will be included with each cash shipment detailing denomination, cash order number, and customer information.

We shall be protected in acting on any verbal or written batch file and web portal request believed in good faith to be genuine and to have been made by you or your authorized agents.

You assume all risk and liability associated with the pickup, transport, and delivery of currency and coin by your contracted armored carrier. The carrier is not our agent. We are not responsible for any losses associated with the transport of the currency and coin to your location. You further agree to notify us in writing of any change in location, standing orders, account numbers, or armored carrier.

INSTATAX®

InstaTax is designed to enable its users to initiate federal and state tax deposits via the web or telephone. The service allows electronic payments of federal taxes via the Internal Revenue

Service Electronic Tax Payments Service and certain state electronic tax payment services. We will issue you a confidential access code, PIN, and/or other security procedure to use this service.

Federal Tax Deposits

We will debit your account on the Business Day you initiate instructions for a tax payment. We will then make the tax deposit on your behalf on the tax due date, except that Federal tax types 720, CT-1, and 1042 will be remitted on the 2nd Business Day after the Business Day you initiate the tax payment.

State Tax Deposits

We will debit your account on the Business Day you initiate instructions for the tax payment. We will make the tax deposit on your behalf on the 2nd Business Day after the Business Day you initiate the tax payment.

Other Terms and Conditions

Your Instructions – You will furnish us with all required data, authorizations, and tax identification numbers. You assume the risk of failure of telephone or other communications facilities to transmit the data to us accurately or in time for us to perform the service.

Business Day of Receipt – Instructions received after the close of the Business Day will be deemed received the next Business Day.

Payment for Services – You authorize us to debit your account for the tax deposits, and our fees and charges to cover the tax deposits. If your account does not have sufficient funds, we will have no obligation to perform the service.

Interruption of the service due to causes beyond our reasonable control shall not relieve you of your obligation to make any tax deposit, and we shall not be responsible for any liability you may incur as a result of your failure to make any required tax payment by other means in the event of such interruption.

Limitation of Liability – Our liability, if any, shall be limited to the amount of penalty imposed on you by government taxing authorities for failing to make a tax deposit due to our sole error.

Charge to Bank Account and Cancellation – Funds that have been debited from your account for tax payments will not earn interest or earnings credit. You may cancel a tax deposit prior to the time we remit the deposit to a tax agency if you give us notice of cancellation in sufficient time to afford us a reasonable opportunity to act.

Tax liabilities and due dates will be calculated only on tax payments made through the InstaTax service and will not include tax payments initiated by any other means, such as wire transfers or tax coupons. If you make a tax deposit by

means other than the InstaTax service, we will not be liable for any penalty and/or interest charges that may arise because tax payments are not aggregated during the tax reporting period, resulting in calculation of an erroneous tax due date.

Lapse of Access Code – We may terminate the service by giving you prior written notice. If an access code has not been used for 6 months, the access code will be automatically deleted from the InstaTax system without notice to you. You will not be able to initiate tax payments using that access code.

ELECTRONIC BANKING SERVICES

The following terms and conditions apply to all electronic banking services to or from business accounts. These services generally include transfers made using your Union Bank Business Deposit ATM Card (“Deposit Card”), Savings and Business Full Service ATM Card (“ATM Card”), or Union Bank Debit Mastercard BusinessCard (“Debit Card”), ACH, or Online Banking. The Electronic Fund Transfer Act or Regulation E does not apply to business accounts.

Automated Clearing House (ACH) Services

ACH is a method of processing electronic transactions to and from your bank accounts. ACH transactions refer to ACH debits, ACH credits, or both ACH debit and credit transactions (“ACH Transactions”).

Applicable Law Regarding ACH Transfers – You agree that each ACH Transaction on your account is subject to the National Automated Clearing House Association (NACHA) Rules as these may be amended from time to time. You agree that we may rely on the representations and warranties contained in these NACHA Rules, and may either debit or credit your account as instructed by the originator of the ACH Transaction. ACH entries originated or received on your behalf may be transmitted through one or more clearing houses. Your rights and obligations regarding these transfers are governed by applicable law.

ACH Provisional Payment –

When an ACH transfer is made, credit for the transfer is provisional (temporary and subject to reversal) until final payment is received by the payee’s financial institution. Until that happens, the party originating the transfer is not considered to have made payment to the payee, and the payee’s bank is entitled to a refund of the provisional credit.

If we give you provisional credit for an ACH transfer but do not receive final payment, we may charge your account for the amount of the credit.

Higher Risk ACH Origination Activity –

Banking regulators and NACHA consider Third Party Payment Processors and Third-Party Senders as higher risk ACH

originators. Additionally, such regulators and NACHA consider certain transaction types as higher risk ACH activities. If we classify you or your transactions higher risk, you agree to supply us with such additional information related to you and your ACH activities as we may request. When appropriate, the Bank will register you with NACHA as a Third-Party Sender in accordance with the NACHA Rules.

Before initiating payment with standard entry class (SEC) codes of Internet-Initiated Entries (WEB), Telephone-Initiated Entries (TEL), and/or International ACH Transactions (IAT), you must follow the NACHA Rules associated with these payment types. You also agree to properly manage the use of our services, including maintaining ACH return rates within the NACHA Rules.

Notice of Incoming Transfer –

We are not required to give you a separate notice of our receipt of an ACH transfer. You will receive notice of the transfer on your next regular periodic statement.

To verify that a transfer has occurred, you may contact your local branch, Retail Customer Service, or use Online Banking.

Automatic Transfer Service

The Automatic Transfer Service allows you to establish recurring transfers on a fixed daily, weekly, monthly, or quarterly schedule between your Union Bank checking, money market, savings account, and IRA account. Recurring transfers can be set up through Online Banking for Small Business, Telephone Banking Services (refer to the *Telephone Banking* subsection of this Account Agreement), or a Union Bank branch (restrictions may apply). If the date of the transfer is not a Business Day, the transfer will be made on the following Business Day. These transfers are not considered direct deposits.

Changes in or cancellations of recurring transfers established through Online Banking for Small Business must be made through Online Banking for Small Business. Changes in or cancellation of recurring transfers established through Telephone Banking can be made through Telephone Banking or a branch. Changes in or cancellations of recurring transfers established at a branch must be made through the branch by completing a form.

You are responsible for ensuring there is a sufficient Available Balance in the account being debited on the date of the transfer. If there is an insufficient Available Balance, the transfer will be subject to Overdraft fees or Overdraft Protection transfer or advance fees, as applicable.

Transaction limitations apply to savings and money market accounts. Refer to the *Savings and Money Market Accounts—General Information* section, *Transaction Limitation for Savings and Money Market Accounts* section, of this Account Agreement.

Deposit Card, ATM Card, and Debit Card Services

The Deposit Card, ATM Card, and Debit Card are the property of Union Bank. We establish card usage limits and will communicate those limits to you. We also reserve the right to discontinue the privileges associated with your Deposit Card (may not be available for all account types), ATM Card, or Debit Card at any time without prior notice. If you no longer wish to use your Deposit Card, ATM Card, or Debit Card, notify us immediately and destroy any existing cards.

For Union Bank transactions, you may link up to 9 accounts in addition to your primary checking account to your Deposit Card, ATM Card, and/or Debit Card. These 9 accounts may be checking, savings, or money market accounts. If you are a sole proprietor and only have savings accounts, you may link up to 9 additional savings accounts to a savings ATM Card. There may be limitations on the number and types of transfers from some of these accounts. Refer to your specific account type for a description of any transfer limitations.

ATM Card – An ATM Card is generally available to any customer who has a checking, savings, or money market account, and can be used at most ATMs worldwide. If your ATM Card is linked to a checking or money market account, you may make point-of-sale purchases at participating merchants. The amount of your purchase is subtracted from your designated primary account. Point-of-sale purchases cannot be made if your ATM Card is linked only to a savings account.

Deposit Card – You can authorize another person to make deposits to a linked business checking, savings, or money market account by using a Deposit Card. It cannot be used to make ATM withdrawals, balance inquiries, transfers, or point-of-sale transactions. This card can be used only at Union Bank ATMs.

ATMs – With your ATM Card and PIN, you can conduct the following types of transactions at Union Bank ATMs:

- Withdraw cash: Your withdrawals (or purchases at participating merchants) may be limited to the lesser of your daily ATM Card limit or your Available Balance.
- Make balance inquiries.
- Transfer funds between your designated Union Bank primary checking, savings, and money market accounts.

Generally, we do not charge you a fee when you access your Union Bank account at a Union Bank ATM. We may charge you a fee when you access your Union Bank account at a non-Union Bank ATM. If you use a non-Union Bank ATM, you may also be imposed a surcharge by the operator of that ATM. If you are assessed a surcharge, that fee will be disclosed on the ATM screen.

When you use your ATM Card at a non-Union Bank ATM, you will have access to your designated primary checking, savings, or money market accounts. At some locations outside of the

United States, you may not be able to access your savings or money market account(s) or perform certain other transactions.

Union Bank ATMs – In addition, if you use a Union Bank ATM, you can generally:

- Deposit currency or checks to any of your Union Bank accounts that are linked to your card. Deposits cannot be made at certain locations; such locations are clearly marked.
- Transfer funds between any accounts linked to your card.

Our ATM service is available 7 days a week, 24 hours a day, although access and services may be limited at some locations and during certain time periods.

Debit Card – A Debit Card has all the features of an ATM Card and can also be used for purchases everywhere Mastercard® debit cards are accepted. Your Debit Card must be activated before you can use it. Activation instructions will be mailed with the Debit Card.

When using your Debit Card to make a purchase, a merchant may ask you to sign a receipt or enter your PIN. Some merchants may not require you to do either. You also may be asked to provide personal identification or other information from your card.

All Debit Card purchases are deducted from your designated primary account. Debit Card purchases may be limited to the lesser of your Debit Card's daily limit or your Available Balance. Your purchases may be limited to \$350 if your balance cannot be verified. Merchants may charge a fee, which will be displayed separately and added to the purchase amount before the transaction is sent to us and deducted from your account.

We offer Mastercard® SecureCode as added security protection when making purchases through the Internet. This service adds an extra layer of security at the point where you enter debit card information online and helps prevent unauthorized online use before it happens.

After you enter your card number and submit your order, a processing window will appear. Based on several factors about that transaction, you may or may not be asked to verify additional information to complete the transaction.

ATM Card or Debit Card Transaction Holds – When you use your ATM Card or Debit Card to pay for goods or services, certain merchants may ask us to authorize the transaction in advance. When we do, we commit to paying the merchant and may immediately place a temporary hold on your account for the amount requested by the merchant. Therefore, you should ensure that you have a sufficient Available Balance in your account before making a transaction. Until the transaction finally settles or we determine that it is unlikely to be processed, the funds subject to the hold will not be available to you for other purposes.

If a merchant makes an error or fails to notify us that a transaction has been canceled and you incur Overdraft Fees as a result, please contact us.

Transactions Outside of the U.S. – If you use your ATM Card or Debit Card to conduct a transaction in a currency other than U.S. dollars, the merchant, network, or card association that processes the transaction may convert any related debit or credit into U.S. dollars in accordance with its then-current policies. Mastercard currently uses a conversion rate that is either a) selected from a range of rates available in the wholesale currency markets (this rate may be different from the rate that Mastercard receives); or b) the government-mandated rate. The conversion rate may be different from the rate in effect on the date of your transaction and the date it is posted to your account.

A foreign purchase fee equal to 2% of the transaction amount (including credits and reversals) may be imposed for each transaction you conduct outside of the 50 United States, even if the transaction is conducted in U.S. dollars.

Mastercard Limitation of Liability of Cardholders for Unauthorized Use – If there is an unauthorized transaction involving a Debit Card that has been issued under the Mastercard small business program, then your liability for an unauthorized transaction may be limited. Specifically, under Mastercard’s limitation of liability of cardholders for unauthorized use rules (“Mastercard Zero Liability Protection”) for small business programs, your liability will be \$0 for an unauthorized transaction, including a PIN-based transaction at a point-of-sale terminal or ATM, conducted with a Mastercard branded card, meaning the Mastercard logo is on the front of the card. However, the Mastercard Zero Liability Protection only applies so long as you have exercised reasonable care in safeguarding the card from risk of loss or theft and, upon becoming aware of such loss or theft, promptly reported the loss or theft of the card to us. Also, the Mastercard Zero Liability Protection applies to domestic debit cards issued to natural persons, either for consumer or business purposes if the card is a “small business” debit card described on Mastercard’s website. The Mastercard Zero Liability Protection is based on the Mastercard rules as they may be amended from time to time. We reserve the right to apply the Mastercard Zero Liability Protection as in effect at the time you make your claim for unauthorized use unless prohibited by applicable law. For further information about Mastercard Zero Liability Protection, please visit www.mastercard.us/small-business/index.html.

Documentation of Transfers

- **ATM Transactions** – You will generally be issued a receipt when you use an ATM. At some ATMs, you will be given the choice of having a receipt printed. If a receipt is unavailable, you will be notified prior to completing your transaction and will be given the option to cancel it.

- **Express Banking kiosks** – You will generally be issued a receipt when you use an Express Banking kiosk. At the Express Banking kiosk, you will be given the choice of having a receipt printed or emailed to your email address on file. If a receipt is unavailable, you will be notified prior to completing your transaction.
- **Point-of-Sale Transactions** – You will usually be issued a receipt when making a purchase using your ATM Card or Debit Card. For smaller purchase transactions, you may not be issued a receipt automatically; however, you may request one. If you want a receipt and the merchant is unable to provide one, you may cancel your transaction.
- **Periodic Statements** – We will make account statements available to you as required by law or upon request. In any case, you will get a statement at least quarterly, unless your account is inactive or in default. For electronic funds transfers made between Union Bank accounts, the periodic statement will document the account number of both debited and credited accounts.
- **Electronic Check Conversions** – After a merchant scans a check you use for an electronic check conversion, the merchant should mark the check “void” and return it to you.

Electronic Funds Transfers Initiated by Third Parties

You may authorize a third party to initiate electronic fund transfers between your account and a third party’s account. These transfers to make or receive payment may be a one-time occurrence or may be recurring. These transfers may use the Automated Clearing House or other payment networks. Your authorization to the third party to make these transfers can occur in a number of ways. In some cases, your authorization can occur when the merchant posts a sign informing you of its policy. In all cases, the transaction will require you to provide the third party with your account information. The merchant does not need your written consent. Examples of these transfers include:

Electronic Check Conversion – You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your paper check to pay for purchases or pay bills.

Electronic Returned Check Charge – You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

Electronic Transaction Cancellations

Right to Stop Payment and Procedure for Doing So – If you have told us in advance to make recurring payments out of your account, you can cancel any of these payments. Here’s how: Call us or write us in time for us to receive your request 3 Business Days or more before your payment is scheduled to be made. Refer to the *Communication with Us* section at the end of this Account Agreement for information about how to contact us. If you call, we may also require you to put your

request in writing and get it to us within 14 calendar days after you call. ACH stop payment orders are valid either until the account holder requests the removal of the order or until after the identified electronic transaction has been returned. We will charge you a fee for each transaction cancellation request.

You may not stop payment on ATM, one-time point-of-sale (POS), or one-time debit card transactions.

Canceling Preauthorized Debits/ACH – If you have authorized a company (or us) to charge your account electronically to make one or more payments, you can cancel the payment(s) by contacting us or visiting our website. We must receive your request to cancel such a payment at least 3 Business Days before the date the payment is scheduled to be made.

We must have all of the following information before we can cancel your payment request:

- Your account number
- The exact amount of the ACH transaction
- The payee or company initiating the ACH transaction
- The reason for cancelling payment
- The check number (applicable only for check entries that are collected electronically via the ACH)

You may cancel an ACH payment under the following circumstances:

- **Canceling One Authorized Payment** – Contact us if you would like to cancel only the next ACH transaction from a company, but still want all future transactions to be charged to your account. The cancellation request will be automatically removed after the next ACH transaction from the company is returned. If your account is still debited, contact us to file a claim.
- **Canceling Authorized Recurring Payments** – Contact us if you previously authorized a company to debit your account but have now revoked that authorization. We may require you to complete any necessary forms within 14 days, including a Written Statement of Unauthorized Debit. This cancellation is valid for one year from the date placed. If your account is still debited, contact us to file a claim.
- **Canceling an Unauthorized or Erroneous ACH Payment** – Contact us if you have received an unauthorized or erroneous ACH debit entry and want to prevent any future debits from posting to the account. We may require you to complete any necessary forms, including a Written Statement of Unauthorized Debit. This cancellation is valid for one year from the date placed. If your account is still debited, contact us to file a claim.

We may require you to give us a copy of your written instructions to the company revoking its authority to debit your account. If you do not provide the copy within 14 days after you contact us, we will block the company from debiting your account for the 14-day period, but we may honor any debits

the company may send us thereafter. We are not responsible for any loss you may incur as a result of your failure to timely provide the requested documentation and our subsequent honoring of previously authorized payments.

Cancelling a Recurring Debit Authorized with a Debit Card –

If you wish to cancel a recurring debit you authorized with a Debit Card, contact us in time for us to receive your request 3 Business Days or more before the payment is scheduled to be made. We may ask that you first contact the payee (the merchant or other creditor to whom the payments are made) and cancel the authorization before your account is debited.

Cancelling Bill Payments – Bill payments you request through Online Banking can be canceled at any time before the Business Day the transaction is scheduled to take place or before 11:45 p.m. (Pacific Time) on the Business Day the transaction is scheduled to take place. Once processed, a transaction cannot be canceled.

Express Banking

The Express Banking service is offered through one or more kiosks at certain branches. The Express Banking kiosks can be accessed through the use of your ATM Card or Debit Card or with the assistance of a Union Bank Banker (upon proper identification).

You agree and acknowledge that when you use your ATM Card or Debit Card to access or use the Express Banking kiosks, the terms and conditions of your ATM Card or Debit Card will continue to govern your ATM Card or Debit Card. Further, you agree and acknowledge that any person authorized to make withdrawals from your account may make withdrawals at one or more Express Banking kiosks and that the authentication methods we use for in-person transactions at an Express Banking kiosk are commercially reasonable security procedures.

The Express Banking kiosks allow you to:

- Access deposit account details
- Access credit card details
- Make transfers between your checking, savings, or money market accounts
- Withdraw cash from your checking, savings, or money market accounts
- Make deposits into your checking, savings, or money market accounts, including receiving cash back
- Exchange currency (U.S. currency exchanged for different denominations of U.S. currency)
- Engage in other transactions and services as available

In Case of Errors or Questions about Your Electronic Transfers

Telephone or write us as soon as you can if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. Refer to the *Communication with Us* section at the end of this Account Agreement for information about how to contact us.

We will need all of the following information:

- Your name
- Your account number
- The date, type, and dollar amount of the transaction or suspected error
- Your ATM Card or Debit Card number, if applicable
- A description of the problem
- A clear explanation of why you think there is an error or why you need more information about the transaction
- Upon request, a Written Statement of Unauthorized Debit

We must hear from you no later than 30 days after we mail, deliver, or otherwise make available to you the first statement on which the error or problem appears. If you do not notify us within 30 days after the first statement that shows these transactions was mailed, delivered, or otherwise made available to you, the account balance indicated on your statement will be conclusively considered correct, and we will have no further responsibility or liability to you with respect to such statement and the electronic transactions reflected therein. If you notify us by phone or in person, we may require that you send us your complaint or question in writing.

These procedures do not apply to disputes with a merchant about the quality or delivery of goods or services you authorized and/or purchased using your ATM Card, Debit Card, electronic check, or other electronic transaction. You must settle the dispute directly with the merchant.

Limitation on Transfers

- We may limit the amount of cash withdrawals or point-of-sale purchases made with your ATM Card or Debit Card to the lesser of your daily ATM Card or Debit Card limit or your Available Balance.
- Certain transfers, payments/purchases, or withdrawals from savings or money market accounts are limited to 6 transfers each monthly statement period (money market accounts) or calendar month (savings accounts or money market accounts if statement was requested to be on a specific day). Refer to the *Transaction Limitation for Savings and Money Market Accounts* subsection of the *Savings and Money Market Accounts—General Information* section of this Account Agreement.
- We may limit the daily or cumulative amount that may be transferred through Telephone Banking or online. We may vary these limits without prior notice to you.

- For security reasons, we may limit the number or amount of transactions at our terminals or point-of-sale locations, or through our Online Banking, Telephone Banking, or other electronic service.
- We may delay or reject an electronic payment or transfer if we suspect that you did not authorize it.

We will not be responsible for any liability or fees you may incur if we delay or reject your transaction because we receive transfer instructions that exceed the above limitations that we delay or reject.

Lost or Stolen Card or Unauthorized Transaction

Notify us immediately if your Deposit Card, ATM Card, Debit Card, PIN, or other access code has been lost or stolen, or used without your permission. Telephoning is the best way to keep your possible losses down. You could lose all the money in your account plus your maximum Business Cash Reserve line of credit. Refer to the *Communication with Us* section at the end of this Account Agreement for information about how to contact us.

Our Liability for Electronic Banking Transactions

Electronic transfers made from any business account are not subject to the Electronic Fund Transfer Act, Regulation E, or the error resolution provisions set forth therein.

Preauthorized Transfers

Preauthorized Credits – You can arrange for direct deposits to your checking or savings account(s). You will not receive a separate deposit receipt or notice from us.

Preauthorized Payments – You can arrange to pay certain recurring bills from your checking or savings account(s).

You acknowledge and agree that an ACH Transaction may be posted by the account number, even if the name and account number are not consistent and identify different parties.

Telephone Banking

Telephone Banking Services –
Contact Phone Number: 800-238-4486
For Hearing Impaired: 800-826-7345

Telephone Banking automated services are available 24 hours a day, 7 days a week. For a Bank representative, you can contact us Monday through Friday, from 7:00 a.m. to 9:00 p.m., and Saturday, from 8:00 a.m. to 5:00 p.m. (Pacific Time), except for federal holidays.

What our automated services allow you to do:

- Receive account information
- Transfer funds
- Place stop payments
- Order checks
- Notify us of a change of address
- Activate your Debit Card
- Report or replace a lost or stolen ATM Card or Debit Card
- Change your card or Telephone Banking PIN
- Inquire about loan balances and obtain payoff information
- Order copies of checks, deposits, and statements

Cutoff time for requests: Telephone Banking transfer requests made before midnight (Pacific Time) on a Business Day will be processed on the same day. Any transfer requests made at or after midnight (Pacific Time) or on a non-Business Day will be processed on the next Business Day.

Access to Telephone Banking may not be available during system maintenance (typically between 2:00 a.m. and 4:00 a.m., Pacific Time), or due to circumstances beyond our reasonable control, such as fire, earthquake, flood, water damage, power failure, strike, labor dispute, computer breakdown, rolling blackout, telephone line disruption, or natural disaster. We are not responsible for any loss or delay you may experience as a result of the unavailability of Telephone Banking.

You may use either your account number or an access number (usually the last 8 digits of your ATM Card or Debit Card) followed by your 4-digit PIN to access our automated services. Access to Telephone Banking is limited to an individual and based on his or her PIN.

Telephone Transfers – You may request transfers to or from your Union Bank accounts by telephone at any time through our Telephone Banking services, and you may set up recurring transfers from any Union Bank account that you own. You may also make transfers to or from your accounts at other domestic financial institutions.

Telephone transfers can be made from one account to another when the caller is an Owner and/or Authorized Signer on both accounts. If you need to transfer funds to a third-party bank account or between accounts with different signature requirements, you may be required to execute the Telephone Banking Enrollment Form. The form is available on unionbank.com or at your local branch.

Transferred funds may be made available immediately.

How to cancel transfer requests: Union Bank loan payments or transfers made through Telephone Banking can be canceled at any time before the Business Day the transaction is scheduled to take place or before midnight (Pacific Time) on the Business Day the transaction is scheduled to take place.

Telephone Banking Limitations: The aggregate dollar amount of funds transfers by means of our Telephone Banking service to accounts you do not own at Union Bank or to other financial institutions may not exceed a cumulative total of \$5,000 per Business Day. For security reasons, we may limit the number or amount of transactions through the service. We also may delay or reject a transfer if we suspect that you did not authorize it.

Telephone Banking Help: For services not listed above, you may speak to a Bank representative. If you have questions regarding Telephone Banking, contact us by mail or phone at the address and number listed in the *Communication with US* section of this Account Agreement. If you send us a written request regarding a scheduled Telephone transfer request, it must reach us at least 3 Business Days before the transaction or payment is scheduled.

Please let us know if you are an active duty service member, as you and your dependents may have additional protections and/or benefits.

Your Liability for Unauthorized Electronic Funds Transfers

By giving your ATM Card, Debit Card, PIN, or other access code to another person directly or indirectly, you take responsibility for all transactions made by that person or by anyone else to whom that person gives the ATM Card, Debit Card, PIN, or other access code, until you notify us to cancel your card and issue you a new card, or cancel your electronic service.

If your statement shows transfers, withdrawals, purchases, or other transactions that you did not make, notify us at once. If you do not notify us within 30 days after the first statement that shows these transactions was mailed, delivered, or otherwise made available to you, the account balance indicated on your statement will be conclusively considered correct, and we will have no further responsibility or liability to you with respect to such statement and the electronic transactions reflected therein.

Real-Time Payments (“RTP”) Service Terms for Receive Only

When the Bank makes Receive Only RTP available, the following terms apply. These terms and conditions (the “RTP Terms”) govern your use of the RTP Receive Only Service (the “Service”) and supplement the *Business Accounts & Services Disclosure and Agreement* or the *Business Accounts & Services and Transaction Banking Services Disclosure and Agreement* and any additional documentation provided by Bank to you in connection with the Service (“Account Documentation”). In the event of a conflict between these RTP Terms and the Account Documentation, these RTP Terms shall govern. Unless expressly defined, capitalized terms used herein shall have the meanings

provided in the Account Documentation and the RTP System Operating Rules. Please call us at 800-238-4486 if you have questions concerning these Services or their availability.

Definitions

- **Account(s):** Your deposit Account(s) held with the Bank and used with the Service.
- **Bank:** MUFG Union Bank, N.A.
- **Payment Amount:** The amount of funds sent to you by a Sender through the Service.
- **RTP ("RTP" or the "Service"):** An electronic payment system which allows you to receive funds in real time into your Account(s).
- **RTP System Operating Rules:** The Clearing House's operating rules governing the obligations of parties using the RTP System.
- **RTP System:** The payment system accessed by the Service.
- **Sender:** The person or entity who sends a payment to you through the Service.
- **Sending Financial Institution:** A financial institution that participates in the RTP System and holds the Sender's account.
- **Service Transfer:** A payment made from a Sender to you through the Service.

The Service: The RTP Service will allow you to receive real-time payments into your Account(s) from Senders that have accounts with Sending Financial Institutions. Funds transferred to your Account(s) will be credited upon completion of the Service Transfer request and will be available for withdrawal immediately. The Service will not allow you to send payments. You are not obligated to accept a Service Transfer. If you wish to reject a Service Transfer sent to you through the Service, please contact us at 800-238-4486.

The Service is available 24 hours a day, 7 days a week, including weekends and holidays. However, the Service may be unavailable, from time to time, including due to maintenance; and we may suspend or terminate your access to the Service at any time, including if we determine that you or a Sender has used the Service in an unlawful manner. Incoming payments cannot exceed \$25,000.00 per Service Transfer. It is your responsibility to advise the Sender of this Service Transfer limit.

The Service may be used with domestic payments only. It may not be used with senders or receivers who are not residents of or otherwise domiciled in the United States. You agree that you will comply with this restriction and with all regulations of the Office of Foreign Assets Control as well as all other laws applicable to you in connection with your use of the Service.

Payments through the Service are irrevocable and cannot be reversed; however, a Sender may request that you return the funds. If this happens, the Bank will notify you of its receipt of a Return Request from the Sending Financial Institution, and you must respond to the Bank with information requested by the

Bank regarding the Return Request within five (5) Business Days of our notification to you. The Bank has no responsibility for and shall not be liable in any way in connection with a dispute between you and a Sender.

A Service Transfer may fail if 1) there are insufficient funds in the Sender's account; 2) the Bank or the Sending Financial Institution believes that the Service Transfer does not comply with these RTP terms, or applicable law; 3) you reject or have declined to receive a Service Transfer; 4) the Transfer Request exceeds the Sending Financial Institution's limits and/or the Sending Financial Institution declines to process the transaction; or 5) the Service is unavailable. In addition, completion of a Service Transfer request might be delayed if the Service Transfer is subject to review by the Sending Financial Institution. We will not contact you to notify you if the Service Transfer has failed.

WIRE TRANSFERS

Funds transfers by wire are governed by the Uniform Commercial Code as adopted in the applicable state, and are *not* subject to the Electronic Fund Transfer Act or Regulation E. The following rules also apply to wire transfers that you send or receive.

General

Bank Fees – You agree that we may charge fees for sending or receiving a funds transfer. You acknowledge and agree that we may deduct fees from your account or from the amount of the transfer. You further acknowledge and agree that intermediary banks may deduct their fees from the amount of the transfer that they process, whether an outgoing or incoming transfer, and that a portion of such fees may be shared with us. You authorize us and any intermediary banks to deduct such fees, and you further authorize the Bank to share in those fees with any intermediary banks.

Notice of Wire Transfers – We will notify you of all wire activity to your account on your periodic account statement. You may choose to make special arrangements with us to receive earlier notice of wire transfer activity on your account.

Identification of Intermediary or Beneficiary's Bank – If your wire transfer order identifies an intermediary bank or a beneficiary's bank by both name and identifying number, we may rely on the identifying number regardless of whether the bank name and identifying number refer to different entities. We may select any intermediary bank, funds transfer system, or means of transmittal to send your payment order. We will not be responsible for any liability you may incur as a result of our selection that differs from your instructions.

Incoming Wire Transfers

Provisional Payment – When we give you credit for a wire transfer credit entry, it is provisional until we receive final

settlement for the entry through a Federal Reserve Bank or otherwise. If we do not receive final settlement, we are entitled to a refund for the amount credited to you, and the person who sent the credit is considered not to have paid you.

Our Liability Concerning Wire Transfers

Wire transfers are not subject to the Electronic Fund Transfer Act, Regulation E, or the error resolution provisions set forth above in this Account Agreement. However, such transactions remain subject to the Uniform Commercial Code and to the remaining provisions of this Account Agreement. We are not responsible for any losses arising from or in connection with wire transfers unless such losses result solely from our negligence or intentional misconduct, or applicable law states otherwise.

Outgoing Wire Transfers

Cutoff Time for Payment Orders – We have different cutoff times for processing payment orders. We may treat payment orders we receive after the cutoff time as if received the next Business Day.

Amending or Cancelling Payment Orders – If you request that we amend or cancel a payment order, we may make a reasonable effort to act on your request; however, we have no obligation to do so. We are not liable to you if, for any reason, a payment order is not amended or canceled. If we choose to process your request, you agree to reimburse us for any cost, losses, or damages that we incur in connection with your request.

Inconsistent Name and Account Number – If you designate the beneficiary of a wire transfer by both name and account number, the payment may be made according to the account number even if the name and account number are not consistent and identify different parties.

Sending Funds Outside the United States – If you request that U.S. dollars be sent to a foreign country, payment may instead be made in the currency of the foreign country. Funds transfers may also be made from your Foreign Currency Demand Account.

Required Documentation – Outgoing wire requests may be made directly to our Wire Services Department, provided that a properly completed Funds Transfer Authorization and other requested documentation have been received by us.

Your Responsibility Concerning Wire Transfers

You agree that you are responsible for monitoring and reviewing all activity on your account. We recommend that you inspect your statements on a regular basis to look for improper or unauthorized transactions or any other irregularities, and to ensure that your accounts are being handled in a proper manner.

Reporting Errors – You must contact us immediately if you think there is an error or an unauthorized transaction shown on your statement or notice. If your statement includes or discloses an improper or unauthorized transaction, you must notify us in writing, stating relevant facts, within 30 days after we mail, deliver, or otherwise make the statement available to you. If you do not, we are not responsible for any liability you may incur as a result of any loss of interest arising from the unauthorized or erroneous funds transfer. In addition, if you do not report an unauthorized or improper wire transaction within 30 days from the time the statement is mailed, delivered, or made available to you, the account balance indicated on your statement will be conclusively considered correct, and we will have no further responsibility or liability to you with respect to such statement and the transactions reflected therein.

SAFE DEPOSIT BOX SERVICE

Certain branches offer safe deposit box services. Your use of these services is governed by the Safe Deposit Box Renter Agreement. Box size and availability may vary by location. We rent safe deposit boxes only to customers who maintain a deposit account with us. If you close your only deposit account with us, we will ask you to close out your safe deposit box.

Please let us know if you are an active duty service member, as you and your dependents may have additional protections and/or benefits.

Safe deposit box contents are not FDIC insured. If you wish to insure the contents of your safe deposit box, you must obtain the coverage on your own. Union Bank and the FDIC do not act as insurers of the contents of a safe deposit box.

GENERAL BANKING INFORMATION

Additions or Changes in Account Terms

How we will notify you of changes: We may add to, delete, or change the terms of our Account Agreement with you at any time. If we decide to do this, we may mail, email, or deliver a notice, a statement message, or an amended Account Agreement to any of you at the last address (location or email) on file for you, your account, or the service in question.

About notifying you before changes happen: Unless otherwise required by law, we may amend the Account Agreement without prior notice (e.g., by posting the information in our branches or on our website, or otherwise making it available to you). We may give you prior notice if we substitute similar services or discontinue currently offered services for certain accounts. We do not have to notify you of any changes that are beneficial to you (e.g., a reduction or waiver of any fees or the addition of services) or if the change is required for security reasons.

How do you consent to a modification to the Account

Agreement: You consent to an amendment or modification to the Account Agreement if you continue to use your account after an amendment or modification becomes effective.

Adjustments

When adjustments are made: We make adjustments to your account whenever a correction or change is required. Adjustments might occur, for example, if deposits are recorded or keyed in the wrong amount or Items you deposit are returned unpaid.

Authorized Signer/Contracting Officer

You agree that an Authorized Signer may act alone in conducting withdrawal or debit transactions and transfers from your account. Owners are responsible for the actions of the individuals they designate as Authorized Signers or Contracting Officers on accounts, and Owners are responsible for informing Authorized Signers and Contracting Officers of the terms of this Account Agreement.

You agree that we may continue to honor checks issued, and instructions given to us, by any individual who was authorized to sign on your account at the time these checks or instructions were issued, even if these checks are presented to us for payment, or these instructions are to be acted on, after you notify us that the individual is no longer an Authorized Signer. This means that you must place a stop payment order on these checks and cancel all instructions issued by that individual that you do not wish us to act upon. In some cases, we may require you to close an account and to open a new one to prevent transactions from occurring.

Change of Personal or Business Information

You agree to promptly notify us of any change in the business name, physical address, mailing address, or email address, or change of the Owners, Contracting Officers, or Authorized Signers on your account. All changes will become effective after we have had a reasonable opportunity to act upon your notice to us.

About your address information: The Bank makes every effort to contact you with important information that may affect your account. This includes periodic confirmation of our records. To ensure we can reach you, you authorize us to obtain address information from your state's Department of Motor Vehicles or any other government agency.

As such, you waive your rights under California Vehicle Code §1808.21 (or equivalent state statute). We may also obtain address information from the U.S. Postal Service, or any other government agency, and from public records. The Bank reserves the right to change your address based on this information.

Check Cashing for Non-Customers

We generally permit the payee of a check you write on your account with us to present the check for payment at most of our full-service branches, including our Express Banking kiosks. This does not include limited-service facilities, offices that are not open to both consumers and businesses, or where otherwise posted. It also does not apply to items that require special processing or presentment at a specific location, such as “payable at” checks. Payees should contact a local branch for more information. We may charge a fee to a non-Union Bank customer who cashes your check at one of our branches. The fee will be charged to the person cashing your check, unless you make other arrangements with us for paying the check cashing fee.

Check Quality

You agree to use only checks and deposit slips obtained through us or, if obtained elsewhere, approved by us in advance. If your checks or deposit slips do not meet our processing standards, or if we encounter excessive rejects during processing, we may ask you to have your checks reprinted at your expense. After attempting to fix the problem with your checks or deposit slips, and if the problem persists, we reserve the right to charge your account for extra handling. We will not be responsible for any costs or losses that may result if our equipment is not able to read and process checks you provide or obtain elsewhere without our prior approval. You may not use check stock that cannot be photocopied.

Our liability in matters resulting from incorrectly printed checks you have obtained through us is limited to the cost of replacing the checks. We are not responsible for any damages you may incur as a result of any losses or delayed processing due to incorrectly printed checks or deposit slips.

All checks issued or deposited should be written in dark ink colors that can be recognized by imaging equipment. We reserve the right to return or charge back any checks you issue or deposit if the information on the check cannot be read. We are not responsible for any damages you may incur as a result of our returning a check to you due to our inability to process it when the ink color cannot be recognized.

Several factors influence the image quality of a check, such as a check’s background design, its physical condition, or the ink color used on a check. The image quality of a check is also dependent upon the imaging capabilities of any bank that participates in the clearing of a check. In rare instances, checks may not be available or legible for viewing purposes. In such cases, please contact us for assistance.

Check Signature Verification

How we verify checks: We may process certain checks mechanically, based on the information encoded on the checks.

About visually identifying checks: We may not visually examine each of your checks to determine if they are properly completed and endorsed, and we assume no duty to identify and/or return duplicate checks, checks with duplicate serial numbers, misencoded items, or checks lacking an encoded serial number. Although we may examine checks from time to time, reasonable commercial standards do not require us to visually examine every check.

Checks and Deposit Slips—Changes to Banking Information

There may be occasions when the banking information printed in the MICR line of your checks and deposit slips will change. If any MICR line information changes, we will notify you 90 days before the change becomes effective. During this 90-day period, you should obtain new deposit slips and checks with the updated information printed on the documents. Failure to do so may result in delays in processing transactions on your account.

Ninety days after we notify you of new MICR line information, we will discontinue processing your checks and deposits that contain old MICR line information. This means that checks with old MICR line information that are presented for payment more than 90 days after the date of our notice will be returned unpaid. Any electronic debits to your account will not be honored, and electronic credits (deposits) will not be posted to your account.

You are responsible for giving timely notice of changed MICR line information to any other parties who may need it.

Checks Payable to a Business or Trust

All checks payable to a business must be processed by deposit to the business account. Checks payable to an individual's name in his or her professional capacity (e.g., John Smith, MD, or Jane Doe, CPA) must be deposited to a like-named business account. Similarly, checks payable to a trustee of a trust must be deposited to the appropriate trust account if we have actual knowledge of the existence of the trust.

Checks drawn on us and payable to a business that is not a Union Bank customer may, at our discretion, only be negotiated in exchange for a cashier's check payable to that exact business name. Prior to negotiation, the business entity must have the endorsement guaranteed on that check by its financial institution. We may charge a fee for this service, which may be deducted from the proceeds of the check.

Checks Sent for Collection

You may ask us to send a check or item on a collection basis for you to another bank. Also, for certain checks that you may deposit, we may not use normal check-clearing procedures. These checks include previously dishonored checks, checks with restrictive endorsements, or those drawn in a foreign currency or on a foreign bank. In these cases, we may send

the check to the financial institution on which it is drawn for collection or return it to you. If we receive payment for the check, we will credit your account with the amount received on the date we receive payment, less any applicable fees.

Both Union Bank and the other financial institution may charge a fee for this service, which may be taken directly from your account or from the proceeds of the Item. Some banks require the fee to accompany the collection request and will return the collection Item without taking any action if the fee is not included. We will charge your account for the payor bank's fee, unless we otherwise agree. Our fee and any payor bank fee apply even if the collection is returned unpaid.

When a check you issued is sent to us for collection, we may charge the presenting bank a fee. If we pay the collection, we may pay the presenting bank the amount of the check, less the amount of our fee. The fee we charge the presenting bank is in addition to other fees we charge for handling collections.

Checks with Special Instructions

Although we are not obligated to, we may pay or accept checks and other Items that include special restrictions or notations (e.g., "Void after 6 months," "2 Signatures Required," "Void over \$50," "Payment in Full," and the like), whether on the front or back, in any form or format. If you cash or deposit an Item or write a check with such a notation, you agree that it applies only between you and the payee or maker. The notation will have no effect on us, and you agree to accept responsibility for payment of the Item.

Claim of Loss

See the *Reviewing Statements* subsection of the *Account Statements* section of this Account Agreement.

Closing an Account

We may close your account, stop providing service to you, or terminate our contract for any reason unless the specific terms of your account or service state otherwise. We may attempt to contact you in advance if necessary, but we are not obligated to do so. We may close your account if you have a zero or negative account balance for more than 45 days. We may also close your account for fraud-related purposes. Your account may also be closed for insufficient funds, overdrafts, or other unsatisfactory account activity. In such cases, a report may be made to a consumer reporting agency. If we close your account, we will send any remaining funds in your account to your last address as shown on our records. If there is more than one Authorized Signer on your account, we may take instructions from any one Authorized Signer to close the account.

You may close your account at any time if the account is in good standing (e.g., does not have a negative balance or any restrictions). If you decide to close your account, your account

may be subject to prorated service charges for the partial period of service between the last statement period and the date of account closure. These fees include the monthly maintenance fees and any monthly discounts or additional service charges. Specific services and per-Item charges will be assessed in full.

If you or we decide to close your account and you have recurring payments deposited directly to or withdrawn from your account, notify the company or government agency making the payments or transfers that your account will be closed. If you do not notify us of your intention to close your account, a preauthorized electronic transfer could be posted to the account. After your account is closed, we will return any payments or transfers we receive. Items presented for payment after account closure may be returned with the notation "Account Closed."

We are not responsible for any liability you may incur as a result of a dishonored Debit presented for payment.

Communicating with You

Your consent and agreement granted to us in this "Communicating with You" section extend to our authorized representatives.

How we may contact you:

You give us your express consent to call you at any telephone number you have provided to us or provide to us in the future, including cellular (mobile) phone numbers. Your express consent authorizes us to use any means, including automatic dialing technology, artificial and pre-recorded voices, and text messages, when we contact you by telephone for any servicing or non-telemarketing purpose, including, without limitation, to collect debts. You understand that your phone service provider may charge you for these calls and messages. You also agree that we may monitor and record all telephone calls, electronic communications, and other communications with you, and we may retain them for our records.

You agree that we may contact you by mail at any mailing address you have provided to us or provide to us in the future, and by courier. You agree that we may contact you electronically by email at any email address you have provided to us or provide to us in the future, and that we may also contact you electronically through our Online Banking service. Please refer to your *Online Banking Service Agreement* for details on invalid or undeliverable email addresses.

What we may send to you: You agree that we may send any notice, record, or other information about your account, such as account disclosures, change-in-terms notices, privacy disclosures, fee schedules, or transaction notices and alerts, to you at the last address (or email address) on file for your account separately or with any periodic statement we send.

When considered delivered to you: You agree that information or notices (including statements) are considered delivered when they are mailed or made available to you in some other way (e.g., posted on our website or sent to your email address if you have agreed to electronic communications). Information or notices sent to any account Owner or authorized signer are considered delivered to all account Owners and authorized signers.

Where we send statements and notices: Statements and notices are normally sent to the last address (or email address) listed with us for your account or service.

If you do not receive your statement: Please notify us promptly if you do not receive your statement by the date you normally would expect to receive it.

What happens if we hold a statement or if mail is returned: You agree that if we hold a statement or notice because you fail to provide us with a current address, it will be considered delivered to you when it is prepared (if we're holding a statement for you), or when it is made available to you in some other way (e.g., posted on our website or sent to your email address if you have agreed to electronic communications), or when it is mailed (if it's returned in the mail). At our discretion, we may destroy mail that is returned to us or determined to be undeliverable.

Compliance with Applicable Law

Definitions

Relevant Law – means U.S. Sanctions and all laws, rules, regulations, and executive orders applicable to your account(s) or transactions related to bribery, corruption, money laundering, or the funding of terrorist activities, including, without limitation, the Bank Secrecy Act, the USA PATRIOT Act, the U.S. Foreign Corrupt Practices Act of 1977, and the U.K. Bribery Act 2010.

Relevant Person – means, with respect to an account, an Owner, Authorized Signer, or any other person delegated authority with respect thereto.

Sanctioned Country – means a country or territory that is or whose government is subject to U.S. Sanctions that broadly prohibit dealings with that country, territory, or government.

Sanctioned Person – means an individual or entity with whom a U.S. person is prohibited or restricted by U.S. Sanctions from engaging in trade, business, or other activities.

U.S. Sanctions – means all laws, rules, regulations and executive orders promulgated or administered by any U.S. governmental authority (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of Treasury) to implement and enforce sanctions.

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

Internet Gambling – Bank strictly prohibits the use of any account to conduct transactions that are related, directly or indirectly, to unlawful Internet gambling. The term “unlawful Internet gambling,” as used in this section, shall have the meaning set forth in 12 C.F.R. Section 233.2(bb). You agree to not conduct any transaction through your account(s) that directly or indirectly involves or is related to unlawful Internet gambling, including the acceptance or receipt of any funds or deposits in connection therewith.

Conflicting Claims to Account Ownership or Control

What types of disputes or problems can affect an account:

- If there is any uncertainty about the ownership of an account or its funds, or there are conflicting demands over its ownership or control
- If we are unable to determine any person’s authority to give us instructions
- If there is suspected financial abuse of an elderly or dependent adult and/or Adult Protective Services or any similar state or local agency requests us to freeze the account or reject a transaction
- If we believe a transaction may be fraudulent or may violate any law

What we may do at our sole discretion:

1. We may freeze the account and refuse transactions until we receive written proof in a form and substance satisfactory to us of each person’s right and authority over the account and its funds.
2. We may refuse transactions and return checks, marked “Refer to Maker,” or similar language.
3. We may require the signatures of all Owner(s), Contracting Officer(s), or Authorized Signer(s) when they withdraw any funds, close an account, or make any change in the account—regardless of the number of Authorized Signers on the account.
4. We may pay the funds into an appropriate court (an interpleader action) and request instructions from the court at your expense regarding the account or transaction.

5. We may continue to honor checks and other instructions given to us by persons who, based on our records, appear as Owner(s), Contracting Officer(s), or Authorized Signer(s).

Although we have the right to proceed in the ways outlined above, understand that this does not impose an obligation on us to act on these rights or to deny a transaction.

Credit Verification

You agree that we may obtain information, including credit information, from consumer reporting agencies or other companies when you request to open an account with us, agree to be a signer on an account, or obtain any other service from us, in order to verify your previous banking relationships and as a basis for account qualification. We may do so at the time you open the account, at any time while your account is open, or after your account is closed if you owe us any amounts related to your account.

We may also ask for credit information on any Owner, Contracting Officer, or Authorized Signer on your account, including any principal or officer of your business. The Owner(s) or Contracting Officer(s) of your business is/are responsible for informing other Owners, Contracting Officers, or Authorized Signers of our right to obtain credit information about them.

Transaction Information Requirements – When you conduct a transaction with us, we may require you to identify yourself by various means, which may include using your ATM Card or Debit Card and PIN, or answering security questions.

In order to conduct certain financial transactions, we are required to obtain certain information about the individual conducting the transaction, as well as about the individual or organization for whom the transaction is being conducted. The information includes the full name, permanent address, Social Security number and/or Employer Identification Number, driver's license or passport, or occupation or profession of the individual conducting the transaction. We also require the account Owner's full name; permanent street address; Social Security number and/or Employer Identification Number; and business, occupation, or profession. If this information is not provided, we are required to refuse to handle the transaction.

Requests Not Made in Person – We will accept your transaction requests or instructions not made in person only if we can reasonably ensure your identity. We may use passwords or PINs, contact you by telephone, or use other means to authenticate your identity and validate your request. Unless you have made special arrangements with us, we have no obligation to act upon instructions you give us by phone, fax, text message, email, or voicemail.

Death or Incompetence

Notify us immediately if any Owner, Contracting Officer, or Authorized Signer on your account dies or is declared incompetent (by a court or as otherwise permissible, e.g., physician's letter). Until you or a court gives us written notice of such death or incompetence, we may continue to honor checks, Debits, and instructions as though all Owners, Contracting Officers, or Authorized Signers are alive and competent. We may also freeze, refuse, and/or reverse deposits and transactions if we become aware of the death or incompetence of an Owner, Contracting Officer, or Authorized Signer.

Demand Drafts (commonly referred to as remotely created checks)

Demand drafts or remotely created checks do not bear your signature. In place of your signature, it bears your printed name or a statement that you authorized the check. You can authorize the creation of a demand draft by telephone by providing the appropriate information, including the MICR code, from a valid check. Common examples of demand drafts are those created by a credit card company, utility company, or telemarketer. If you provide your account number to a third party in order to charge your account by means of one or more remotely created checks or demand drafts, you authorize us to pay such demand drafts, even though they do not contain your signature and may exceed the amount you authorized to be charged. This provision shall not obligate us to honor such demand drafts. We may refuse to honor such demand drafts without cause or prior notice, even if we have honored similar demand drafts in the past.

You may not deposit remotely created checks or demand drafts to an account with us without our prior written consent. Upon our request, you agree to provide us with evidence of your authorization to create and/or deposit such demand drafts. You also agree to indemnify, defend, and hold us harmless from all losses, expenses, costs (including attorneys' fees), claims, and liabilities related to or arising from such demand drafts, including, without limitation, claims that they were not authorized by the persons on whose accounts the demand drafts were drawn.

Deposit Insurance

Union Bank accounts are insured to the regulatory limits by the Federal Deposit Insurance Corporation (FDIC). Any deposits (including time deposits) that you maintain in the same capacity directly with Union Bank, PurePoint Financial, or through an intermediary (such as with us or another broker) will be aggregated with deposits in your Deposit Accounts at Union Bank for purposes of the maximum applicable FDIC deposit insurance amount. When we give you information about products we offer that are not FDIC insured, you will be clearly informed of that fact before you make a purchase decision. You are responsible for monitoring the total amount

of deposits that you have with Union Bank in order to determine the extent of FDIC deposit insurance coverage available to you.

If you'd like more detailed information about FDIC Insurance:

WRITE: FDIC
550 17th Street, N.W.
Washington, D.C. 20429

CALL: 877-275-3342

TDD: 800-925-4618
FDIC hours of operation:
Monday – Friday, 8:00 a.m. – 8:00 p.m. (Eastern Time)
Saturday – Sunday, 9:00 a.m. – 5:00 p.m. (Eastern Time)

VISIT: www.fdic.gov or www.fdic.gov/EDIE

Deposits

All deposits made to your account are subject to final verification, payment, and adjustment by us, even if we cash a check, give you immediate credit for a deposit, or give you cash back from a deposit. In our sole discretion, we may decline to accept any Item for deposit.

If your deposit contains both checks and coin or currency, your deposit will receive ledger credit on the next Business Day. We may place a hold on checks you deposit. You will be notified if a hold is placed. During the hold period, these funds may not be withdrawn or used to pay checks or any other transactions on your account. Checks deposited at one of our cash vaults will be forwarded for processing and will receive ledger credit the next Business Day. (See the *Funds Availability Policy* section described in this Account Agreement.)

If you deposit a check containing a retired (no longer in use) bank routing number or account number, you will not receive credit for the check and it will be returned to you unpaid. You must contact the maker of the check to obtain a replacement check bearing the new routing or account number.

We act only as your collection agent when receiving Items for deposit or encashment. We reserve the right to refuse for deposit, or reverse the credit for, any Item that, in our sole discretion is determined to be unacceptable for forward collection either at the time of deposit or upon subsequent review. We may charge your account for cashed Items should they become lost, mutilated, or destroyed during processing through no fault of Union Bank. Whether or not we reverse a credit, you agree to assist us in collecting the amount of any lost Items by providing us with information and other assistance as we request.

Merchant Card Transactions – In order to conduct merchant card transactions, you must enter into a separate agreement with a merchant services provider (“Provider”). When you initiate a card transaction, the Provider will perform front-end

authorization. If approved, the transaction will be transmitted to the Provider for processing. We are not responsible for the acts or omissions of the Provider.

Cash Vault Deposits – You must prepare your deposit in accordance with our *Deposit Delivery Handbook* (“Handbook”). Should you fail to do so, you are responsible for any additional preparation time required for us to transform your deposit into the Handbook format. This may result in additional fees, including fees for rejected pre-encoded Items.

If you submit an Item for deposit that cannot be readily image-captured, you agree to indemnify us against any and all liability that may arise from doing so.

Contaminated or Mutilated Deposits – You agree not to deposit contaminated or mutilated Items or currency.

Lost Deposits – We will not be responsible for lost or missing deposits if you do not comply with the Handbook. You agree to use your best efforts to provide such copies, images, or MICR information of the Items lost in transit as may be available to you. Additionally, you agree to provide us copies of tapes or cash letter detail.

Rejected Items – Fees may apply for presented checks and/or deposit slips rejected from machine processing for any of the following reasons:

- Non-standard MICR
- Obsolete account number or routing number
- Excessive rejects due to poor-quality printing. “Excessive” means the greater of a) 3 presented checks and/or deposit slips rejected in processing in a statement period or b) the percentage indicated under the *Basic Account Services* section in the applicable *Fee Schedule* of the total of all such Items processed in that cycle.

Additional charges will apply for depositing pre-encoded checks that are rejected for poor MICR quality and/or encoding. Clients who have a monthly reject rate for deposited Items in excess of the published percentage under the *Check Processing Services* section of the applicable *Fee Schedule* will be charged for each Item exceeding the allowed published percentage. Individual deposits exceeding the published percentage reject rate may be held over to the next Business Day for processing.

We reserve the right to place any clients who exhibit excessive deposit rejects, either over 25% in one day or over the published percentage for 5 consecutive Business Days, on a daily reject report to assist in resolving the MICR quality problem. If we do so, we may have to delay processing your deposits. There is a fee for each reject report we send you.

Transportation – You and we agree that upon instructions from either of us, an armored carrier or courier service (“Carrier/Courier”) will pick up and/or deliver coin and currency, checks, Bank documents, other media (e.g., computer reports,

computer tapes, etc.), or valuables (collectively "Materials") for the purpose of delivering the same to you or us, or as we otherwise agree. You agree that you will use only armored carriers to transport cash or other Materials of intrinsic value. You further agree that your deposits delivered to us by the Carrier/Courier will be packaged in accordance with procedures set forth in the Handbook.

Negotiable Materials must be packaged and delivered to us in self-sealing and tamper-evident containers or bags. Suitable containers meeting our specifications are available by contacting us. If you do not obtain containers from us, you must submit sample containers for approval. We reserve the right to refuse containers that do not meet our specifications or that appear to have been tampered with.

The Carrier/Courier is an independent contractor. However, if the Carrier/Courier is deemed to be an agent, you and we agree that the Carrier/Courier is your agent and not ours, even though we may pay for the cost of such services. The provisions set forth in this section are exclusively between you and us, and are separate from your agreement with the Carrier/Courier.

We will not be responsible for any liability you may incur as a result of transportation of Materials by the Carrier/Courier to us or any other destination you specify, until we acknowledge receipt in writing of the Materials. If we deliver Materials to the Carrier/Courier, we shall not have any liability upon delivery of such Materials to the Carrier/Courier. Without limiting the foregoing, the transportation of Materials is at your own risk and shall impose no liability on us, including, but not limited to, any liability arising out of their loss, theft, or destruction during transportation. You agree to immediately notify us if any Materials are believed to be lost, missing, or misdirected. If you think there are missing or erroneous entries shown on your statement, you must tell us within 14 days of discovery or 14 days after we mail, deliver, or otherwise make the statement available to you, whichever is earlier. If you do not, we may refuse to reimburse you for any claimed losses or discrepancies. In addition, if you do not report an error or unauthorized transaction within 6 months after we mail, deliver, or otherwise make the statement available to you, the account balance indicated on your statement will be considered correct. Your obligation to discover and report such Materials applies whether or not we have acknowledged receipt of a container purported to contain the Materials.

We shall not be held liable for any additional fees charged in excess of the fees originally quoted for the Carrier/Courier service. These may include, but are not limited to, rate increases and fees associated with excess weight, special deliveries, and additional bags. Any agreement by the Bank to pay for services performed by the Carrier/Courier may be terminated at any time by us upon notice to you.

Endorsements

Each deposited check should be endorsed on the back of the check in the designated endorsement area, including the restrictive endorsement required for Mobile Check Deposits (See *Mobile Check Deposit* section in this Account Agreement, and the *Online Banking Service Agreement*). If the endorsement or any marking is made outside of the specified area, we are not liable for any processing delay or loss that may result.

We may require that all endorsers be present to authenticate the endorsement, including those who may have endorsed the Item to you and, for anyone who is not a signer on the account, to have their endorsement guaranteed by that person's bank. We also may refuse to accept the check for deposit.

All payees should endorse checks that are jointly payable to the Owners of the account. However, we are also authorized to cash or accept for deposit to the account:

- Checks payable to all Owners but endorsed by only one
- Checks payable to one or more Owners but endorsed by another of the Owners
- Checks payable to one or more Owners without endorsement, in which case we are authorized to provide the endorsement for the Owner(s)

Facsimile Signatures

What is a facsimile signature: A facsimile signature is a procedure or mechanism that causes any check to be drawn on your account with a typed signature, facsimile signature, notation, mark, or other form of mechanical symbol, rather than your actual handwritten signature.

What we require for their use: You agree not to use facsimile signatures on checks unless you provide us with representative samples and we approve their use.

About paying facsimile Items: We may refuse to accept or may pay Items bearing facsimile signatures at our discretion.

What you're responsible for:

- You agree to assume full responsibility for any and all payments made by us when we rely on signatures that resemble the actual or facsimile signature(s) you provided (without regard to variation in color or size) in connection with your accounts or services.
- You authorize us to pay any check that appears to bear your authorized facsimile signature, including, but not limited to, Items created by you that display a computer-generated signature (regardless of whether you provided us with a representative sample) without further inquiry.
- You agree to indemnify, defend, and hold us harmless from any and all actions, claims, losses, damages, liabilities, costs, and expenses (including attorneys' fees) arising directly or indirectly from the misuse or the unlawful or unauthorized use

or copying of facsimile signatures (whether affixed manually, by stamp, mechanically, electronically, or otherwise).

Funds Availability Policy

Your Ability to Withdraw Funds – Our policy is to make funds from your cash and check deposits available to you on the 1st Business Day after the Business Day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash, and we will use the funds to pay checks that you have written, or other Items presented against your account. Please keep in mind, however, after we make funds available to you and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid.

For determining the availability of your deposits, every day is a Business Day except Saturdays, Sundays, and federal holidays.

If you make a deposit before the close of business on a Business Day that we are open, or otherwise state as our Business Day, we will consider that day to be the day of your deposit. If you make a deposit on a Business Day at one of our ATMs before 9:00 p.m. Pacific Time, we will consider that day to be the day of your deposit. However, if you make a deposit after these hours or on a day that is not considered a Business Day, we will consider that the deposit was made on the next Business Day we are open.

This *Funds Availability Policy* applies to checks deposited at a staffed Union Bank facility, at a Union Bank ATM, night depository, lockbox, Express Banking kiosks, or by mail addressed to Union Bank.

This *Funds Availability Policy* does not apply to checks drawn on banks located outside the United States, checks drawn in a foreign currency, or to checks deposited using Mobile Banking or Remote Deposit Service.

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 1st Business Day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the 2nd Business Day after the day of your deposit. The first \$200 of your deposit, however, will be available on the 1st Business Day after the day of your deposit.

If we are not going to make all of the funds from your deposit available on the 1st Business Day after the day of your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees (for example, at an ATM or lockbox), or if we decide to take this action after you have left the premises, we will mail you the notice by the Business Day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, some or all of the 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 \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last 6 months.
- There is an emergency, such as failure of computer or communications equipment, that prevents us from making your deposit available to you under the timeframes set forth in our *Funds Availability Policy*.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will notify you when the funds will be available. They will generally be available no later than the 7th Business Day after the Business Day of your deposit.

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

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified and teller's checks, and federal, state and local government checks will be available on the 1st 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 over \$5,000 will be available on the 7th 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 \$5,000 will not be available until the 2nd Business Day after the day of your deposit. Funds from all other check deposits will be available on the 7th Business Day after the day of your deposit.

Remote Deposit Service

Generally, funds representing a deposit using Remote Deposit Services will be available for withdrawal the Business Day after deposit if the remote check deposit is made prior to 8:00 p.m. (Pacific Time). Remote check deposits made on a non-Business Day will generally be available on the 1st Business Day after the Business Day of deposit. However, in some cases, we may delay funds availability up to the 2nd Business Day after the Business Day of your deposit. We will notify you (e.g., by email) if we delay availability of your deposit. Funds availability rules set forth in Federal Reserve Regulation CC do not apply to checks deposited using Remote Deposit Services. Fund availability may differ by Item based on float assignment and collectability of each Item. See the *Business Accounts & Services and Transaction Banking Services Disclosure and Agreement* for more information.

Mobile Check Deposits

Generally, funds representing a deposit using Mobile Check Deposit will be available to you on the 1st Business Day after the Business Day the deposit is received if the mobile check deposit is made prior to 9:00 p.m., Pacific Time. Mobile check deposits made on a non-Business Day will generally be available on the 1st Business Day after the Business Day the deposit is received. However, in some cases, we may delay funds availability up to the 7th Business Day after the Business Day the deposit is received. We will notify you (e.g., by email) if we delay availability of your deposit. Funds availability rules set forth in Federal Reserve Regulation CC do not apply to checks deposited using Mobile Check Deposit.

You agree to either endorse each original check submitted through Mobile Check Deposit with the below restrictive endorsement or check the pre-printed box on the back of the check (if available) along with your signature, in order to minimize the effects of possible fraud or duplicate presentment of the same check:

"For mobile deposit only to Union Bank."

If you neglect to add to each original check submitted for deposit this restrictive endorsement or check the pre-printed box on the back of the check (if available), the Bank may reject the deposit, and will not be liable for losses and/or fees you may incur for reversing or debiting your account for such duplicate presentment.

See your *Online Banking Service Agreement* for more information.

We may, at our sole discretion, also hold funds you deposit for any reason necessary that we believe would limit your and/or our losses.

Each check deposited through a mobile device will count as one Combined Transaction.

Governing Law

To the extent this Account Agreement is subject to the laws of any state, it will be subject to the law of the state where your account is maintained, without regard to its conflict of laws principles. Your accounts and services also will be subject to applicable clearinghouse, Federal Reserve Bank, funds transfer system, image exchange, and correspondent bank rules ("Rules"). You agree that we do not have to notify you of a change in the Rules, except to the extent required by law. If there is any inconsistency between the terms of this Account Agreement and the Rules, the terms of this Account Agreement shall supersede the Rules, unless prohibited by the Rules.

Inactive Accounts and Unclaimed Property

Accounts become inactive when there has been no transaction or positive contact with us for a certain period of time, as follows:

- 12 consecutive months for transaction (demand deposit) accounts
- 18 consecutive months for savings accounts
- 24 months after the first maturity date or date of last customer contact for time deposit accounts

Positive contact will prevent an account from becoming inactive. Types of positive contact include:

- A deposit or withdrawal performed by you to or from the account. This does not include Bank-initiated transactions, such as service charges, interest payments, or automated deposits and withdrawals.
- Correspondence electronically or in writing concerning the account.
- A signed letter from you relating to the account's disposition.
- An indication from you of your interest in the account, such as contacting us to state your intention to maintain the account, or another record on file with us.

The inactive period begins on the date of the last transaction, last positive contact with us, or first maturity of a time deposit, whichever is latest. We may refuse to post any transactions to an inactive account unless we can confirm that you initiated the transaction. All inactive interest-earning accounts continue to earn interest, except for time deposit accounts that do not automatically renew. Service charges for inactive accounts are the same as those for active accounts. Charges are not reimbursed for inactive accounts that are later reclassified as active. Also, we may change the delivery of account statements for inactive accounts.

You may receive a written notice that your funds may be surrendered to a state government due to inactivity. The requirement to send a notice is based on the account balance and whether we have a valid address on file. The timing of the notice and minimum account balance for the notice vary by state.

We will surrender the funds in your inactive account to the state of your last-known address we have on file if the account remains inactive for the time period designated by that state. Accounts with a foreign address on file will be surrendered to the state of California. Once the account is turned over to the state, you may reclaim the funds by presenting adequate proof of ownership to the appropriate state.

Income Tax Reporting

For certain types of account ownership, we are required by law to report to the Internal Revenue Service (IRS) interest paid or other payments made to you. For interest-earning accounts in

which interest is paid on a cycle of one year or less, we report interest in the calendar year in which the interest is paid. For time deposit accounts issued for a term of more than one year for which interest is paid on a cycle of greater than one year, we report interest annually for interest accrued in the current calendar year. A tax-reporting notice will be sent to you for interest-earning accounts if the interest earned is \$10 or more.

International Transactions

Union Bank offers foreign exchange services, including basic spot purchases, hedging instruments, wire payment services, Foreign Currency Demand Accounts (FCDAs), and Foreign Currency Time Deposits (FCTDs).

Transactions processed in foreign currency denominations are subject to daily changes in exchange rate. When we convert a transaction, we may determine in our sole discretion the currency exchange rate and then assign that currency exchange rate to your transaction, without notice to you. You agree to this procedure and accept our determination of the currency exchange rate.

We may consider many factors in setting our currency exchange rates. Some of these factors are exchange rates set by others, our desired rates of return, market risk, and credit risk. We are not responsible for any liability you may incur if our currency exchange rates are different from rates 1) offered or reported by third parties; 2) offered by us at a different time, at a different location, or for a different transaction amount; or 3) that involve different payment media such as bank notes, checks, and wire transfers. You acknowledge that:

- Our currency exchange rates for retail and commercial transactions, and for transactions conducted after our regular business hours or on weekends, are different (and usually less favorable to you) from the exchange rates for large interbank transactions conducted during a Business Day (the rates reported in *The Wall Street Journal* or elsewhere are usually for large interbank transactions);
- Currency exchange rates offered by other dealers or shown at other sources (including online sources) may be different from our rates; and
- Currency exchange rates can be highly volatile and may change frequently during a day.

You assume all risks relating to or arising from fluctuations in the exchange rates between currencies.

If for any reason the transfer is returned, you agree to accept the refund in United States dollars in the amount of the foreign currency credit, based on the current buying rate of the bank converting the currency to United States dollars on the date of refund, less any charges and expenses we incurred and our commission for making the exchange.

Additionally, foreign transactions are often subject to fees assessed by foreign banks and their correspondent banks, and they may be processed and returned based on local laws and practices. We have no control over those conditions, and you authorize us to process any resulting charges or credits to your account.

For further information on specific foreign exchange services, including additional risks, restrictions, and other requirements, please contact the Markets Foreign Exchange Department at 213-236-6943.

Large Cash Withdrawals

For security purposes, we have the right to limit the amount of cash we will provide on demand at a branch, including at Express Banking kiosks. We may require reasonable advance notice for large cash withdrawals. You agree that we are not responsible for providing for your security in such transactions, and that we may require that you make advance arrangements with a licensed armored carrier for such withdrawals. Cash withdrawals greater than \$50,000 will generally not be accommodated at a branch.

Legal Process

We may comply with any writ of attachment, execution, or garnishment, tax levy, restraining order, subpoena, warrant, or other legal process that we believe to be valid. To the extent legally permissible, we may notify you of such process by telephone, electronically, or in writing. If we are not fully reimbursed for our record research, photocopying, and handling costs by the party that served the process, we may charge such costs, in addition to our legal process fee, to your account. You agree to reimburse us for any cost or expense, including attorneys' fees, that we incur in responding to legal process related to your accounts.

We may not pay interest on any funds we hold or set aside in response to legal process. You agree that we may honor legal process that is served personally or by mail, email, or facsimile transmission at any of our branches (including locations other than where the funds, records, or property sought are held), even if the law requires personal delivery at the branch where your account or records are maintained. You acknowledge that accounts opened with trust or fiduciary designations (e.g., "XYZ, Inc. — Client Trust Account") may be subject to levies and other legal process against your property unless our records clearly reflect the existence of an express written trust or court order.

Limitation of Liability; Indemnity

Except as otherwise stated in this Account Agreement or as required by law, we will be liable to you only for damages arising directly from our gross negligence or intentional misconduct.

We will not be responsible for any loss, delay, cost, or liability that arises, directly or indirectly, in whole or in part, from a) your actions or omissions, or those of third parties, that are not within our immediate and reasonable control; b) your negligence or breach of any agreement with us; c) any ambiguity, inaccuracy, or omission in any instruction or information provided to us; d) any error, failure, or delay in the transmission, processing, or delivery of data, records, or Items due to a breakdown in any computer or communications facility; e) causes beyond our reasonable control, including but not limited to an act of nature (e.g., fire, flood, earthquake, etc.), military action, strikes or labor disputes, embargoes, government orders, accidents, civil unrest, terrorist attacks, or any other force majeure event; f) the application of any government or funds transfer system rule, guideline, policy, or regulation; g) the lack of available funds in your account to complete a transaction; or h) our inability to confirm to our satisfaction the authority of any person to act on your behalf.

We will not be liable under any circumstances for any special, consequential, indirect, or punitive damages that you incur in connection with your account(s), even if we are aware of the possibility for such damages, unless specifically imposed by a statute that cannot be waived by the parties.

You acknowledge that our fees have been established in contemplation of a) these limitations on our liability, and b) your agreement to review statements and notices promptly and to notify us immediately of any discrepancies or problems.

You will indemnify us against and hold us harmless from any and all liabilities, claims, costs, expenses, and damages of any nature (including reasonable attorney's fees) arising out of or relating to disputes or legal actions by parties other than you and us concerning your accounts and services. The obligations contained in the preceding sentence will continue after your account or service is terminated. This section does not apply to any cost or damage incurred by a third party that is attributable to our gross negligence or intentional misconduct and for which we are legally responsible.

Limitation on Time to Bring Action

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

Multiple Signatures

It is not our general policy to offer accounts on which 2 or more signatures are required to conduct transactions. This means that you agree that an Authorized Signer, acting alone, may sign checks, withdraw or transfer funds, give us instructions regarding

the account, close the account, or establish additional accounts in the same name or names that are subject to the same signature requirements. If you indicate on your signature card, on another account document, or elsewhere that more than one signature is required for a transaction, this indication is for your own internal procedures and controls, but it is not binding on us unless we have expressly agreed in writing.

Exceptions – We generally offer accounts on which more than one signature is required for transactions only under the following circumstances:

- **Legal Orders** – The account is subject to a legal order, which expressly requires more than one signature for withdrawals.
- **Legal Requirements** – The account is one required by law to be held by 2 or more persons who must act together to exercise their legal authority over the funds in the account.
- **Accounts Held by Formal Trusts** – The account is held by a trust (other than a “business trust”) whose written terms require more than a single signature for withdrawals.
- **Other Signature Requirements by Special Arrangement Only** – As agreed upon by the Bank and you.

Signature requirements for accounts opened before April 1, 2005, remain unchanged.

Night Depository Service

This service is available at most of our branches and allows you to make deposits to your account using the night depository facility (the “Facility”).

Making Deposits – Each deposit into the Facility shall include only cash or Items intended for deposit to one or more of your accounts with us. The deposit shall be contained, in accordance with our instructions, in a self-sealing plastic pouch (“Pouch”) supplied or approved in advance by us. The Pouch shall include an itemized list of the cash and other Items in it. You shall retain a copy for your records and will use your best efforts to verify that each Pouch reaches the vault portion of the Facility.

Processing Deposits – Deposits made before the Facility’s cutoff time will receive same-day credit. Deposits made at the Facility after the cutoff hour may not be collected and processed until the beginning of the next Business Day.

Only the cash deposit in a Pouch will be transported to one of our centralized cash vaults for counting. Deposits containing both cash and Items in the same Pouch may be processed at the branch where the Facility is located. Disputes of any cash adjustments must be submitted in writing, to your branch of account, within 10 days following receipt of any cash adjustment notice.

Equipment and Procedures – You agree to use the Facility only with keys supplied by us and to notify us immediately if you lose any key to the Facility or should a key become unusable for

any reason. You agree not to duplicate any keys and to take all reasonable precautions to prevent unauthorized persons from tampering with a Pouch. If you observe any Facility equipment that is missing, defective, damaged, or inoperable, notify us immediately.

Depositor Agreement – We may withdraw the Facility from use at any time in cases of emergency or the need to make repairs, without providing you notice. Either you or we may terminate this service at any time by written notice to the other, and upon any such termination you shall promptly return, or pay the cost of replacing, all equipment we have furnished to you.

Notice

Any notice you are required to give us by law or by this Account Agreement, or other order or instruction you may give us, must be in writing and mailed or delivered to us at your branch of account or any address we specify, unless prescribed otherwise in this Account Agreement. You agree that we shall be allowed a reasonable period of time to act upon any such notice, order, or instruction.

Online Services

Our Online Banking service allows you to access your accounts and conduct banking via the Internet. The service allows you to check balances, transfer funds, pay bills, view statements and check images, receive account notifications, and more. Some services may also be available through a wireless device. Use of the Online Banking service is governed by one or more separate agreements for online services, which supplement this Agreement.

Opening Additional Accounts

We may, at our option, open additional accounts upon your consent by telephone, written, or online instructions. These accounts must be in the same title as previously established accounts you maintain.

Presentment of Debits

We may charge your account on the day a check or other Debit transaction is presented or returned to us, whether by physical delivery or electronically. We may charge your account or place a hold on funds at an earlier time if we receive an electronic or other notice that such Debit has been submitted for payment, collection or return at another financial institution, or if a business notifies us that it is processing a Debit against your account (e.g., a point-of-sale purchase using a Debit Card). We may determine your account balance for the purpose of deciding to dishonor a Debit for insufficient funds at any time between the time we receive the Debit or notice of it and the time we must return it unpaid. We are not obligated to make this determination more than once.

We may charge your account when a copy of a check or other Item drawn against your account is presented to us for payment by another financial institution in place of the original, whether or not the original check is lost, mutilated, destroyed, or otherwise unavailable. You agree that we shall have no liability to you for paying such a copy, unless you are able to show to our satisfaction that a) you did not issue or otherwise authorize the original, or the terms of the copy we paid are materially different from the terms of the original and b) you received no benefit from the payment of the copy. Claims arising from the payment of a copy are subject to the provisions of the *Claim of Loss* section of this Account Agreement. See the *Reviewing Statements* subsection of the *Account Statements* section of this Account Agreement.

Pricing Regions

Interest rates, fees, and charges for accounts and services may vary based on where your branch is located or how you open your account. Rates and fees may vary from state to state or within a state.

Processing Cutoff Hour

If we receive a check for payment on a Saturday, Sunday, or federal holiday; after close of business on a Business Day we are open; or as otherwise posted, we may consider it received on the next Business Day. Time refers to Pacific Time.

Our processing cutoff hour with respect to any knowledge, notice, stop payment, or legal process received by us involving a check, is one hour after the opening of the Business Day following the Business Day on which we receive the check. The cutoff hour with respect to setoffs exercised by us is midnight of the Business Day following the Business Day we receive a check, or such later time by which we must return the check. The cutoff hour determines our obligation under applicable law to pay or return certain checks that have been received (but not finally paid) by us on the previous Business Day.

Purchase of Monetary Instruments

Cashier's checks or money orders (monetary instruments) sold by us may be purchased only with a check drawn on or a debit to a Union Bank transaction account. We may refuse to permit a purchase with cash. In other words, cash must first be deposited into a Union Bank transaction account to purchase a monetary instrument. Customers with nontransactional deposit accounts, such as time deposits or IRAs, should speak to a Bank officer for special processing of their transaction.

Record Search

Copies of checks, statements, or other similar transaction records may be available upon request for up to 7 years after the statement date. We may charge you a research fee in addition to a copy fee. If we cannot provide you with a copy of

a check prior to the expiration of this 7-year retention period and you lose money as a result, we may cover the loss up to the amount of the check. However, we will not be liable for any consequential damages.

Release of Information to Third Parties

When periodic statements are combined, whether or not at your request, you agree that copies of these statements, which include information on other accounts and services, may be provided to any Owner, Contracting Officer, Authorized Signer, or other person authorized by any of them. You authorize us to release information regarding the status and history of your loan and deposit accounts to others, including, without limitation, our parent company and affiliates, as described below. You understand that information you have provided us, including, but not limited to, your account files, account opening documents, and credit history, as well as information concerning your creditworthiness, may be updated and shared with others within the Bank and/or the Bank's affiliates, subsidiaries, or parent, from time to time for consideration of other products and services, as applicable.

We may report information about your account to credit bureaus or other consumer reporting agencies. Late payments, missed payments, overdrafts, or other defaults on your account may be reflected in the records of such agencies. We may also disclose information about your account to an account verification service in addition to a credit reporting agency if we close your account due to unsatisfactory handling, fraud, attempted fraud, or criminal activity. Under these circumstances, the information disclosed may include the name, address, taxpayer identification number, and driver's license number of any Owner; the date the account was closed; the reason for its closing; and the fact that the account was closed at our request. Other financial institutions subscribing to the account verification service may be supplied with this information.

All Owners, Contracting Officers, and Authorized Signers agree that we may obtain name and address information from the records of any state Department of Motor Vehicles, and all expressly waive their rights under applicable law or regulation to keep such information confidential.

Telephone and Electronic Communication Monitoring or Recording

We may monitor telephone conversations and electronic communications for quality control and security purposes. We do not record telephone conversations without notice to you.

Withholding of Income Tax

When we must withhold funds for taxes: Unless you are exempt under federal law, we are required to withhold a portion of your taxable interest and certain other payments (this is referred to

as backup withholding) if you fail to supply us, under penalty of perjury, with your correct taxpayer identification number (TIN); you fail to provide us with the required certified information; the IRS instructs us to withhold; or the IRS notifies you that you are subject to backup withholding.

What tax information you must provide: You must provide your TIN whether or not you are required to file a tax return. You also must certify that you are not subject to backup withholding.

About reporting interest: We may report interest and other payments to you to the IRS, along with your TIN. All paid interest or other payments made during the year will be aggregated for reporting purposes.

What happens if you don't provide your TIN: We may refuse to open, and we may close, any account for which you do not provide a certified TIN, even if you are exempt from backup withholding and information reporting. To avoid possible erroneous backup withholding, an exempt payee should furnish its TIN and indicate on the signature card that it is exempt. You may be subject to civil and criminal penalties if you fail to provide us with a correct TIN or falsify information with respect to withholding. For additional information on interest reporting and withholding, contact your tax advisor or the IRS.

What to do if you have exempt status: Nonresident aliens or foreign entities not subject to information reporting must certify their exempt status by completing an appropriate IRS certification form (e.g., W-8 BEN). Nonresident aliens may be required to certify their exempt status every 3 years (or earlier upon request) to avoid backup withholding.

DISPUTE RESOLUTION

Applicable Law; Severance

This Account Agreement evidences transactions in interstate commerce. The Federal Arbitration Act governs the interpretation and enforcement of this provision. Except as otherwise provided herein, if any part of this provision is deemed to be invalid or unenforceable, that part will be severed from the remainder of this provision and the remainder of this provision will be enforced.

Resolution of Claims by Arbitration

PLEASE READ THIS PROVISION CAREFULLY. UNDER THIS PROVISION, YOU WAIVE YOUR RIGHTS TO TRY ANY CLAIM IN COURT BEFORE A JUDGE OR JURY AND TO BRING OR PARTICIPATE IN ANY CLASS OR OTHER REPRESENTATIVE ACTION.

The following provision applies to any claim, cause of action, proceeding, or other dispute between us concerning this Account Agreement (each, a "Claim"), including all questions of law or fact relating thereto:

Resolution of Non-Arbitrable Claims –

If your account or safe deposit box is at a branch in California or was opened online, the following applies:

All Claims that are not arbitrable under this Account Agreement, including all questions of law or fact relating thereto, shall, at the written request of any party, be determined by judicial reference pursuant to the California Code of Civil Procedure. The parties acknowledge that in such event, a jury will not decide such Claims.

If your account or safe deposit box is at a branch in a state other than California, the following applies: To the maximum extent permitted by law, you and the Bank intentionally and deliberately waive the right to a trial by jury to resolve all Claims that are not arbitrable under this Account Agreement, including all questions of law or fact relating thereto.

If the waiver of jury trial set forth above is not enforceable for any reason: All Claims that are not arbitrable under this Account Agreement, including all questions of law or fact relating thereto, shall, at the written request of any party, be determined by judicial reference pursuant to the applicable state statutes. In such event a jury will not decide such Claims. The parties shall select a single neutral referee, who shall be a retired state or federal judge (the "Referee"). In the event that the parties cannot agree upon a Referee, the court shall appoint the Referee. The Referee shall report a statement of decision to the court. Nothing in this provision shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The parties shall bear the fees and expenses of the Referee equally, unless the Referee orders otherwise. The Referee shall also determine all issues relating to the applicability, interpretation, and enforceability of this provision.

Arbitration Costs

Unless the applicable arbitration rules are more favorable to you, we will advance (i) all arbitration costs in an arbitration that we commence and (ii) the first \$2,500 in arbitration filing, administration, and arbitrator's fees in an arbitration that you commence. To the extent allowed by applicable law and our agreements, the arbitrator may award arbitration costs and attorneys' fees to the prevailing party (which may include any fees and/or costs we advanced).

Arbitration Procedure

You and we agree to the following procedures in arbitrating any covered Claim:

- The party initiating arbitration may choose between arbitration administered by one of the following:
 - (i) The American Arbitration Administration ("AAA") under the AAA's Commercial Arbitration Rules and the Supplementary Procedures for Consumer Related

Disputes, except as modified by this Account Agreement. AAA's rules may be obtained from www.adr.org or 1-800-778-7879 (toll free).

(ii) JAMS/Endispute ("JAMS") under JAMS' Comprehensive Arbitration Rules & Procedures or Streamlined Arbitration Rules & Procedures, including JAMS' Consumer Minimum Standards, except as modified by this Account Agreement. JAMS' Class Action Procedures shall not apply. JAMS' rules may be obtained from www.jamsadr.com or 1-800-352-5267 (toll free).

- Except in the case of a new arbitration by a 3-arbitrator panel, as provided for below, the arbitration shall be decided by a single neutral arbitrator selected in accordance with AAA's or JAMS' rules, as applicable.
- The arbitrator will take reasonable steps to protect customer account information and other confidential information.
- The arbitrator will decide the dispute in accordance with the terms of our agreements and applicable substantive law, including statutes of limitation and evidentiary privileges. The arbitrator may award damages or other relief (including injunctive relief) available to the individual claimant under applicable law.
- If the arbitrator's award (i) for a claimant is \$0, (ii) or against the non-claimant is greater than \$100,000, or (iii) includes an award of injunctive relief against either party, then that party may request a new arbitration by a 3-arbitrator panel in accordance with AAA's or JAMS' rules, in which case each reference in this provision to the arbitrator shall mean such 3-arbitrator panel.
- Arbitration shall be commenced in the state in which your account is located. Any arbitration hearing shall be conducted in the county in which your account is located, unless you and we agree to another location.
- If all Claims are for \$10,000 or less, you may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing in accordance with AAA's or JAMS' rules.
- YOU AND WE AGREE THAT ANY CLAIM MAY BE BROUGHT ONLY IN AN INDIVIDUAL CAPACITY, AND NOT AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR OTHER REPRESENTATIVE ACTION. The arbitrator may not consolidate more than one person's Claims, and may not otherwise preside over any form of a class or other representative action. If this specific paragraph is determined by the arbitrator to be unenforceable, then this entire provision shall be null and void, and all Claims shall be determined in accordance with the provision of this Account Agreement entitled *Resolution of Non-Arbitrable Claims*.
- At your or our request, the arbitrator will issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the award is based.
- The arbitrator's award shall be final and binding, subject to judicial review only to the extent allowed under the Federal Arbitration Act. You or we may seek to have the award vacated

or confirmed and entered as a judgment in any court having jurisdiction.

Claims Covered

Claims subject to arbitration hereunder shall include all of the following:

- Claims arising out of or related to this Account Agreement, including any applicable prior or later versions to which you are bound
- Claims arising out of or relating to any aspect of any relationship between us that is governed by this Account Agreement, whether based in contract, tort (e.g., negligence or intentional misconduct), statute, or any other legal theory
- Claims that relate to the construction, scope, applicability, or enforceability of this provision
- Claims that arose before we entered into this Account Agreement or any other agreement or relationship between us that is governed by this Account Agreement (including, but not limited to, Claims relating to advertising)
- Claims that may arise after the termination of this Account Agreement or any other agreement or relationship between us that is governed by this Account Agreement
- Claims asserted by or against your or our respective subsidiaries, affiliates, agents, employees, predecessors-in-interest, personal representatives, heirs, and/or successors and assigns

Claims Not Covered

Claims subject to arbitration hereunder shall not include the following:

- Any Claim made in any proceeding that you commence in small claims court, so long as it remains in that court
- Any Claim arising out of the exercise by either of us of any self-help remedy, including any setoff, account hold or freeze, or repossession
- Any Claim arising out of or related to an obligation secured by an interest in real property

Option to Arbitrate

Either you or we may elect in writing, without the consent of the other, to arbitrate all Claims covered by this provision. This provision will be broadly interpreted in accordance with the following paragraphs.

Returned Items

Items You Cash or Deposit – If you cash or deposit an Item that is later returned unpaid (or we get a notice that it will be returned unpaid), we may 1) charge your account the amount of that Item plus interest; or 2) resend the Item through our standard check process electronically or on a collection basis. We may also place or extend a hold related to the Item and charge you a fee or other expense related to the collection process. Whether or not we resend the Item for processing or

collection, we will charge your account a Returned Item Fee each time, even if the Item is ultimately paid.

If we receive an affidavit or declaration under penalty of perjury, or any other type of claim or demand pursuant to applicable law, regulation, or similar authority, stating that you were not entitled to the proceeds of a check or other Item deposited to your account, we may debit that amount against any accounts you have with us, whether such accounts are held solely or jointly in your name.

If you are receiving government payments, whether by check or by electronic transfers to your account through the government's direct deposit program, and we receive notice from the government reclaiming amounts previously credited, you agree that we may debit any of your accounts, whether such accounts are held solely or jointly in your name, for the amount reclaimed. You further agree to pay us immediately for any amount we are obligated to pay if you do not have sufficient funds in your accounts.

We are not obligated to question why an Item is returned. We are also not required to evaluate if the return was timely. You waive any claim against us regarding the payor bank's midnight deadline, final settlement, and notice of dishonor and protest. You agree that we may, but have no obligation to, notify you of any Item that is or may be returned.

You agree that if an Item deposited to or cashed against your account is paid and at any later time returned by the payor bank claiming that it was altered, forged, or unauthorized, or should not have been paid for any reason, we may debit or hold any of your accounts for the amount of that Item. We may also charge you a fee.

Checks You Write – If we return a check that you write unpaid, the depositing bank may redeposit it electronically. An electronically redeposited check will appear on your statement. Contact us if you want a copy of the check.

Returned Items—Custom Service

We offer the following returned Item services. We may charge a fee for each service you select below.

- **Automatic Re-Clear** – An automatic re-clear occurs when we send a returned Item to the bank on which it is drawn a second time in an attempt to obtain payment. You can set a maximum amount and have all checks under that amount automatically re-clear, or you can have all checks automatically re-clear. This service requires approval from your branch, which may discontinue the service at any time with notice to you. The standard Returned Item Fee does not apply to this service.
- **Endorsement Guarantee and Re-Clear** – If you cash or deposit a check with a missing endorsement and it is returned

unpaid by the paying bank, we will provide the missing endorsement guarantee and re-clear the check.

- **Duplicate Notice Sent Either to Your Primary Address or to an Alternate Address** – We can send you a notice of returned Items, and also send an additional notice with the image replacement document (IRD), also known as a substitute check, to an alternate address.
- **Charge Returned Items and Fees to an Alternate Account** – We can charge the amount of the returned Items and associated fees to an alternate account of your choice.

Centralized Returns Using an Alternate Bank of First Deposit –

- **Notification of Service** – If you centralize the processing of your depository returns through another financial institution, you agree to notify us at least 10 Business Days in advance of commencing the use of an alternate bank of first deposit endorsement stamp or spray. In preparation for using an alternate bank of first deposit, you agree to submit, 10 Business Days prior to use, a sample of the actual endorsement spray or stamp on the back of a physical check and receive approval from us as to its acceptability.
- **Endorsement Standards** – We will validate your compliance with applicable law, as well as industry standards, such as Specification for the Placement of MICR Printing, in regard to endorsement content and placement. If you do not communicate your endorsement changes to us or submit your endorsements for review, you agree to take full responsibility for any damages arising from the failure to comply.
- **Placement of the Endorsement** – When applying an alternate bank of first deposit endorsement, you should place such an endorsement on the back of the check, so that the bank of first deposit's routing number is wholly contained in the area 3.0 inches from the leading edge of the check to 1.5 inches from the trailing edge of the check. The leading edge is defined as the right side of the check looking at it from the front.
- **Client Deposit Preparation and Delivery Channel** – Refer to the Handbook for specific instructions on deposit preparation. In addition, you may only submit deposits that have centralized returned Item processing at an alternate bank of first deposit through the channels designated as acceptable by us. If you use a non-approved channel, then your work will be processed using Union Bank as the bank of first deposit for the endorsement. When you use a non-approved channel, we will spray over your endorsement with ours. This will be a violation of applicable law as well as the industry standards. We will hold you liable if a claim arises in this case.

Returned Items— Notification

Deposited Items Returned on the Web – The Deposited Items Returned on the Web service includes the following standard features: a) view images of the front and back sides of unpaid deposited Items charged back or re-cleared and b) download text information regarding those Items. Other optional features available in the Web module include viewing text information

for early warning of large dollar returns, and decisioning that a deposited Item returned be either charged back or re-cleared for a second or later presentment.

Not all clients using Deposited Items Returned on the Web have decisioning capabilities. The decisioning feature is considered an extension of credit and is not available to all clients. If you have access to this feature, you agree to submit your decisions by 11:00 a.m. (Pacific Time) on Business Days, unless we otherwise notify you of an extension to this deadline. If you do not submit a decision for an Item by 11:00 a.m. (Pacific Time), you agree that the Item will default to chargeback and be posted to your account the next day. Only Items returned for the first time as NSF or UCF, as defined below, are eligible for decisioning. On occasion, an Item that normally would be presented to you for decisioning will be charged back.

NSF – Nonsufficient Available Funds. A check is returned as NSF when it is presented for payment and returned unpaid because the drawer's account does not have sufficient funds available for payment.

UCF – Uncollected Funds. A check is returned as UCF when the drawer's account does not have sufficient collected funds available for payment.

Early Warning of Large Dollar Return Items – This service is intended to give you earlier notice when a large dollar Item you have deposited may be returned unpaid.

Paying banks are generally required to provide prompt notice to the depository bank when the amount of an Item being returned is \$5,000 or more. This dollar threshold is substantially higher for certain paying banks, including Union Bank, that have agreed with one another to adopt a different threshold. When we receive a notice that a large dollar Item you have deposited may be returned, we can relay that information to you the same Business Day we receive it. Paying banks may also send us a cancellation of a previous notice, which we can also relay to you the same day we receive it. Delivery channels include the Web module for Deposited Items Returned and Information Reporting.

Note that we can only report to you what has been reported to us. We will not be held responsible for the failure of any paying bank to notify us that a large dollar deposited Item is being returned unpaid, or for a paying bank's delay in doing so. Under some circumstances, by the time we receive the paying bank's notice of a returned deposited Item, we may have already received the Item and posted it to your account.

Security Interest; Right of Setoff Order

Balances in your deposit accounts may be subject to our right of setoff for payment of loans or other debts you owe us. When we set off a debt you owe us, we reduce the funds in your account up to the amount of the debt. If you are a sole proprietor, we may exercise our right to charge personal

accounts you maintain with us, whether alone or jointly with others. If your business is a partnership, we may charge the personal accounts any general partner maintains with us, whether held alone or jointly, for amounts the partnership owes us. We will notify you if we exercise our right of setoff. If we exercise our right of setoff against a Time Deposit account, an early withdrawal penalty or compensating penalty may apply. Additionally, you agree that to secure your obligations owed to the Bank under this Agreement, you grant to the Bank a lien on and a security interest in your deposit accounts. This obligation includes both secured and unsecured debts. The rights in this section are in addition to any other security interest or rights of setoff you have granted to the Bank.

Services for Disabled Customers

We provide several aids to help our customers with hearing, vision, or speech impairments or other disabilities. Please contact any branch for information regarding guideline checks, specially formatted materials, and telephone services for the visually impaired; telecommunication devices for the hearing impaired; and other accommodations available to help customers with special needs.

Waiver of Fees – Deposit account services fees for Telephone Banking are waived to those persons who are blind or visually impaired.

Severability

If any of the provisions of this Account Agreement are determined to be invalid or unenforceable, that part will be severed and, the remainder of the Account Agreement shall remain in full force and effect.

Third-Party Service Providers

Some of our services, such as ATM and online services, are dependent upon third-party service providers. We are subject to those providers' rules when we or you use their services. You agree to those rules, unless the law or a written agreement with us states otherwise. We are not responsible for any liability that you may incur as a result of a third-party service provider's delay, disruption, or failure of services. We do not guarantee the services you receive from such providers and are not responsible for the services they provide you, unless the law or a written agreement with us states otherwise.

We can choose which service providers to use, and may change a service provider at any time without notice to you.

Transferring or Assigning Rights to Your Account

Unless we agree otherwise, your accounts are non-transferable and non-assignable. You may not grant, transfer, or assign any of your rights to an account without our prior written consent. We are not

required to accept or recognize an attempted assignment of your account or any interest in it, including a notice of security interest.

Waivers

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

COMMUNICATION WITH US

When you need to:

- Report a lost or stolen ATM Card or Debit Card, compromised PIN, or Online Banking access code (call us immediately)
- Check account balance
- Check rate information
- Find out if a direct deposit has been made
- Report errors concerning Deposit Card, ATM Card, Debit Card, ACH or online transactions, or check conversion
- Stop payment on checks
- Cancel online bill payment
- Place a postdated check stop payment
- Cancel preauthorized electronic payment (ACH)

Domestic and Foreign Wires

- Report a wire transfer error

Report an error regarding an ACH transaction

Telephone Banking

When you need to:

- Use or ask questions about Telephone Banking
- Report errors concerning Telephone Banking transactions

• Reach Telephone Banking using a rotary phone

• Access TDD Telephone Banking for hearing-impaired customers

Private Bank Client Service

Priority Banking Client Services

Japanese Customer Service Unit

Global Markets Foreign Exchange

Call

800-238-4486

Automated service:

24 hours

7 days a week

Agent assisted service:

7:00 a.m.–9:00 p.m., Monday–Friday

8:00 a.m.–5:00 p.m., Saturday

(Pacific Time), except federal holidays

Union Bank – Wire Services Department

1980 Saturn St. V02-490, Monterey Park, CA 91755-7417

Contact the originating branch
or office, or you can contact

Customer Service at

800-238-4486

Direct Access customers:

800-922-9473

7:30 a.m.–5:00 p.m.,

Monday–Friday (Pacific Time)

800-238-4486

Fax 800-456-9185

Call

800-238-4486

Automated service:

24 hours, 7 days a week

Personal service:

7:00 a.m.–9:00 p.m., Monday–Friday

8:00 a.m.–5:00 p.m., Saturday

(Pacific Time), except federal holidays

800-835-5550

800-826-7345

888-826-2669

7:00 a.m.–9:00 p.m., Monday–Friday

8:00 a.m.–5:00 p.m., Saturday

(Pacific Time), except federal holidays

800-888-6466

7:00 a.m.–9:00 p.m., Monday–Friday

8:00 a.m.–5:00 p.m., Saturday

(Pacific Time), except federal holidays

888-507-7669 (from the U.S.) or **00531-11-4392** (from Japan)

8:00 a.m.–5:00 p.m., Monday–Friday

(Pacific Time), except federal holidays

213-236-6943 7:00 a.m. – 4:00 p.m., Monday–Friday

(Pacific Time), except federal holidays

EFFECTIVE JANUARY 1, 2020

Transaction Banking Services

Disclosure and Agreement

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INTRODUCTION

MUFG Union Bank, N.A., is pleased to provide Transaction Banking Services to meet your business needs. The terms and conditions under which we provide Transaction Banking Services to you are contained in this disclosure (the "Agreement"). This Agreement is used in conjunction with the *Business Accounts & Services Disclosure and Agreement*, which covers deposit account terms and conditions. Please read this Agreement carefully and keep a copy for your records.

The *General Provisions* and *Glossary of Terms* sections contain the terms and conditions applicable to all services ("Service" or "Services"). You also agree to those sections that contain the specific terms and agreements that relate to the Services we provide to you. If you would like an additional Service, it will be covered by these terms and conditions once we have approved your use of the Service. You may begin using the Service when we have received all required and properly executed forms, and you have successfully completed any testing or training requirements.

Whenever you use any of the Services, you agree to be bound by these terms and conditions, as amended from time to time, and to follow the procedures in the applicable *Materials*, *User Documentation*, and *Customer Manual*. We may change, delete, or add to the terms and conditions by giving you notice. Your continued use of any Service after the effective date of the change will indicate your agreement to the new terms and conditions.

Certain capitalized terms used in this Agreement are defined in the glossary. The terms "we," "us," "our," "Bank," and "Union Bank®" refer to MUFG Union Bank, N.A.

You agree to pay us the fees we establish for each of the Services as set forth in our *Transaction Banking Fee Schedule* or as otherwise disclosed to you in writing. We may amend our service pricing from time to time. Changes to this Agreement and our *Transaction Banking Fee Schedule* may be made available to you electronically, instead of on paper, through the Union Bank Financial Center. You agree and acknowledge that: (i) you give your consent to receive any document, in connection with this Agreement or documents described in this Agreement or documents provided in connection with a Service, in electronic form; (ii) you give your consent to execute or agree to any electronic document by any means; and (iii) your consent is governed by the federal Electronic Signatures in Global and National Commerce Act. You agree to pay all taxes levied or imposed by any government agency in connection with your Services (excluding any income tax payable by us).

TRANSACTION BANKING SERVICES

We offer a wide variety of Transaction Banking Services. Each Service has many features and options; your Relationship

Manager will be happy to describe to you and recommend those Services that will best meet your needs.

Account Reconciliation

Account Reconciliation will help you reconcile and manage the check and deposit activity in your demand deposit accounts. Use of Account Reconciliation does not affect any of your obligations, which are described in the *Deposit Account Agreement*, to discover and report unauthorized or missing signatures and endorsements, or alterations on checks drawn on your accounts.

There are a number of features and reports that your Relationship Manager will outline for you. The reports will depend on the features you select. There are also a number of options for your data transmission.

Report Delivery – The appropriate reports will be available to you within 1 Business Day on the Web, or 5 Business Days by mail, from the specified cutoff date or from the date we receive the final check issue information, whichever is later.

Stop Payment Listing and Renewal of Stop Payments – A stop payment listing will be provided to you for each reconciliation period showing any stop payments in effect. See the *Business Accounts & Services Disclosure and Agreement* for more information about stop payment orders.

Stale-Date Reporting – Stale-date listings are generated when checks have been reported issued for more than the number of days you specify. Stale-dated checks will continue to be listed on a supplemental report, and the checks presented for payment will be returned as “stale-dated” until canceled by you. If a check is presented for payment after the stale-date has been canceled, it will be paid by us and reported as unreconciled paid, unless an unexpired stop payment order has been placed on the check prior to its presentment. You agree to place on the face of each check a notice that states that the check becomes void if not presented to us before it becomes stale. We are not obligated to honor a stale-date notice on your checks unless you have selected the stale-date feature of this Service.

Image Services – The inquiry feature allows you to retrieve images of your paid checks from our website. You may view and print both sides of your paid check images within hours of their being posted to your account. We can also provide standard account reconciliation report images and check images on CDs or other media.

Account Transfers

You may initiate transfers of funds between designated accounts that you maintain with us or other Union Bank accounts. You are responsible to ensure there are sufficient Available Funds in the account being debited on the date of the

transfer. If there are insufficient Available Funds, the transfer will be subject to overdraft fees, or overdraft protection transfer or advance fees, as applicable.

Excludes Public Fund accounts.

Transaction limitations apply to savings and money market accounts. Refer to the *Savings and Money Market Accounts—General Information* section, *Transaction Limitation for Savings and Money Market Accounts* subsection, of the *Business Accounts & Services Disclosure and Agreement*.

Automated Clearing House (ACH)

Automated Clearing House (ACH) services allow you to transfer funds to or from your accounts by means of Entries, which may be sent through the ACH Network or processed directly to accounts with us.

The capitalized ACH terms appearing below are defined in the National Automated Clearing House Association Rules ("NACHA Rules"). These rules may be amended from time to time.

Compliance with NACHA Rules and Laws – You agree to be bound by the NACHA Rules in effect for all Entries whether or not an Entry is sent through the ACH Network. You act as Originator (or Third-Party Sender), and we act as an Originating Depository Financial Institution (ODFI) with respect to Entries. You agree to deliver Entries to us as provided in the user guide and the NACHA Rules. The NACHA Rules govern if they conflict with this Agreement and/or the file specification requirements in the user guide. The NACHA Rules require that an Originator obtain valid authorization of Entries from the Receiver.

When a preauthorized Debit Entry from a consumer's account varies in amount from the previous Debit Entry, you must comply with the notice requirements set forth in the NACHA Rules, the Electronic Funds Transfer Act, and the Federal Regulation E. The Bank reserves the right to audit Originators at its discretion.

Account Information Security Requirements – In addition to your general obligation to keep account information confidential, effective June 30, 2020, ACH Originators processing 6 million or more ACH transactions as of the prior year must protect the confidentiality and integrity of Protected Information. "Protected Information" is defined as "non-public personal information including financial information, of a natural person, used to create, or contained with an Entry, and any related Addenda Record." Originators must protect against anticipated threats or hazards to the security or integrity of Protected Information and protect against unauthorized use of Protected Information that may result in harm to a natural person.

Security Procedures and Controls

(applicable to initiation of any type of ACH Entry including ACH Online/ACH Transmission/ACH Exchange or any other ACH request)

A Security Procedure is the method you agree to use to verify the authenticity of an Entry (and/or a reversal or deletion request, as applicable) and may include any of the following: a company ID, password, token (or any combination thereof), a secure mailbox, or any other authentication process the Bank offers from time to time in connection with the ACH Service. You agree to use the applicable Security Procedure when you deliver Entries and/or reversal or deletion requests to us. The purpose of the Security Procedure is to verify the authenticity of Entries and/or reversal or deletion requests delivered to us in your name and not to detect errors in the transmission or content of Entries. You represent and warrant each time you use the ACH Service, that in view of your requirements (including the size, type and frequency of your Entries and/or reversal or deletion requests), the applicable Security Procedure is a satisfactory and commercially reasonable method of verifying the authenticity of your Entries and/or reversal or deletion requests. You agree that we may act on any Entries and/or reversal or deletion requests, the authenticity of which we have verified using the applicable Security Procedure, and you agree to be bound by such Entries and/or reversal or deletion requests whether they were in fact authorized by you. In addition, ACH File Control Totals are confirmations you provide to the Bank through the ACH Exchange Service. An ACH File Control Total is part of the Bank's standard Security Procedures and controls for transmission and/or the vendor ACH Origination channel. If you are such a customer and fail to properly submit ACH File Control Totals, you acknowledge the increased risks associated with failing to use ACH File Control Totals.

Authorized Persons – Before using the ACH Service, you must designate the persons you authorize to verify the authenticity of Entries and reversal/deletion requests in accordance with the Security Procedure selected, and to perform certain other duties in connection with the ACH Service.

In addition to the Security Procedures and controls mentioned elsewhere in this Agreement, you agree to employ the following best practices in connection with your use of ACH Online services described below.

Online

- Do not share your User ID, PIN, or password with anyone.
- Closely scrutinize employee entitlements. Allow access to only those services necessary to perform the job.
- Use security tokens for online sign-on. You can obtain these tokens from us. Report lost or stolen tokens to us immediately.
- Use IP address restrictions. This will restrict online access to your bank information based on IP addresses you provide us.
- Use dual control for making online payments such as wires and ACH, where possible.

- Check your account balance and transactions regularly and check your notifications as applicable.
- Avoid using public or shared computers to access Online Banking services.
- Set up dedicated computers and use them for online banking only. Keep the computers in a secure location and limit access.
- Install a reputable vendor security software suite that includes firewall security, anti-virus, anti-spyware, and malware and adware detection, and keep it up to date. Run periodic scans.
- Routinely install all new operating system and browser software and hardware patches, or use the automatic update feature when available.
- Routinely install all patches and updates for software applications (e.g., operating systems, browsers, etc.).
- Educate employees on good cyber security practices.
- Do not open any attachments or click any link in an email requesting your account information. We do not request information about you or your accounts by email. If you receive such an email request, call us immediately.
- Use our secure message system when sending confidential information, such as account numbers or financial data, to Bank staff.
- Tell your employees not to open email or attachments from unknown senders.
- Periodically engage a security expert to test your network or run security software that will help close known vulnerabilities.

ACH Online Services

The ACH Online Service is an application that allows you to create Entries using the Internet. Security Procedures include User IDs, passwords, tokens, and user entitlements. You can create one-time, scheduled, or repetitive payments; store repetitive payment templates to reduce input time and generate Pre-Notification Entries; and create payments, user audit logs, and reports. For 120 days, we retain historical data, which you can export and save. We recommend dual payment and user administration controls for added security procedures and controls. You agree to accept the risk if you fail to implement dual approval for payments and user administration.

Transmission ACH Services

Transmission ACH services allow you to transmit NACHA-formatted ACH transactions via host-to-host secure file transport protocols.

You will obtain, maintain, and operate at your own expense all necessary devices, software, and services required to transmit your Entries electronically, including, but not limited to, hardware, software, installation and maintenance services, and telephone lines. All such devices, software, and services must be compatible with our operations and conform to our specifications.

ACH Exchange Service

ACH Exchange delivers Web-based self-service accessibility for both ACH origination and ACH receipt, enabling both Originators and Receivers of ACH transactions to access various types of data stored in the ACH Network.

The ACH Exchange platform provides support for managing both ACH Positive Pay/Electronic Payment Authorization (EPA) and File Transmission ACH Origination. ACH Exchange allows you to submit control totals and receive emails confirming receipt of ACH files; search and view details of both received and originated transactions; and to initiate reversals and deletions for direct transmission ACH files.

Higher-Risk ACH Originator Activity

Banking regulators and NACHA consider Third-Party Payment Processors and Third-Party Senders to be higher-risk ACH Originators. Additionally, such regulators and NACHA consider certain transaction types to be higher-risk ACH activities. If we classify you or your transactions higher risk, you agree to supply us with such additional information related to you and your ACH activities as we may request.

When appropriate, the Bank will register you with NACHA as a Third-Party Sender in accordance with the NACHA Rules.

Before initiating payment with standard entry class (SEC) codes of Internet-Initiated Entries (WEB), Telephone-Initiated Entries (TEL), and/or International ACH Transactions (IAT), you must follow the NACHA Rules associated with these payment types. You also agree to properly manage the use of our ACH services, including maintaining ACH returns within the NACHA Rules.

Unauthorized ACH returns will be subject to an additional return fee charged by the ACH Operator in an effort to reduce the number of unauthorized transactions in the ACH Network.

NACHA requires that all ACH Originators of Internet-Initiated Entries (WEB) perform an annual audit of their procedures concerning the security and protection of consumer information. You must certify in writing to the Bank that you have completed the ACH WEB Originator Annual Audit as required by the NACHA Rules. Prior to origination of these payment types, you must follow the NACHA Rules associated with WEB transactions.

As an Originator, Third-Party Payment Processor, Third-Party Sender, or Receiver of ACH Entries – You agree that all transactions will comply with applicable state and federal laws or regulations and warrant that you will not transmit any transaction that violates the laws of the United States, including, without limitation, anti-money laundering laws and regulations of the Office of Foreign Asset Control (OFAC). You understand that the Bank has policies and procedures that identify suspicious transactions, and that these policies and

procedures may result in delays in processing, settlement, and/or the availability of these transactions. To aid the Bank in complying with OFAC and related laws and regulations, we may also ask you for specific information regarding the nature of the transaction(s) in question, the purposes of the transaction(s), the relationship you have with persons to whom you are attempting to send funds and the persons who send funds to you, and other questions that may help to clarify the nature and purpose of transactions. You agree to not hold the Bank liable for any losses you sustain by the delay and/or holding of these transactions. You further agree and understand that all ACH international transactions will be converted into the destination country currency (e.g., Mexican pesos or Canadian dollars) on the U.S. Settlement Date. We are not responsible for any foreign exchange losses resulting from the conversion or re-conversion of any Entries.

If you are a Third-Party Sender as defined in the NACHA Rules, you additionally agree to be bound by the Third-Party Sender Rules, warranties, indemnities, and obligations described in the NACHA Rules. The Bank reserves the right to audit you.

Third-Party Payment Processors or Third-Party Senders are bound by ODFI responsibilities and liabilities, and are required to have appropriate agreements for all Originators.

As an Originator, you agree to code transactions that have an endpoint that is outside the territorial jurisdiction of the United States using the NACHA-designated Standard Entry Class Code of IAT (for "International ACH Transaction"). This includes transactions you originate to a U.S. financial agency that in turn are sent outside the territorial jurisdiction of the United States. A financial agency is an entity authorized by applicable law to accept deposits or that is in the business of issuing money orders or transferring funds.

Data Processor – Upon our approval, you may elect to designate a third-party data processor to submit Entries, reversals, cancellations, and amendments of Entries to us on your behalf. Entries, reversals, cancellations, and amendments of Entries received from such a data processor will be deemed to have been initiated and approved by you. We are not liable for the accuracy, completeness, or authenticity of the Entries, reversals, cancellations, and amendments received from the data processor, and will have no obligation to audit, check, or verify the Entries or related data. You will at all times defend, indemnify, and hold us harmless against any and all liabilities, claims, demands, causes of action, losses, damages, costs, expenses, and attorneys' fees that may be directly or indirectly caused by any act or omission of the third-party data processor.

ACH Data Breach Notification Requirements – You agree to take all reasonable security precautions to prevent unauthorized or fraudulent use of the ACH Network. You agree that you and any Third-Party Service Providers working with you have implemented commercially reasonable policies, procedures,

and systems to detect the occurrence of a data breach. You also agree to immediately notify us if you suspect or discover any data breaches related to any of our ACH services. A data breach is defined as the loss, theft, or unauthorized access of any ACH data by any person(s) or entity(ies) using the ACH Network, or any affiliate of the foregoing under circumstances indicating that the misuse of such information has occurred or is reasonably possible.

Warranties – Each time you use the ACH service, you warrant that a) you have obtained appropriate authorization from each Receiver and the Entries conform to the authorization; b) the Entries comply in all respects with the NACHA Rules; c) you have performed all actions required of an Originator by the NACHA Rules and this Agreement; and d) you make to the Bank any other warranties that the Bank makes under the NACHA Rules to any RDFI, ACH Operator, or gateway when the Bank transmits an Entry, including, without limitation, those set forth in Sections 2.4 and 2.5 of the NACHA Rules.

Payment with Respect to Entries – You will transmit Entries to us as set forth in the user guide and the NACHA Rules. We generally debit your account for Credit Entries (including Debit Reversals) on the Settlement Date, unless you are prefunding your Entries. Prefunding your Entries means that you pay for all Credit Entries before the Settlement Date we specify. We reserve the right at any time, without notice, to require payment before we process your Credit Entries. You will immediately pay us the amount of any returned Debit Entries and/or any adjustment Entries.

Acting on Entries – We send Entries to the ACH processor for settlement on the Effective Entry Date shown on the Entries if we receive the Entries by the processing deadline. If we receive Entries after our deadline we will process them the next Business Day.

Same Day ACH – Same Day ACH allows ACH Originators to submit ACH Entries for same-day processing. ACH Entries must be received by the Bank by the Bank's Same Day ACH processing deadline, currently 10:00 a.m. PT/1:00 p.m. ET, which may be updated from time to time upon notice to you, in order for the Entries to settle the same day. The Bank will rely solely on the Effective Entry Date, the eligible SEC code, the amount of the Entry, and the time an Entry is received, in order for the Bank to determine whether an Entry qualifies for same-day processing. Transactions greater than \$25,000, International ACH transactions (IATs), and/or Entries originated by Originators using pre-funded ACH Services are ineligible for same-day processing, and will be processed according to the next available processing window.

Additional fees for same-day processing will apply as noted in the Bank's fee schedule. For more information including questions about applicable fees, or to opt out of same-day processing, please contact your Relationship Manager.

Effective March 20, 2020, the Same Day ACH per transaction limit will be increased to \$100,000 per ACH transaction.

Originators of Same Day ACH consumer debits should advise Receivers of the earlier settlement for Same Day ACH entries.

Rejection of Entries – We may reject any Entry if it does not comply with the requirements of this Agreement, the applicable user guide, or certain ACH processing limits for you, or any Entry that we have been unable to verify through use of the Security Procedure. We may also reject any Entry if it may be returned for any reason under the NACHA Rules or if you breach any of your payment obligations to us.

Notice of rejection is given to you by telephone, electronically, by facsimile, or by mail within the time period specified in the user guide. Notices of rejection will be effective when given. We are not liable for the rejection, and we are not obligated to pay you interest for the period before you receive the notice of rejection. If an Entry is rejected, it is your responsibility to correct the Entry if you intend to resubmit it.

Reversal or Deletion – We have no obligation to cancel or amend Entries after we receive them.

A deletion request prevents an ACH Entry or Entries from being submitted to the ACH Network for processing.

Originators may initiate a Reversing Entry, or a Reversal, to correct an erroneous or duplicate Entry previously initiated to a Receiver's account. The Reversing Entry must be made within 5 Business Days following Settlement Date of the erroneous or duplicate Entry.

If you send us a reversal/deletion request in accordance with this Agreement and the NACHA Rules, using the Security Procedure or online, within 5 Business Days from the original Settlement Date of the Entry or Entries, we will make a reasonable effort to act on your request. We will not be liable to you if such reversal/deletion request is not acted on. You agree to indemnify us in connection with any such reversal/deletion request to the same extent as we indemnify other parties under Article 4A of the Uniform Commercial Code—Funds Transfers (UCC 4A). Your obligations under this provision will survive termination of any ACH service.

Provisional Payments – You agree to be bound by the provision of the NACHA Rules regarding making payment of a Credit Entry by the Receiving Depository Financial Institution (RDFI) to the Receiver provisional until the RDFI receives final settlement for the Entry. If final settlement is not received, the RDFI is entitled to a refund from the Receiver of the amount credited. Payment by us for any Debit Entry, returned Credit Entry, or Credit reversal is provisional until we receive final settlement for the Entry. If final settlement is not received, we are entitled to a refund and we may charge your account for the amount credited. We may delay the availability of any amount credited

for a Debit Entry or Credit reversal if we believe that there may not be sufficient funds in your account to cover a chargeback or return of the Entry or reversal.

Limit of Entry Classes – At all times we reserve the right to designate or terminate the Entry classes we will process for you, and we may establish from time to time such Credit Entry and/or Debit Entry limits that we in our sole discretion deem advisable.

Availability of Funds – We are not obligated to make the amount of any Debit Entry available for withdrawal by you before such amount constitutes collected funds in the Account(s). Whether or not constituting collected funds, any such amount credited to the Account(s) may be charged back to and recovered from you if the Bank: does not receive final settlement; the Entry is returned; an adjustment Entry is received by us pursuant to the NACHA Rules; or the Entry violates any of the terms of this Agreement, the user guide, or the *Deposit Account Agreement*.

Inconsistency of Name and Number – An RDFI can make payment to a Receiver based solely on the account number, even if the name in the Entry differs from the name on the account. We may send an Entry to an RDFI based solely on the routing and transit number (ABA number) number you provide, even if the number is incorrect and identifies a different RDFI.

Inactive Originating Company IDs – If you originate ACH transactions under multiple Originating Company IDs, inactive Originating IDs (Batch Headers) not used in 13 months will be automatically deleted unless you inform us otherwise.

Notice of Error – If we receive a notice of error from any of our deposit customers pursuant to the Electronic Funds Transfer Act, Federal Regulation E, or other law concerning an Entry processed or authorized to be processed to an account with us within 2 Business Days after written or verbal notice, you will provide us with the authorization to debit or credit the depositor's account and, if applicable, with proof of sending notice to the depositor of the varying amount or with other proof satisfactory to us that the alleged error did not occur. If the referenced documents or proof are not delivered timely or the documents or proof do not give us a reasonable basis for determining that no error occurred, or if the alleged error did occur, we may credit our depositor's account in the amount of the error claimed and charge you for the amount of the alleged error.

Fines and Penalties – NACHA has imposed or may in the future impose fines or penalties on ODFIs for certain Entries returned as unauthorized or for other reasons. In addition to our standard fees and charges for ACH and Electronic Receivables Services, you are responsible for these NACHA fines and penalties.

Reinitiation of ACH Entries – For all Entries except Re-Presented Check (RCK) Entries, an Entry that has been returned

may not be reinitiated unless 1) the Entry has been returned for nonsufficient available or uncollected funds; 2) the retry entry includes the description of RETRY PYMT in the Company entry description field; 3) the Entry has been returned for stopped payment and reinitiation has been authorized by the Receiver; or 4) you have taken corrective action to remedy the reason for the return. An Entry that has been returned for nonsufficient available or uncollected funds may be reinitiated no more than 2 times following return of the original Entry.

ACH Fraud Deterrent Services

ACH Positive Pay/EPA – With the ACH Positive Pay service (EPA) found in ACH Exchange, you can specify parties allowed to debit your account and establish allowable maximum dollar amounts or number of debits. You can also define criteria to filter incoming debits and reject any unauthorized items. Notification emails alert you to exceptions that require decisioning. You can make Pay/No Pay decisions online and establish dual control for decisioning. You may add, modify, and delete ACH Positive Pay records and filters as needed.

We may also return an Entry for any reason that an Entry may be returned under the NACHA Rules. The Service does not apply to transactions between you and us, and we may pay Entries that you have authorized us to originate to your account (e.g., loan or credit card payments), whether or not you have included these in your authorization criteria. We may also pay any Entries, reversals, or adjustments that we are required to accept under the NACHA Rules; operating circulars; or any other applicable rule, guideline, or regulation.

When the Service is terminated for any reason, we will no longer be obligated to monitor Entries against your authorization criteria, and we will receive and accept or return Entries to your account in accordance with our normal procedures.

ACH Blocks – ACH Debit or Credit Blocks prevent any ACH transactions from posting to your accounts. ACH transactions are automatically returned to the Originator unauthorized.

ACH Universal Payment Identification Code (UPIC) – The ACH UPIC is a permanent and secure account identifier that can be freely distributed to encourage the receipt of electronic payments. The UPIC number is only to be used for incoming electronic credits of ACH Entries.

Bill and Statement Print Services

The print and mail solution prints, inserts, and mails your customer bills and/or statements—with or without related notices and bill inserts. The service can stuff and address the envelopes, affix the postage and deliver the documents to the post office, and sort your mailing to qualify for U.S. Postal Service discounts.

Implementation Process – Our service provider (“Provider”) and we will work with you to determine your print and mail needs. You will choose the data format (data layout) during the implementation process. Based upon the format, the setup will be determined. During each printing cycle, we and/or the Provider will receive the data in the format originally specified. In the event that you change the data format, we must be given no fewer than 30 days’ prior notice in order to complete a revised implementation process.

The printing process utilizes 2 types of data:

- (i) Variable, which is data that is received in the data file; and
- (ii) Literal, which is data that is hard-coded in the document during implementation and does not vary from bill to bill.

Commercial Cash Services

Commercial Cash Services allow you to place orders for coin and currency from our cash vaults and to make cash and check deposits at our processing centers.

With our express consent, you may arrange for a local banking office to provide currency and coin for subsequent transport by you, your employees or authorized persons, or an armored carrier contracted by you. Special currency and coin order procedures and requirements may be specified by the branch that fulfills the order. We will require reasonable advance notice for all branch-fulfilled currency and coin requests. You will be required to identify each person authorized to place currency and coin orders, and each person authorized to pick up these orders from the branch.

Identification for certain cash transactions – The Bank may ask all individuals for certain identification when making certain cash transactions:

Union Bank account holders will be required to provide their ATM or debit card, or a valid government-issued ID, driver’s license or passport.

Non-clients will be required to provide a valid government-issued ID, driver’s license or passport.

If you order coin and currency or make coin and currency deposits to your account, you must contract separately with an armored carrier service. The armored carrier is your agent and must be acceptable to us. The delivery or transportation of currency and coin to you or from you, whether by armored carrier or you, your employees, or authorized persons, is at your risk and shall impose no liability whatsoever to the Bank, including, but not limited to, liability arising out of their loss, theft, or destruction during transportation.

You authorize us to act upon any request for coin or currency and accept deposits to your account in accordance with this Agreement and the procedures described in the *Deposit Delivery Handbook* and the *Deposit Account Agreement*.

You may be required to identify each person and location authorized to place coin and currency orders with us. You agree to notify the Bank in writing of any change in location address, standing orders, account numbers, or armored carrier.

Order and Delivery of Currency and Coin – You agree that we may charge your account for the amount of each order placed. A copy of the order will be forwarded with each cash shipment. You agree to inspect all currency and coin shipments prior to accepting them from the armored carrier by examining the bag and bag seal for integrity and condition. You agree to refuse damaged or torn shipping bags, or bags with loose or missing seals. You agree to visually verify the shipment strap count through the shipping bag prior to acceptance from the armored carrier. You agree to open and piece-count verify the order in dual custody within 24 hours after you have accepted a shipping bag and before you use any of its contents.

Any discrepancy between the amount you verify and the amount we have charged to your account (the “Difference”) must be reported to us within 5 Business Days of the receipt of the cash order. Reports of Differences should be accompanied by a copy of the strap in which the Difference occurred, the shrink-wrap packaging around the strap and, if possible, the shipping bag and bag shipping seal.

You authorize us to debit your account for any cash order overage and credit the account for any cash order shortage.

Commercial Loan Services

Our application, Commercial Loans on the Web, provides access to your commercial loan account(s) and enables you to make payments to and advance funds from your loan(s). You may view account summary and detailed activity screens and create customized reports.

Controlled Disbursement Service

Our Controlled Disbursement Service provides information to you each Business Day so that you can fund the total amount of Controlled Disbursement checks presented that Business Day.

Accounts – With the Controlled Disbursement Service, you will be able to open disbursement accounts with us. The disbursement accounts will be Zero Balance Accounts, tied to a Master Concentration Account with us.

We will notify you daily of the amount needed to cover debits to the disbursement accounts. This information is provided directly by the Federal Reserve Bank, and its accuracy is not guaranteed by the Federal Reserve Bank or us. We may notify you by telephone of other debits to the disbursement accounts for which funding is due. You must have on deposit, or transfer to the Concentration Account, sufficient available funds to cover debits to the disbursement accounts by the settlement deadline that we identify.

Overdrafts – Checks presented for payment or other debits to the disbursement accounts may be returned unpaid in any order if there are not sufficient available funds in your Concentration Account to cover the debits. If there are insufficient funds in the Concentration Account to cover debits, we may, at our sole discretion, lend you the funds at an interest rate and for a service fee that we determine. In the event we provide you a loan, you agree to repay us all principal, interest, and service charges immediately upon demand. If we decide not to make a loan to you to cover the debits, we will return the presented checks unpaid and we may immediately terminate the Service.

Payment or Return of Items – In the event we contact you for instructions concerning the payment for or return of a particular Item, you agree to provide to us, that same day and by the deadline we establish, instructions to either pay for or return the Item. If you fail to meet this deadline, we will not be liable for any loss you incur based on our payment or return of the Item.

Checks – Transfers from the disbursement accounts may be initiated only by checks, unless we agree otherwise. Checks issued against the disbursement accounts should be 8½ inches in size, with the auxiliary field consecutively numbered, and should not repeat or duplicate any check number. Checks must meet our Magnetic Ink Character Recognition (MICR) encoding standards.

E-Lockbox Service

The E-Lockbox Service provides you with the ability to receive bill payments electronically that are initiated by your customers via their online banking application or other bill payment services. We receive payments and remittance data via a third party network (“Network”) such as MasterCard Remote Payment and Presentment Service, or other originator of consumer-initiated bill payments. We will credit payments to your designated account, and electronically transmit the remittance data to you in an ACH Customer Initiated Entry (CIE) format, or another mutually acceptable machine readable format. You agree to provide us with all data and specifications necessary for the Network to process payments and for us to transmit the remittance data to you.

You agree to process all data within 24 hours of your receipt of the E-Lockbox remittance data from us. To the extent you identify any incorrect, unidentifiable or unprocessable information, or you are otherwise unable to apply the funds, you will request reversal of the payment via the E-Lockbox online portal. You must request reversals as soon as possible, and in any event no later than 90 days of settlement. In the event you request reversal, we will return the payments via the Network. We will debit your designated deposit account for all submitted reversals the following Business Day. You agree to assist with and respond to payment inquiries made by relevant third parties concerning bill payments.

You may establish (via the applicable E-Lockbox Setup Form) criteria for validating payments received through the Network. If the payment does not satisfy the established criteria, you authorize us to return the payments via the Network.

You may update your customer's billing account number via the E-Lockbox online portal. You are responsible for maintaining the accuracy of this information. We will include all account number updates in your cross reference file.

We offer an optional online decisioning process in which you instruct us to place into a suspense queue payments that you identify as requiring your additional review. To the extent you use this feature, you agree to review the payments that are in the suspense queue in the E-Lockbox online portal within 72 hours of receipt. Payments not decisioned within 72 hours of receipt will be automatically returned as rejects through the Network.

Your designated system administrator will be responsible for adding, deleting and updating the entitlements for authorized users of the E-Lockbox online portal.

You acknowledge that our ability to process payments and remittances is dependent upon the continued use and support of the Network. In the event that access to the Network or its communications system is terminated or suspended for any reason, we shall not be liable to you for any disruptions or failure to provide any part of this E-Lockbox Service. We assume no responsibility for the accuracy, timeliness, or the completeness of data delivered from the Network to us.

Electronic Alerts

We offer a Banking Alerts Service that enables you to receive electronic and/or telephonic notices (each an "Alert") from time to time with information about the Union Bank account(s) you have designated. For example, Alerts may include information about the receipt of wire transfers or other credits to an account, or about withdrawals that exceed a certain dollar amount that you specify when you enroll for the Service.

Alerts are provided solely as a convenience and are not a substitute for the periodic statements for your account(s) or any other notices we may send you about such account(s), regardless of how you receive such periodic statements or other notices. Such periodic statements and other notices remain the official records of your account(s). Your ongoing obligation to promptly review periodic statements, other notices, and all other correspondence from us regarding your account(s) and other Services you obtain from us remains in full force and effect even if you choose to enroll for the Banking Alerts Service.

In order to receive Alerts, you must provide us a valid phone number, landline or cellular number, or an email address or

other electronic delivery location so that we may send you certain information about your account(s).

We may provide Alerts through one or more of the following: a) a telephone, landline or cellular number (whether by an oral or text message, or both); b) a text- or Web-enabled mobile device; or c) an email account that is accessed via a personal computer. It is your responsibility to determine that each of the service providers for the communication media described in (a) through (c) above (each a "Service Provider") supports the voice and/or text message Alerts you select. You agree that the Alerts are subject to the terms and conditions of your agreement(s) with your Service Provider(s) and that you are solely responsible for any fees imposed for an Alert by your Service Provider(s).

By enrolling in Alerts, you agree and understand that a) Alerts may not be encrypted and may include personal or confidential information about you and your transactions, such as your name and account activity or status; b) your Alerts may be delayed, misdirected, not delivered, or corrupted due to circumstances or conditions affecting your Service Provider(s) or other parties; and c) we will not be liable for losses or damages arising from i) any non-delivery, delayed delivery, misdirected delivery, or corruption of an Alert; ii) inaccurate, untimely, or incomplete content in an Alert; iii) your reliance on or use of the information provided in an Alert for any purpose; or iv) any other circumstances beyond our control.

Electronic Data Interchange (EDI) Service

Our EDI Service allows you to disburse funds and deliver payment information to your trading partners electronically or by paper by sending payment requests to us as described in the applicable *User Documentation*. The Service also allows you to access information about payments and remittances when received from your trading partners or customers in mutually acceptable formats.

Sending Payments and Related Information – When you wish to pay your trading partners, you transmit a data file to us containing instructions for your payments in the format and by the cutoff times specified in the applicable *User Documentation*. When we receive a file from you using this Service, we perform certain edits on the data, translate it into the appropriate format, and send the data to the payment system you specified. On the specified dates, we issue your payments in the required formats.

Payment requests originated via the EDI Service are subject to the terms and conditions of the *Automated Clearing House (ACH) Services, Wire Transfers, and Information Reporting* sections of this Agreement.

Receiving Remittance Information – Remittance information can be delivered to you in a mutually acceptable form and manner and is also governed by the *Information Reporting* section of this Agreement.

Electronic Receivables Services

Electronic Receivables Services (“Services”) are electronic Internet-enabled communications and database systems for processing payment transactions. These Services are made available through our designated service provider (“Provider”).

Grant of Rights – We grant you a non-exclusive, non-transferable right to use these Services, subject to the restrictions herein and any other restrictions we or the Provider communicate to you.

Security Procedures – You agree to take all reasonable security precautions to prevent unauthorized or fraudulent use of these Services by your employees, agents, contractors, customers, and third parties. You will be assigned one or more identification numbers (User IDs) and passwords to enable your employees and agents to access and use the Services. Once such identification numbers and passwords have been assigned and validated by the Provider, the use and confidentiality of such numbers shall be your sole responsibility. Neither the Provider nor we assume responsibility to discover breaches of your security. You must immediately notify us if you discover any security breach related to the Services.

Proprietary Information – All systems, programs, operations, instructions, documentation, and know-how (the “Provider Information”) relating to the Services are and remain the property of the Provider and us. You agree to hold in the highest confidence all information that you may receive from us or the Provider respecting the Provider Information. You shall disclose the Provider Information only on a need-to-know basis. You agree not to use the Provider Information for your own purposes except in furtherance of permissible Services transactions.

Provider Third-Party Beneficiary – The Provider is an intended third-party beneficiary of these Services’ terms and conditions.

Limitation on Liability – You acknowledge that data processing entails the risk of human and machine errors and omissions, including inadvertent loss or misstatement of data. You agree that neither we nor the Provider shall be liable for any errors, omissions, delays, or losses unless caused by our or the Provider’s gross negligence or willful misconduct. In no event shall we or the Provider be liable for indirect, special, or consequential damages, even if we or the Provider were advised of the possibility of such damages. Neither we nor the Provider shall be responsible for delays in the receipt or processing of your transactions due to causes beyond our or the Provider’s reasonable control.

You understand that with respect to TEL, CCD, WEB, ARC, RCK, and other ACH Entries initiated through the Services, you will be considered the Originator of the ACH Entries and we are the Originating Depository Financial Institution (ODFI).

You agree to receive, resolve, and respond to errors alleged by parties involved in the transactions you initiate under applicable laws, regulations, and rules.

Records Retention, Inspection Rights, and Financial Records –

You shall preserve all records relating to Services transactions as may be required by law and as specified for the applications you use. You shall permit us to examine, verify, and copy such records upon our reasonable request and notice to you. You agree to provide us with a copy of any requested ACH authorization or other transaction memorandum no later than 3 calendar days from the date of our request. We reserve the right to require additional financial documents (e.g., tax returns and financial statements) if your transaction processing exceeds its normal volume, as determined in our sole discretion.

Application Descriptions – You agree to the terms and conditions relating to the specific application you use (Internet- and Telephone-Initiated Transactions, remote deposit, and Re-Presented Check Entry). In addition, you agree to comply with any user Materials and guidelines we or the Provider provide to you.

Notices – All notices to you pertaining to the Services may be given electronically, sent to the email address you have provided us, or given via telephone or in writing.

Electronic Bill Payment and Presentment

Electronic Bill Payment and Presentment Services are electronic communications and database systems for rendering bills and processing payment transactions. These Services may be made available through our designated service provider (“Provider”). Neither we nor the Provider shall be responsible for delays in delivery of bills and the receipt or processing of your transactions due to causes beyond our or the Provider’s reasonable control.

You understand that with respect to TEL, CCD, WEB, PPD, and other ACH entries initiated through the Total Biller Solution service, you will be considered the Originator of the ACH entries and we are the Originating Depository Financial Institution. You agree to be bound by the NACHA Rules in effect, which may be amended from time to time, for all Entries whether or not an Entry is sent through the ACH network.

Security Procedures – You agree to take all reasonable security precautions to prevent unauthorized or fraudulent use of these Services by your employees, agents, contractors, and customers, or third parties. You will be assigned one or more User IDs and passwords to enable your employees and agents to access and use the Services. Once such User IDs and passwords have been assigned and validated by the Provider, the use and confidentiality of such numbers shall be your sole responsibility. Neither the Provider nor we assume responsibility to discover breaches of your security. You must immediately

notify us if you discover any security breach related to the Services.

Proprietary Information – All systems, programs, operations, instructions, documentation, and know-how (“Provider Information”) relating to the Services are and remain the property of the Provider and us. You agree to hold in the highest confidence all information that you may receive from us or the Provider respecting the Provider Information. You shall disclose the Provider Information only on a need-to-know basis. You agree not to use the Provider Information for your own purposes except in furtherance of permissible Services transactions.

Provider Third-Party Beneficiary – The Provider is an intended third-party beneficiary of these Services’ terms and conditions.

Information Reporting

The service lets you access your U.S. dollar and foreign currency accounts through the use of our applications via a Web browser or mobile device, and/or account information can be transmitted to you as a file. Information is available through the applications 24 hours a day, 7 days a week, with the exception of scheduled outages for maintenance and upgrades. The service offers both Prior and Current Day reporting of account information.

Prior-day information reporting represents activity that has posted against the account within the Bank’s record keeping system and is considered processed by the bank. Images are available within prior-day information reporting for paper-based Items that have cleared the account.

Current-day information reporting represents certain activity that has occurred throughout the current Business Day but has not been processed within the Bank’s record keeping system and is represented as a memo-posted credit or debit. These Items are provisional and may or may not ever post to the account.

Multi-bank reporting provides account information to be received from or transmitted to any third-party bank for both domestic and international locations. For inbound reporting of a third-party bank account, the balance- and transaction-level information is viewed online in the same manner as your Union Bank accounts. For outbound reporting to a third-party bank, Union Bank will transmit the data according to the instructions provided and approved by an Authorized Signer of the account.

Integrated Payables Services

The Integrated Payables Services (the “P Services”) is an electronic, Internet-enabled communication and database system that allows you to transmit payment instruction files for printing checks and other documents, and to initiate ACH transactions and wire transfers. The P Services are made available through our designated service provider (“Provider”)

and are subject to the Wire Transfer Services, Automated Clearing House (ACH), and Information Reporting sections of this Agreement.

Security Procedures – You agree to take all reasonable security precautions to prevent unauthorized or fraudulent use of the P Services by your employees, agents, contractors, customers, and third parties. You will be assigned one or more User IDs and passwords to enable your employees and agents to access and use the P Services. Once such User IDs and passwords have been assigned and validated by the Provider, the use and confidentiality of security information shall be your sole responsibility. Neither we nor the Provider assumes responsibility to discover breaches of your security. You must immediately notify us if you discover any security breach related to the P Services.

You agree to use the Provider's Security Procedure when you transmit payment or document files to us. The purpose of the Security Procedure is to verify the authenticity of the files transmitted to us in your name, and not to detect errors in the transmission or content of files. You represent and warrant each time you use the P Services that, in view of your requirements, the Security Procedure is a satisfactory method of verifying the authenticity of files. You agree that we may act on any transmitted file that has been verified as authentic through the use of the Security Procedure, and you agree to be bound by such file, whether or not it was in fact authorized.

Proprietary Information – All systems, programs, operations, instructions, documentation, and know-how (the "Provider Information") relating to the P Services are and remain the property of the Provider and us. You agree to hold in the highest confidence all information that you may receive from us or the Provider respecting the Provider Information. You shall disclose the Provider Information only on a need-to-know basis. You agree not to use the Provider Information for your own purposes except in furtherance of your activities under this Agreement.

Provider Third-Party Beneficiary – The Provider is an intended third-party beneficiary of this Agreement.

You understand that with respect to CCD and other ACH Entries initiated through the P Services, you will be considered the Originator of the ACH Entries and we are the Originating Depository Financial Institution (ODFI).

Description of Process – You agree to upload your electronic payment or document file via a secure HTTPS protocol to the P Services system. We will acknowledge receipt of the file and you will authorize the processing of the transactions. We will attempt to retrieve the payment file and post its status within an hour after receiving the file.

Invoice-to-Pay Service

The Invoice-to-Pay Service is an accounts payable solution that automates certain invoice processes by receiving invoices and then, via optical character recognition technology (“OCR Technology”), capturing certain data (header and line item information), and routing such invoice information to your enrolled users via an Internet-based system for invoice approval. Additionally, certain information from such functions may be posted to your accounting or enterprise resource planning system (your “System”), if compatible. At your election, you may subsequently instruct payments via the Bank’s Integrated Payables Services (the “P Services,” and such payments, “P Services Payments”), subject to the terms and conditions (including with respect to security procedures) as set forth in the Deposit Account Agreement and this Agreement (collectively, the “Disclosure Agreement”); provided that in the case of the virtual card Payment Type (as defined below), such terms and conditions shall be supplemented by those set forth in the Bank’s Commercial Card Agreement, as may be amended, supplemented, or otherwise modified from time to time (the Disclosure Agreement and Commercial Card Agreement, each, a “Service Agreement”). As an alternative to making payments via the P Services, you may choose to make payments directly to your vendors externally to the Bank’s services.

Service Provider – The Invoice-to-Pay Service may be made available to you through a third-party service provider (the “Provider”). The Provider Information provisions set forth in the Integrated Payables Services section of this Agreement shall apply hereto. You agree to permit the Provider to perform any necessary activities to install, train you on, and apply the Invoice-to-Pay Service. You agree that Bank may provide information regarding you and your vendors to the Provider in order to provide the Invoice-to-Pay Service. In connection with the Invoice-to-Pay Service, you authorize the Bank and the Provider to contact you via mail, telephone, e-mail, or other electronic method, and you agree to comply with reasonable information requests of the Bank or the Provider. The Provider is an intended third-party beneficiary of this Agreement.

System Access – By your acceptance of the terms of the Invoice-to-Pay Service, (a) Bank grants to you a non-exclusive, non-transferable right to use the Invoice-to-Pay Service, subject to the restrictions herein and any other restrictions we or the Provider may hereafter communicate to you from time to time, and (b) you grant the Bank and the Provider access to your System in order to and solely to the extent required to provide the Invoice-to-Pay Service. To the extent reasonably necessary, you hereby grant to the Bank and the Provider a nonexclusive and irrevocable license to so access your System and related software for such intended purpose. You hereby represent, warrant, and agree that when properly used as contemplated herein, such access shall not infringe or misappropriate any third party’s intellectual property rights.

P Services Payments – To the extent you have agreed to the applicable Service Agreement, you will be permitted in accordance therewith and subject to the terms thereof to provide instructions for P Services Payments for check, ACH Entry, virtual card, and wire (each, a “Payment Type”), subject also to the terms set forth immediately below pertaining to checks and virtual card, respectively. P Services Payments may not be possible if and to the extent that you provide erroneous or incomplete information in connection therewith. P Services Payments may be executed at the end of each Business Day and may be subject to cutoff times as disclosed to you from time to time.

Checks – For P Services Payments by check, Bank or the Provider will print and mail checks on your behalf. Each check payment record will be printed, packaged, and delivered based on the distribution information provided by you. You hereby acknowledge and agree that the Bank or the Provider may not have the ability to edit or cancel the payment instruction after a check print and mail payment instruction has been submitted.

Virtual Card – For P Services Payments by virtual card, Bank or the Provider will submit requests for virtual card numbers to Bank’s card issuing processor. The Bank’s card issuing processor will then send back a corresponding response that contains the issued virtual card numbers. The Bank or the Provider will communicate payment notification to vendors. If you choose to make P Services Payments using virtual cards, you agree that the Provider may assist your vendors to migrate to card payments.

Limitation on Liability – The limitations on liability set forth in the Disclosure Agreement (and in the case of virtual card, the Commercial Card Agreement) shall apply hereto for the benefit of the Bank and the Provider. You acknowledge that data processing entails the risk of human and machine errors and omissions, including inadvertent loss or misstatement of data. You agree to receive, resolve, and respond to errors alleged by others as may be required by applicable law, regulation, or rules.

Service Agreement – The terms set forth in this Invoice-to-Pay Service section supplement your underlying Service Agreement with the Bank in connection with the relevant Payment Type (in the case of check, ACH, or wire, your Disclosure Agreement, and in the case of virtual card, your Commercial Card Agreement, as the case may be, if applicable).

Internet-Initiated or Application Programming Interface-Initiated Transactions (WEB, CCD, Debit Card, and Credit Card)

Description of Service – This Service enables your customer (the “Merchant Customer(s)”) to pay you for goods and services via the Internet through an Internet-enabled or Application Programming Interface-enabled third-party

payment-processing system (the "System") by the origination of ACH debit, debit card, and credit card transactions.

The System can allow the Merchant Customer to create a User ID and password to access the System and initiate a WEB Entry for a consumer payment, a CCD Entry for a business payment, or a debit card or credit card transaction.

The Provider will store your transaction information on its servers. For WEB, PPD, and CCD Entries, transaction files are sent through the ACH, which debits the bank account of the Merchant Customer and credits your Union Bank account.

Notice of returned WEB, PPD, and CCD Entries will be available within 2 Business Days after the return through Internet reporting.

Your Responsibility – You are fully responsible for all transactions initiated through the System and deposited to your account, including, but not limited to, transactions that are later alleged to be unauthorized or erroneous, or that were issued on nonsufficient available funds or subject to stop payment or other rejection, returns, or chargebacks. Without limiting the foregoing, you assume all risks associated with performing transactions in an Internet environment.

WEB & MOBILE Entries – A WEB/MOBILE Entry is initiated when an Internet authorization is given to make a transfer of funds from a consumer's account.

Your Website – You must make any necessary changes to your website in order to offer Merchant Customers the option to pay via the Internet. We recommend that your website (if applicable) include the following information in a clear and conspicuous manner: a) a complete description of the goods and services you offer; b) your refund and returned merchandise policy; c) a customer service contact, including both a telephone number and an email address; d) a statement that all prices and payments will be in U.S. dollars; e) any applicable export or legal restrictions that might be relevant to your customers; f) your delivery policy; and g) your privacy policy.

Shipping Goods – If you ship goods through a method that does not provide delivery confirmation, such as the U.S. mail, you should consider establishing a maximum dollar amount for sales transactions over which you will ship only using a means that allows you to obtain delivery confirmation. Any shipping address must be the same as the Merchant Customer's address.

Merchant Customer Identification – The Provider will verify that the routing number supplied by the Merchant Customer for ACH transactions matches the designated financial institution's name. The System does not verify or authenticate the identity of the Merchant Customer, the Merchant Customer's account number, the Merchant Customer's address, or other Merchant Customer identifying information.

You must use a commercially reasonable authentication/ address verification system to indicate whether a person initiating a transaction is the Merchant Customer, as you are fully responsible for identification of the Merchant Customer and the validity of the transaction.

Disclosure of Your Fees and Charges – You must clearly and conspicuously disclose all applicable fees and charges before a Merchant Customer conducts a transaction using the System.

Reinitiation of ACH Entries – Reinitiated Internet-Initiated Entries may only be originated in the same amount as the original transaction. No collection amount may be added. To originate an ACH debit to collect fees associated with a returned WEB Entry, you must follow the NACHA Rules governing PPD Entries, including first obtaining the consumer’s written authorization for such an Entry.

Warranties – You represent and warrant that the person or entity whose account was debited authorizes all payments accepted for deposit to your account using the System. In addition to all other warranties in the NACHA Rules, you warrant that with respect to each transaction conducted using the System a) the transaction represents the Merchant Customer’s obligation to you for the amount of the transaction; b) the amount of the transaction is not subject to any dispute, setoff, or counter claim; and c) you have no knowledge or notice of any fact, circumstance, or defense that would indicate that a transaction was fraudulent or not authorized by the Merchant Customer, or that would otherwise impair the validity or collectability of the Merchant Customer’s obligation to you or relieve the Merchant Customer from liability with respect thereto.

WEB Annual Audit – As the Originator of WEB Entries, you must comply with the NACHA Rules associated with processing WEB Entries before the start of Origination. NACHA Rules and Guidelines require you to conduct annual audits to ensure that financial information you obtain from consumer Merchant Customers is protected by security practices and procedures that include, at a minimum, adequate a) physical security to protect against theft, tampering, or damage; b) personnel and access controls to protect against unauthorized access and use; and c) network security to ensure secure capture, storage, and distribution of financial information. If requested, you must provide us with copies of these audits. The audit requirement may be met in several ways. It can be a component of a comprehensive internal or external audit, or it can be an independent audit that uses a commercially reasonable, generally accepted security compliance program.

IVR-Initiated Transactions (TEL, CCD, Debit Card, and Credit Card)

Description of Service – A TEL Entry is a Single or Recurring Entry debit initiated when the Receiver gives authorization by

telephone for a transfer from a consumer's account. You must comply with the NACHA Rules associated with processing TEL Entries before the start of Origination. TEL Entries may only be originated when there is an Existing Relationship between you and the Merchant Customer or when the Merchant Customer initiates the telephone call. Under the NACHA Rules, an Existing Relationship exists when there is a written agreement in place between you and the Merchant Customer or when the Merchant Customer has purchased goods or services from you within the past 2 years.

Description of Process – Your customer (the "Merchant Customer(s)") will telephone an Interactive Voice Response unit and provide account numbers and other information. Transaction information is archived on the Provider's System. For TEL and CCD Entries, a transaction file is sent to the ACH, which debits the Merchant Customer's bank account and credits your Union Bank account. Notice of returned TEL and CCD Entries will be available through Internet information reporting within 2 Business Days after the return.

Your Responsibility – You are fully responsible for all transactions credited to your account through the System, including, but not limited to, transactions that are later alleged to be unauthorized or erroneous, or that were issued on nonsufficient available funds or subject to stop payment or other rejection, return, or chargeback. In addition to other applicable NACHA warranties, you warrant to us when you initiate a TEL Entry that you have employed commercially reasonable procedures to verify the identity of the Receiver.

The Provider's service is designed to record the Merchant Customer's oral authorization for the transaction.

Liquidity Center

The Liquidity Center Service is a tool accessed by you through the Financial Center (as more fully defined in the **Web Services** provision of the Agreement) that will, to the extent chosen by you on the Setup Form for the Liquidity Center Service, allow you to (i) view your accounts held with the Bank and accounts held with other banks and the data associated with such accounts; and/or (ii) enter additional data for future cash flow into the Service; and/or (iii) compare such expected data for future cash flow against actual cash flow; and/or (iv) access the Pooling Report; and/or (v) create book transfers from your accounts held with the Bank through the Liquidity Center Service for approval and ultimate execution through your Web Wire Transfer Services.

The Liquidity Center Service is available 24 hours a day, 7 days a week, with the exception of scheduled outages for maintenance and upgrades.

Lockbox

Three types of Lockbox Services are available: Retail, Wholesale, and Wholetail. To initiate this Service, you must ask your Relationship Manager for a sample letter to the United States Postmaster authorizing us to rent a United States Post Office Box in your name and to have unrestricted and exclusive access to the Lockbox. You instruct your customers to mail checks you want to have processed through the Lockbox Service to the Lockbox address. We pick up mail at the Lockbox address according to our mail pickup schedule and deliver it to our processing center. Initial United States Post Office charges will be billed directly to you. Subsequent renewal charges will be applied to your account analysis statement.

Processing in General – We will handle checks received at the Lockbox address according to the *Deposit Account Agreement*, except as modified by this Agreement. The Lockbox Service is intended for check processing only. You should advise your customers not to send currency or coin to the Lockbox address. We will open the envelopes received from the Lockbox and remove the contents. Checks and other documents contained in the envelopes will be inspected and handled in the manner specified in the *User Documentation*. We will endorse all checks we process on your behalf.

Acceptable Payees – Unless otherwise agreed, you will provide us with the names of acceptable payees. We will process a check if it is made payable to an acceptable payee and if the check is otherwise processable. You warrant that each payee has authorized checks payable to it to be credited to the account you designate for the Service. We may treat as an acceptable payee any variation of an acceptable payee's name that we deem to be reasonable.

Service Provider – These Services are made available through our designated service provider ("Provider").

1. Retail Lockbox Processing – The Retail Lockbox Service is a lockbox service that allows for automated processing of high volumes of consumer-to-business payments including a drawer's check and a remittance coupon. The Retail Lockbox Service involves processing optical character recognition (OCR) remittances, checks, and other payment instructions that are received at a Lockbox address. You authorize us to open each envelope and remove the contents, disregarding all notations and other marks on the envelopes. We shall not be required to retain (and may securely destroy) remittance envelopes or miscellaneous enclosures or forward either of them to you (image or physical return), unless otherwise agreed with you in writing. If we are required to forward remittance envelopes or miscellaneous enclosures, whether in imaged form, by physical return, or otherwise, additional fees may apply. Remittances and envelopes submitted to us for processing must meet any specifications designated by us from time to time. All changes in remittances and return envelope design are subject

to prior testing and approval by us. We may adjust the price for processing your payments if changes are made to your remittances and/or envelopes (including remittance scan line configuration) without such prior approval.

Retail transactions typically comprise 2 separate document types: the remittance coupon and the drawer's check. We will process, endorse, and deposit remittances in accordance with our standard procedures. We will process transactions containing: one remittance with one check ("Singles"); one remittance with multiple checks; multiple remittances with one check; or multiple remittances with multiple checks ("Multiples"), as specified in the applicable User Documentation. We will have no obligation to examine checks or other items with respect to payee names, check dates, or check signatures. We will process transactions that match/balance between remittance amount(s) and check amount(s). Unless you make other arrangements with us, if there is a mismatch between the remittance total and the check total of a particular check, such check will be flagged as an exception and processed according to your specifications as set forth on your processing instruction worksheet. If the check payee is blank and either the written or numeric amount agrees with the OCR remittance, the check will be processed. Unless otherwise agreed, a check received without an OCR remittance ("Check Only") or with a missing date will be processed. If either the written or numeric amount on the check agrees with the OCR remittance amount, the check will be processed for the OCR remittance amount. If the written and numeric amount of the check agree but do not agree with the OCR remittance amount, the check will be processed for the check amount. You may instruct us to send foreign currency or foreign bank checks for collection. Unless you make other arrangements with us, a check may be returned to you when any of the following occur: a) the payee is blank and neither the written nor the numeric amount agrees with the OCR remittance; b) the check is postdated by more than 3 days from the date of deposit; c) the check is stale-dated by more than 6 months from the date of deposit; d) it is a second-party check; or e) the check is drawn in a foreign currency or on a foreign bank.

You agree that we will not be liable in the event that a check with any of the conditions listed above is not detected and is processed. We will send you any checks we do not process as well as the related coupon. You should provide your remitters with notice, on a regular and repeated basis, to (a) mail directly to you checks bearing a handwritten or typed notation "Payment in Full," "Final Payment," or words of similar meaning on the face of the check and (b) not include miscellaneous enclosures in mailings to the Lockbox. We shall disregard any such restrictive notation on any check and shall treat any such check as though such language did not appear thereon. We will not attempt to return to you checks bearing such notations, and we will not be liable to you for losses you suffer if we deposit checks bearing such notations. Your remitter notice

should warn that mailing checks bearing such notations to the Lockbox address waives the remitter's rights, if any, regarding final payment. If we process an unsigned check that is paid, but the account owner does not authorize payment, you agree to indemnify us, the drawee bank (which may include us), and any intervening collecting bank for any liability or expense incurred due to the payment and collection of the check.

Acceptable Remittance Payments – You may provide us with an automated file that contains customer numbers located in the remittance scan line that specifies either all acceptable payments or unacceptable payments. We will program our system to automatically search the file provided and separate unacceptable transactions/checks. For transactions/checks issued by a drawer that you designated as not acceptable, we will return any checks bearing such drawers to you for disposition. You agree that we will not be liable in the event that a check bearing such drawer is not detected and is processed.

Exception Review and Decisioning – This optional online Service will deliver images of exception transactions as specified in the processing instruction worksheet. Rejects or exception transactions are those transactions that are out of balance, are Check Only, or are missing information, including, but not limited to, an invoice, account, or some other identifying number for the remitter or payment. You have the option to: (i) balance the transaction; (ii) provide us with the missing information and instruct us to accept the transaction for deposit; or (iii) reject the transaction. Rejected transactions will be returned to the location indicated on your processing instruction worksheet. We will not provide exception reports or activate the Service until we receive your first mail in the Lockbox. Any transaction identified as a reject for non-negotiability reasons will be excluded from Exception Review and Decisioning. You must provide us with your accept or reject decision by the established deadline for each exception item we present to you. We are entitled to conclusively rely on the instructions we receive to accept or reject transactions. Any communication purporting to have been sent by you will be deemed to have been sent by and authorized by you, and you authorize us to act in reliance on the communication. If you fail to notify us by the deadline, we will handle those items according to the default procedures in effect for you. Our deadline, default procedures, and procedures for acknowledging accept and reject decisions are described in the applicable User Documentation.

2. Wholesale Lockbox Processing – If the check payee is blank and either the written or numeric amount agrees with the invoice, the check will be processed. A check received without an invoice or with a missing date will be processed. If either the written or numeric amount on the check agrees with the invoice amount, the check will be processed for the invoice amount. If the written and numeric amount of the check agree but do not agree with the invoice amount, the check will be processed for the check amount.

A check will normally be returned to you when any of the following occur: a) the payee is blank and neither the written nor the numeric amount agrees with the invoice; b) the check is postdated by more than 3 days from the date of deposit; c) the check is stale-dated by more than 6 months from the date of deposit; d) the written and the numeric amount of the check differ and neither agrees with the invoice; e) the signature is missing on the check; f) it is a second-party check; or g) the check is drawn in a foreign currency or on a foreign bank. You may instruct us to send foreign currency or foreign bank checks for collection. We will send you any checks that are not processed and other Materials (such as invoices) received at the Lockbox address along with information regarding the day's deposit. You agree that we will not be liable in the event that a check in any of the conditions listed above is not detected and is processed.

If you instruct us not to process a check bearing a handwritten or typed notation "Payment in Full," "Final Payment," or words of similar meaning on the face of the check, we will attempt to return the check to you unprocessed; however, we will not be liable to you for losses you suffer if we fail to detect checks bearing such notations.

If you instruct us to process an unsigned check that is paid, but the account owner does not authorize payment, you agree to indemnify us, the drawee bank (which may include us), and any intervening collecting bank for any liability or expense incurred due to the payment and collection of the check.

Acceptable Drawers – You may provide us with a list of acceptable drawers. For checks issued by a drawer that you designate as not acceptable, we will attempt to a) inspect the face of such checks, and b) return any checks bearing such drawers to you for disposition. You agree that we will not be liable in the event that a check bearing such drawer is not detected and is processed.

Exception Decisioning – This optional online Service will deliver images of exception transactions. Rejects or exception transactions are those that are missing information, including, but not limited to, an invoice, account, or some other identifying number for the remitter or payment. You have the option to provide us with the missing information or reject the transaction. Rejected transactions will be returned to the location indicated on your processing instruction worksheet.

We will not begin providing exception reports or activate the Service until after we receive your first mail in the Lockbox. Any transaction identified as a reject for non-negotiability reasons will be excluded from Exception Decisioning.

You must provide us with your accept or reject decision by our established deadline on the same day we report exception Items to you. We are entitled to conclusively rely on the instructions we receive to accept or reject transactions. Any

communication purporting to have been sent by you will be deemed to have been sent by and authorized by you, and you authorize us to act in reliance on the communication. If you fail to notify us by the deadline, we will handle those Items according to the default procedures in effect for you. Our deadline, default procedures, and procedures for acknowledging accept and reject decisions are described in the applicable *User Documentation*.

3. Wholetail Lockbox Processing – The Wholetail Lockbox Service involves processing optical character recognition (OCR) remittances, checks, and other payment instructions that are received at a Lockbox address.

Wholetail transactions typically comprise 2 separate document types: the remittance coupon and the drawer's check. We will process transactions with one remittance and one check ("Singles"), and multiple remittances and/or multiple checks ("Multiples"), as specified in the *User Documentation*. Unless otherwise agreed, we will process Wholetail transactions that match/balance between remittance amount(s) and check amount(s). The transaction will be returned to you when the remittance total does not balance to the check total.

If the check payee is blank and either the written or numeric amount agrees with the OCR remittance, the check will be processed. Unless otherwise agreed, a check received without an OCR remittance ("Check Only") or with a missing date will be processed.

If either the written or numeric amount on the check agrees with the OCR remittance amount, the check will be processed for the OCR remittance amount. If the written and numeric amount of the check agree but do not agree with the OCR remittance amount, the check will be processed for the check amount. Unless you make other arrangements with us, a check will be returned to you when any of the following occur: a) the payee is blank and neither the written nor the numeric amount agrees with the OCR remittance; b) the check is postdated by more than 3 days from the date of deposit; c) the check is stale-dated by more than 6 months from the date of deposit; d) neither the written nor the numeric amount of the check agrees with the invoice; e) the signature is missing on the check; f) it is a second-party check; or g) the check is drawn in a foreign currency or on a foreign bank. You may instruct us to send foreign currency or foreign bank checks for collection. We will send you any checks we do not process, other Materials such as OCR remittances received at the Lockbox address, and information regarding the deposit for the day. You agree that we will not be liable in the event that a check with any of the conditions listed above is not detected and is processed.

You should provide your remitters with notice, on a regular and repeated basis, to mail directly to you checks bearing a handwritten or typed notation "Payment in Full," "Final Payment," or words of similar meaning on the face of the check.

We will not attempt to return to you unprocessed checks bearing such notations, and we will not be liable to you for losses you suffer if we deposit checks bearing such notations. Your remitter notice should warn that mailing checks bearing such notations to the Lockbox address waives the remitter's rights, if any, regarding final payment.

If we process an unsigned check that is paid, but the account owner does not authorize payment, you agree to indemnify us, the drawee bank (which may include us), and any intervening collecting bank for any liability or expense incurred due to the payment and collection of the check.

Acceptable Remittance Payments – You may provide us with an automated file that contains customer numbers located in the remittance scan line that specifies either all acceptable payments or unacceptable payments. We will program our system to automatically search the file provided and separate unacceptable transactions/checks. For transactions/checks issued by a drawer that you designated as not acceptable, we will return any checks bearing such drawers to you for disposition. You agree that we will not be liable in the event that a check bearing such drawer is not detected and is processed.

Money Market Mutual Fund Sweep

We also make available a sweep service where you can purchase Money Market Mutual Fund (MMF) shares as described in the MMF Sweep Agreement and Sweep Application. Please contact your banking office for more information.¹

Positive Pay

The Positive Pay services (Payee Positive Pay, Basic Payee Positive Pay, Positive Pay, Basic Positive Pay, Reverse Positive Pay, and Basic Reverse Positive Pay) allow you to identify exceptions (as defined below), view images of exceptions,

1 MMF shares are sold through a prospectus, which contains information about investment objectives, risks, charges, and expenses. The prospectus can be obtained through your Relationship Manager or from the Fund's sponsor. Please read it carefully before you invest. You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time. **MMF shares are NOT insured by the FDIC or by any other federal government agency, are NOT a deposit or obligation of, or guaranteed by, MUFG Union Bank, N.A. (Bank) or any Bank affiliate, and MAY lose value, including the possible loss of principal invested.**

and instruct us to pay or return those exceptions. By following these procedures, you may significantly reduce the chance that fraudulent checks will post to your account.

Payee Positive Pay, Basic Payee Positive Pay, Positive Pay, and Basic Positive Pay – On each Business Day, we provide you with a report of checks presented to us for payment on the prior Business Day that have been identified as exceptions. For customers utilizing the Controlled Disbursement service, the Same Day Positive Pay option is available to view exceptions identified on the same Business Day. Exceptions are identified by comparing checks presented to us for payment against a list of checks you issued or canceled that you have transmitted electronically to us (the “Check Issue Report”). Checks presented to the Bank for payment that are not on your Check Issue Report are “exceptions” and the list of exceptions provided to you is an “Exceptions Report.”

For Payee Positive Pay and Positive Pay, we will not begin providing you with an Exceptions Report or activate the service until after we receive your first Check Issue Report. For Basic Positive Pay and Basic Payee Positive Pay, we will activate the service on the agreed-upon start date.

Reverse Positive Pay and Basic Reverse Positive Pay – With the Reverse Positive Pay plans, you do not submit Check Issue Reports, and we report all checks presented for payment. We will treat all such checks as exceptions. Reverse Positive Pay does not protect against fraudulent Items that are cashed at one of our banking offices, and for that reason, you release us from liability for paying over-the-counter checks.

Regardless of the Positive Pay product, you must notify us by our established deadline, as separately disclosed by the Bank to you (the “Deadline”), on the same day we provide you the Exceptions Report, as to which checks you want us to pay and which to dishonor and return. We are entitled to conclusively rely on the “pay or return” instructions we receive. Any communication purporting to have been sent by you will be deemed to have been sent by and authorized by you, and you authorize us to act in reliance on the communication. We will handle any exceptions you have not dispositioned by the Deadline according to the default options you have chosen in your Positive Pay Customer Default Disposition Setup Form (the “Setup Form”), and we are entitled to conclusively rely on the options you have chosen. If you have not executed a Setup Form choosing your default options, we will handle the exceptions you have not dispositioned by the Deadline according to the default procedures established by the Bank. For Positive Pay, Payee Positive Pay, Basic Payee Positive Pay, and Basic Positive Pay, the Bank’s default procedure is “Return” for all exceptions. For Reverse Positive Pay, the default procedure for presented checks is “Pay,” and for duplicate or invalid checks, it is “Return.” Our Deadline, default procedures, and procedures for acknowledging pay and return requests are described in the applicable *User Documentation*.

Access Options – You may access the Exceptions Report from our website or a mobile device in order to assist you in making a pay/no-pay decision on exceptions. A check identified as an exception may have more than one reason to be flagged as an exception, even though the Bank will present only one. It is your responsibility to review all check information in its entirety prior to making a pay/no-pay decision. You may view or print the front and back of your paid check images to help you identify authorized checks. You must then use the applicable system to notify us of your pay or return decision. The online option is available for all Positive Pay types. The mobile option is available for Payee Positive Pay, Positive Pay, Basic Payee Positive Pay, and Basic Positive Pay accounts.

Acknowledgments – We will have no liability for payment of any check, including any check that has been altered or that bears forged, missing, or unauthorized signatures, if the check is included in an Exceptions Report and you (i) have not given us timely instructions by the Deadline to return the check; or (ii) have instructed the Bank to pay the exception in your Setup Form. By transmitting a Check Issue Report to us, you warrant that you properly issued all checks that match the information on the Check Issue Report, and we shall have no further responsibility or liability for examination of the checks for fraudulent signatures or material alterations.

If you choose to use Reverse Positive Pay, except as may be attributable to the Bank’s lack of good faith or failure to exercise ordinary care, you assume all the risk of loss associated with the Bank’s payment of fraudulent Items presented for payment over the counter at a banking office.

The Positive Pay services do not entirely replace our standard check-processing procedures, which may cause a check to be dishonored even if your instructions or the default procedure do not otherwise require us to return such check.

We will use reasonable efforts under the circumstances to respond promptly to proper requests for copies of exceptions, but you acknowledge that our failure to provide copies does not extend the Deadline by which you must notify us of your pay or return decisions.

Real-Time Payments (“RTP”) Service Terms for Receive Only

When the Bank makes Receive Only RTP available, the following terms apply. Please contact your relationship manager if you need additional information. These terms and conditions (the “RTP Terms”) govern your use of the RTP Receive Only Service (the “Service”) and supplement the *Business Accounts & Services and Transaction Banking Services Disclosure and Agreement* and any additional documentation provided by the Bank to you in connection with the Service (“Account Documentation”). In the event of a conflict between these RTP Terms and the Account Documentation, these RTP Terms

shall govern. Unless expressly defined, capitalized terms used herein shall have the meanings provided in the Account Documentation and the RTP System Operating Rules.

Definitions

- **Account(s):** Your deposit Account(s) held with the Bank and used with the Service.
- **Bank:** MUFG Union Bank, N.A.
- **Payment Amount:** The amount of funds sent to you by a Sender through the Service.
- **RTP ("RTP" or the "Service"):** An electronic payment system which allows you to receive funds in real time into your Account(s).
- **RTP System Operating Rules:** The Clearing House's operating rules governing the obligations of parties using the RTP System.
- **RTP System:** The payment system accessed by the Service.
- **Sender:** The person or entity who sends a payment to you through the Service.
- **Sending Financial Institution:** A financial institution that participates in the RTP System and holds the Sender's account.
- **Service Transfer:** A payment made from a Sender to you through the Service.

The Service: The RTP Service will allow you to receive real-time payments into your Account(s) from Senders that have accounts with Sending Financial Institutions. Funds transferred to your Account(s) will be credited upon completion of the Service Transfer request and will be available for withdrawal immediately. The Service will not allow you to send payments. You are not obligated to accept a Service Transfer. If you wish to reject a Service Transfer sent to you through the Service, please contact us at 800-322-2778.

The Service is available 24 hours a day, 7 days a week, including weekends and holidays. However, the Service may be unavailable, from time to time, including due to maintenance; and we may suspend or terminate your access to the Service at any time, including if we determine that you or a Sender has used the Service in an unlawful manner. Incoming payments cannot exceed \$25,000.00 per Service Transfer. It is your responsibility to advise the Sender of this Service Transfer limit.

The Service may be used with domestic payments only. It may not be used with senders or receivers who are not residents of or otherwise domiciled in the United States. You agree that you will comply with this restriction and with all regulations of the Office of Foreign Assets Control as well as all other laws applicable to you in connection with your use of the Service.

Payments through the Service are irrevocable and cannot be reversed; however, a Sender may request that you return the funds. If this happens, the Bank will notify you of its receipt of a Return Request from the Sending Financial Institution, and you must respond to the Bank with information requested by the

Bank regarding the Return Request within five (5) Business Days of our notification to you. The Bank has no responsibility for and shall not be liable in any way in connection with a dispute between you and a Sender.

A Service Transfer may fail if 1) there are insufficient funds in the Sender's account; 2) the Bank or the Sending Financial Institution believes that the Service Transfer does not comply with these RTP terms, or applicable law; 3) you reject or have declined to receive a Service Transfer; 4) the Transfer Request exceeds the Sending Financial Institution's limits and/or the Sending Financial Institution declines to process the transaction; or 5) the Service is unavailable. In addition, completion of a Service Transfer request might be delayed if the Service Transfer is subject to review by the Sending Financial Institution. We will not contact you to notify you if the Service Transfer has failed.

Remote Deposit Services

Remote Deposit Capture and Image Cash Letter services are for customers who directly create or use a service provider to create check image files for processing and deposit to their Union Bank accounts.

Customer Responsibilities – You must not use the remote deposit service to deposit checks payable to third parties. Only original checks that are eligible for imaging should be scanned by you or sent to the service provider for processing. Eligible checks are negotiable checks for any amount in U.S. dollars, drawn on or payable through a U.S. financial institution. The checks must not have been previously presented and paid.

In order to reduce the risk of fraud and to minimize service interruptions, you should implement practices and controls, including, but not limited to, the following:

- a) Develop a contingency plan to deposit checks in the event you lose Internet access or the Bank's website is inaccessible
- b) Periodically perform testing of your systems to minimize service interruptions
- c) Segregate user duties and implement dual controls, where reasonably possible, to mitigate the risk of one individual having responsibility for end-to-end processing and accounts receivable reconciliation
- d) Implement a routine to audit users' use of the Service
- e) Ensure access credentials are removed when a user leaves the company or is reassigned to other duties
- f) Ensure that users cannot share access to the Service or equipment with a third party without the knowledge and prior written approval of the Bank
- g) Ensure deposit files stored on a server or desktop computer are adequately secured and/or encrypted

- h) Develop written procedures to train new users on the Service
- i) Implement controls to safeguard non-public information in paper and image formats, and limit access to the information to only employees who are authorized to handle deposit accounts on the Service
- j) Implement system security and antivirus software to safeguard against viruses, malware, and other potential system risks
- k) Dedicate a workstation for the Service and other bank services to minimize the risk of viruses and malware

Foreign Transmittals Prohibited – All check images must be scanned and electronically transmitted to the Bank using equipment located solely in the United States. Image devices leased to you or otherwise made available to you by or through us must not be transported or used outside the United States. Any exception to these prohibitions must be approved in advance by the Bank.

Security Procedures – You agree to take all reasonable security precautions to prevent unauthorized or fraudulent use of these Services by your employees, agents, contractors, customers, and third parties. You may be assigned one or more User IDs and passwords to enable your employees and agents to access and use the Services. Once such User IDs and passwords have been assigned and validated, the use and confidentiality of such numbers shall be your sole responsibility. We do not assume responsibility to discover breaches of your security. You must immediately notify us if you discover any security breach related to the Services.

Image Exchange – When you send images to us, you will create check images of original checks using Bank-provided or Bank-approved scanning equipment to scan the front and back of the checks. You are responsible for entering the correct dollar amount for each check.

Image Cash Letter (ICL) allows you to transmit electronic files of check images in an industry-standard file format instead of paper checks to the Bank for clearing. Using Direct Send, you can transmit images of the checks you receive and scan at your place of business. Using Vendor Send, a vendor can scan checks and transmit the image deposit file to the Bank on your behalf.

You are responsible for any loss or failure to collect a check image that results from an inaccurate or illegible check image or your failure to provide full and correct MICR data or a dollar amount for a check image.

You will transmit check images to us according to the transmission schedule provided to you by us from time to time. A check image shall not be deemed received by us until we receive the check image at the Bank. We are not responsible

for any losses arising directly or indirectly from damage or alteration to the check image prior to its receipt by us.

Check Storage and Destruction – You agree to retain the original Items in secure storage after submitting the check images for deposit until such time as you have a reasonable expectation that the original checks have finally cleared. You will then destroy the Items in a safe and secure manner. Among other things, these security procedures should be designed to ensure that the original checks are not accessed by unauthorized persons during the destruction and disposal process and, once destroyed, the original checks are no longer readable or capable of being reconstructed.

Upon our request, you agree to provide us with your procedures for securing and destroying original Items and will permit us to review your process.

During the time period that you maintain the original checks, you understand and agree that you must use a high degree of care to protect these original checks against security risks. These risks include, but are not limited to, a) theft or reproduction of the original checks (including by employees) for purposes of presentment for deposit of these original checks after they have already been presented for deposit via the remote deposit service, and b) unauthorized use of information derived from the original checks.

You should maintain written procedures to ensure that only employees who are authorized to handle deposit accounts have access to the checks, and that the destruction of scanned checks is completed after the record retention period. Keys to cabinets or areas where checks are stored should be accessible only to authorized employees, and any movement of scanned checks for storage purposes should be conducted under secured conditions. You should maintain a daily log of deposits with the date of the deposit, initials of the person storing the checks, and the check destruction date.

Scanning Equipment – Scanners cannot be moved from the original shipping address to another location without the prior written approval of the Bank, and you cannot move scanners to a location outside of the United States, Puerto Rico, or Guam. We must approve your use of scanning equipment that is not purchased or leased through us. We are not responsible for the servicing or repair of this equipment. If you have a check scanner purchased through the Bank that is under extended or advanced unit-exchange warranty, and it requires repair, you may be provided with a working scanner to ensure your remote deposit service is not interrupted. You have 10 calendar days after the date a working scanner is shipped to you to return your scanner requiring repair. If the scanner requiring repair is not returned within the specified time period, you will be charged a fee, plus any fees associated with missing accessories, which will be applied to your account.

All loaned scanners should be returned to:

**Superior Press
9440 Norwalk Blvd.
Santa Fe Springs, CA 90670**

Please adhere to all shipping instructions included in the scanner box. If you have any questions, please contact Transaction Banking Customer Service at 800-322-2778.

Lockbox Service with National Remote Deposit Services –

You instruct your customers to mail checks to the Lockbox address. We will pick up mail at the Lockbox address at regularly scheduled times and forward checks and other document images to the Bank's designated check processor for further processing and collection.

Cash Vault Service with National Remote Deposit Services –

Your cash and check deposits are transported to a cash vault location owned and operated by a third-party service provider. The cash vault operator will scan the checks and electronically transmit image files to us for collection and deposit to your account.

Processing Check Images – We will collect check images through the bank check collection system. We may also use, at our discretion, the check image to create a substitute check and collect that substitute check through the bank check collection process. In certain cases, we may request that you deposit the original check in lieu of the check image.

For checks sent to our service provider for imaging, we will retain the original check relating to the check image for a period of time to be determined by us. We are responsible for storage and destruction of the original check and any copies of the original check or check image in a secure and confidential manner.

The deposit of all check images is subject to our verification and final inspection. We reserve the right at any time to refuse the deposit of a check image or to return all or part of a deposit of multiple check images to you without prior notice. In certain cases, we may submit the original check through payment processing. The amount of the image deposit will be adjusted to reflect any checks that are cleared through paper processing. We will advise you of any such adjustment.

A check image shall not be deemed received by us for deposit until we receive the check image at a licensed location of the Bank, whether received directly from you, your service provider, or our service provider. If we receive a check image on a day that is not a Business Day or after the processing cutoff hour for a Business Day as established by us, that check image shall be deemed to have been received by us at the opening of the next Business Day.

We are not under any obligation to you to inspect or verify a check image to determine accuracy, legibility, or the quality of the check image or MICR-line information associated with the check image, or for any other purpose. We reserve the right, but are not obligated, to correct or amend MICR-line information associated with a check image to facilitate processing of the check image or a substitute check created from that check image. You agree to obtain a replacement check from the drawer if a check image is rejected and the original check is unavailable.

We and other banks may process and collect a check image or a substitute check through one or more check clearinghouses, Federal Reserve Banks, or private clearing agreements with other banks. The check images or substitute checks will be subject to the rules of that clearinghouse, Federal Reserve Bank, or private clearing bank agreement.

You agree that, notwithstanding its electronic form, a check image that is created from an original check, or a substitute check created from that check image, shall be a "check" and/or an "Item" for all purposes under this Agreement, the Commercial Code, the Expedited Funds Availability Act, Regulation CC, and any other federal or state check law, to the same extent as that original check is a "check" or an "Item." You acknowledge that a check image may not capture or include all the security features contained in the original check, such as watermarks.

Warranties for Check Image Processing – You represent and warrant to us each time you use the remote deposit service to transfer or deposit a check image with us directly, including through your service provider, or indirectly through our or your service provider, that:

- 1) the check image is an accurate representation of all information on the front and back of the original at the time the original check was converted to a check image, and the check image contains all endorsements from the original check (if sent by you or your processor);
- 2) each check image (or related electronic data file) contains a record of all MICR-line information required for a substitute check and otherwise satisfies all of the requirements of Check 21 and Regulation CC for the creation and/or transferring of a substitute check created from that image (if sent by you or your processor);
- 3) the original check, a duplicate check image, or any copy of the original check or check image will not be deposited by you with us (unless we expressly instruct you to do so) or under any circumstances with any other bank;
- 4) the original check, a duplicate check image, or any copy of the original check or check image will not be presented, transferred, or returned such that we or any other person (such as the drawer of the check) will be asked to make payment based on a check or check image that we or the other person already paid;

- 5) each check's format shall adhere to industry standards and may change from time to time. The current Image Quality Guideline is black/white, minimum 200 DPI TIFF G4;
- 6) all the information provided to the Bank is accurate.

In addition, each time you use the Service to transfer or deposit a check with us directly, including through your service provider, or indirectly through our service provider, you are deemed to make to us any representation, warranty, or indemnity that we make, under applicable law, clearinghouse rule, Federal Reserve Operating Circular, bi-lateral agreement, or otherwise, to any bank (including a Federal Reserve Bank and the paying bank) or other person when the bank transfers or presents the check image or any substitute check created from that check image. We may charge back to your account(s) any deposited check that is later returned to us owing to an actual or alleged breach of any such representation or warranty.

Internet Access and Information Security – You acknowledge that we do not control the Internet or other information systems operated by third parties, and you will not hold us or our agents liable for any failures, acts, or omissions of any third-party information system operator, including, but not limited to, unauthorized access to or alteration, theft, or destruction of information and data.

We will exercise due care in seeking to preserve the confidentiality of any user number, password, test key, or other code or identifier, and to prevent the use of Internet-delivered remote deposit services by unauthorized persons (and in this connection it is understood and agreed that implementation by us of our normal procedures for maintaining the confidentiality of information relating to our customers, and where practicable obtaining similar undertakings from third parties engaged in the installation, maintenance, and operation of a system used to provide the Service, shall constitute our fulfillment of exercising due care), but shall not otherwise be under any liability or have any responsibility of any kind for any loss incurred or damage suffered by you in consequence or by reason of any unauthorized person gaining access to or otherwise making use of the Service. You assume full responsibility for the consequences of any missing or unauthorized use of or access to the Service or disclosure of any confidential information or instructions by you, your employees, or your agents.

Use – You agree to use the Service only for your own internal business purposes. Without limiting the generality of the foregoing, you agree not to make the Service available or allow use of the Service on a computer with a service bureau business or timesharing, or otherwise disclose or allow use of the Service by or for the benefit of any third party. Without our express permission, you may not use the remote deposit service to deposit Items to a personal account.

Third-Party Beneficiary – Any service provider engaged by us to deliver the Service is an intended third-party beneficiary

of this Agreement to the extent that the service provider or its affiliate and/or such other service provider delivers goods or services in connection with the Service. Our licensors or suppliers will not be subject to any liability to you in connection with any matter related to the remote deposit service made available through the service provider.

Remote Deposit Service Cancellation – If we have made a scanner available for your use and you cancel your remote deposit service within 30 days of initiation of the Service, you must return the scanner within 10 days. You will be charged an implementation fee and a restocking fee for the early return of the scanner. If the scanner is not returned, you will be charged the full purchase price. Please refer to the applicable *Business Fee Schedule*.

Suspension of Exchanging ICL Files – Either party may request to suspend the exchanging of files with at least 24 hours' written notice to the other party if the continued exchange of files is or will be commercially unviable and therefore subject to suspension; such notice shall provide in reasonable detail the reasons that the exchange of files is commercially unviable. Upon receipt of such notice and request, the other party shall consent or object to the suspension in writing as promptly as possible, provided that party shall consent if, based on the request, it can reasonably be expected that the continued exchange of files would have material adverse impact on check processing.

The foregoing notwithstanding, the non-requesting party shall have until the end of the 24-hour period to propose a remedy to the stated problem, and the requesting party will give due consideration to the solution and consent or object to the implementation of such solution, consent not to be unreasonably withheld. The parties agree to use commercial best efforts to resolve any problem and end any suspension of the exchange of image files as promptly as possible. The parties shall process paper Items until image exchange is resumed. The parties shall give 24 hours' notice of the intention to resume the image-exchange processes, a period that shall exclude weekends and holidays.

Testing of ICL Files – Both parties will mutually agree upon testing to be performed whenever software or hardware modifications or enhancements, initiated by either party, may affect the creation and processing of ICL files. Both parties will make their best effort not to impact the accuracy of ICL file formats.

Termination – Notwithstanding any other provision of this Agreement, we may terminate your use of the remote deposit service at any time by giving you notice.

Telephone-Initiated Transactions (TEL, PPD, CCD, Debit Card, and Credit Card)

Description of Service – A TEL Entry is a Single or Recurring Entry debit initiated when the Receiver gives authorization by telephone for a transfer from a consumer’s account. You must comply with the NACHA Rules associated with processing TEL Entries before the start of Origination. TEL Entries may only be originated when there is an Existing Relationship between you and the Merchant Customer or when the Merchant Customer initiates the telephone call. Under the NACHA Rules, an Existing Relationship exists when there is a written agreement in place between you and the Merchant Customer or when the Merchant Customer has purchased goods or services from you within the past 2 years.

Description of Process – Your customer (the “Merchant Customer(s)”) will telephone your customer service representatives and provide account numbers and other information. Your designated employee(s) and your other designated agents will be provided with a User ID and password to access the System and enter the Merchant Customer’s information. Transaction information is archived on the Provider’s System. For TEL, PPD, and CCD Entries, a transaction file is sent to the ACH, which debits the Merchant Customer’s bank account and credits your Union Bank account.

Notice of returned TEL, PPD, and CCD Entries will be available through Internet information reporting within 2 Business Days after the return.

Your Responsibility – You are fully responsible for all transactions credited to your account through the System, including, but not limited to, transactions that are later alleged to be unauthorized or erroneous, or that were issued on nonsufficient available funds or subject to stop payment or other rejection, return, or chargeback.

In addition to other applicable NACHA warranties, you warrant to us when you initiate a TEL Entry that you have employed commercially reasonable procedures to verify the identity of the Receiver.

You must tape-record the Merchant Customer’s oral authorization for the transaction or provide, in advance of the settlement date of the TEL Entry, written notice to the Merchant Customer that confirms the oral authorization.

You must clearly state, and the Merchant Customer must acknowledge, the following terms of the transaction: a) the date on or after which the Merchant Customer’s account will be debited; b) the amount of the Entry; c) the Merchant Customer’s name; d) a telephone number that you answer that is available to the Merchant Customer during normal business hours for Merchant Customer inquiries; e) the date of the Merchant Customer’s oral authorization; and f) a clear statement by you that the authorization will be used to originate an ACH debit

Entry to the Merchant Customer's account. You must retain either the original or a duplicate tape recording of the Merchant Customer's oral authorization, or a copy of the written notice, for 2 years from the date of authorization. Upon our request, you must promptly provide us with a copy of the authorization.

Merchant Customer Identification – The Provider will verify that the routing number supplied by the Merchant Customer for ACH transactions matches the designated financial institution's name. The System does not verify or authenticate the identity of the Merchant Customer, the Merchant Customer's account number, the Merchant Customer's address, or other Merchant Customer identifying information.

Total Biller Solution

Total Biller Solution enables your customers to receive bills and make payments through the Web, mobile, an Interactive Voice Response (IVR), a customer service representative, and a point of sale terminal using their checking account, credit card, debit card, or digital wallet.

Authorized ACH transactions for payments made by your customers through Web, mobile, IVR, and CSR channels will be processed through the Bank's ACH system. The Bank will credit your specified DDA the next Business Day.

Credit, debit card, and digital wallet payments made by your customers through Web, mobile, IVR, CSR, and point-of-sale channels will be authorized and settled by Worldpay®.¹ Worldpay will credit your specified DDA the next Business Day.

Upon receipt of the Total Biller Solution payment detail and deposit from the Bank, you will post the payments within 24 hours.

Payment cancellations and reversals will be performed by your designated representatives via the Total Biller Solution Admin console.

Your designated system administrator will be responsible for adding, deleting, and updating the entitlements for authorized users of the Total Biller Solution Admin console.

Web Services

We offer many of the Services online via Union Bank Financial Center. The Financial Center is a Web portal that allows you to use multiple Services through a single access point. You may perform many of your transactions through the Financial Center, including accessing account statements, opening and closing accounts, initiating stop payments, sending wires and updating wire arrangements, originating ACH files, viewing

1 MUFG Union Bank, N.A. and Worldpay are separate legal entities and are not affiliated by common ownership, management, control, or otherwise.

check images, viewing lockbox check images and remittances, and transmitting financial data to us. To enhance security, use a commercially reasonable level of security, which must comply with current, applicable, regulatory guidelines that impose more rigorous encryption obligations.

In order to update wire arrangements utilizing the Financial Center, you must be an Authorized Signer on the Bank's standard Funds Transfer Authorization form. Each person listed as an Authorized Signer on the Funds Transfer Authorization form has the authority to enter into or change any agreement with the Bank concerning funds transfers on your behalf, including, but not limited to, the authority to add or delete Authorized Representatives and designate accounts used for funds transfers.

In addition, two Web Administrators authorized by a Contracting Officer (or by another Web Administrator) through Financial Center, acting with dual authority (one Web Administrator will initiate an action and another will approve), will be able to perform all the following functions: (1) entitle Users to use Wires on the Web, (2) add Customer accounts to the Wires on the Web Services; and (3) add or modify User entitlements (User entitlements shall include wire limits and the ability to create wire templates). This authority is in addition to the authority granted to the Authorized Signer(s) (or the Contracting Officer, as applicable) on the Funds Transfer Authorization form. The security procedures chosen by the Customer on the Funds Transfer Authorization form apply to any payment order initiated by any Web Administrator or User authorized by such Web Administrator, and Company will be bound by any such payment order, whether or not authorized, issued in Customer's name, and accepted by the Bank in compliance with the Security Procedure chosen. Should you desire to use this feature, please reach out to your Treasury Management Officer.

To access Services through our website, you must be enrolled in the Financial Center. All persons entering the Financial Center on your behalf and using the Services agree to accept any terms of use appearing on the Financial Center. Most Services available through the Financial Center require additional documentation to establish the underlying Services.

MUFG Exchange Mobile – MUFG Exchange Mobile is an alternate service delivery channel for the Financial Center and provides access to some of our key Financial Center services through a Web-enabled mobile device.

Accessing the MUFG Exchange Mobile service requires users to have a Web-enabled mobile device. To use services through MUFG Exchange Mobile, users must have the appropriate entitlements to certain online Transaction Banking service(s). All users accessing MUFG Exchange Mobile on behalf of your organization and using the services agree to accept all terms of use applicable to the Financial Center.

The mobile service offers the same security controls as the Financial Center. However, as with all electronic banking services, security is contingent upon users' responsible behavior in protecting their User IDs and passwords and mobile devices.

The MUFG Exchange Mobile service is dependent upon the functionality of the telecommunications or wireless service provider. The Bank is not responsible for the unavailability or temporary interruption of service to MUFG Exchange Mobile due to service issues, lack of network coverage, or technical failure of the mobile device or wireless service provider.

Access to MUFG Exchange Mobile is provided at no additional cost. However, users may incur charges for mobile Internet access and should contact their wireless carrier for more information.

Authorized Persons – The Contracting Officer has the highest level of authorization and is the individual authorized to enter into agreements with us for any Transaction Banking Services, as well as accessing the Services through the Financial Center. The Contracting Officer may delegate full or partial authority to one or more Web Administrators; add and delete Web Users; perform password administration; grant new Web Users access to existing Web Services; and create, modify, and delete user entitlements for existing Web Services.

The Contracting Officer must designate at least one Web Administrator (who may be the Contracting Officer). A Web Administrator has the authority to manage Services subscribed to by the Contracting Officer, including designating the individuals who may use these Services and identifying the account(s) assigned to each Service. A Contracting Officer or Web Administrator, each acting alone, may select one or more Web Users or View Only Web Users to access the Services, and designate the accounts to which the Web User or View Only Web User has access.

Web Users can use the Services to which the Contracting Officer or Web Administrator has granted them access. Web Users may not grant or delete their own or another person's access to any Service or account. A Web Administrator has the ability to add and delete Web Users, reset a Web User's password, and issue a temporary password to a Web User.

View Only Web Users may view information but not perform transactions. This status is not available for all Services.

Security – Temporary user passwords for each Contracting Officer, Web Administrator, Web User, and View Only Web User (each a "User") will be initially assigned by us and communicated to the Web Administrator.

Individuals accessing the Financial Center will be able to select their own user identification codes and passwords.

To maintain the integrity and confidentiality of your financial information and transactions, it is important to protect these identification codes and passwords. In addition, individuals may also utilize token authentication at log-in to further authenticate themselves. The token is a lightweight physical device used in conjunction with a user name and password. We publish a brochure, *Safeguards Against Fraud and Embezzlement*, that provides suggestions for protecting your business against internal and external fraud. Please ask us for a copy.

When sending confidential information related to your accounts or Services, use the Secure Messaging Service, which has security features that are not provided by regular email. You are responsible for managing Web online access. You must update online access authority when an individual with access to the Services leaves your employment or otherwise has access revoked or modified. We will have no responsibility or liability to you for losses or damage arising out of unauthorized transactions performed by your designated Users, or any security breach.

Wire Transfer Services

Wire Transfer Services allow you to transfer funds and related messages electronically. These wire transfers are typically from your deposit accounts with us to other deposit accounts at our Bank or at other banks. These transfers may also include transfers to your accounts with us from accounts at other banks. These transfers may be made according to a specific request from you or according to your standing instructions.

Authorized Persons – Before using Wire Transfer Services, you must designate the persons you authorize to perform certain duties in connection with the execution of wire transfer instructions.

Security Procedure – You agree to use Wire Transfer Services in accordance with one or more Security Procedures we offer to authenticate, amend, and request cancellation of wire transfer instructions. The purpose of the Security Procedure is to verify the authenticity of transfer instructions delivered to us in your name and not to detect errors in the transmission or content of instructions. You represent and warrant each time you use a Service that, in view of your requirements, the Security Procedure is a satisfactory method of verifying the authenticity of instructions. You agree to be bound by instructions, whether or not they were in fact authorized, if we followed the agreed-upon Security Procedure. You agree to preserve the confidentiality of the Security Procedure and promptly notify us of any compromise of the integrity of the Security Procedure.

Execution of Transfer Requests – We will use our best efforts to execute each properly authorized wire transfer instruction on the day of receipt if a) we receive the instruction and are able to authenticate it before our cutoff time, and b) the day of receipt

is a Business Day for us and the transmission facility selected. We may change our cutoff time without prior notice to you. If you initiate a request to debit an account of a third party, you must provide us with documents, in a form acceptable to us, evidencing the third party's authorization.

We will notify you of all wire activity on your account on your periodic account statement. We have no obligation to notify you in any other way. However, you may choose to make special arrangements with your banking office to receive earlier notice of wire transfer activity on your account via telephone, facsimile transmission, or U.S. mail.

Rejection of Transfer Requests – We may reject any request that does not comply with our requirements or the applicable *User Documentation*; that we have been unable to verify through use of the Security Procedure; or that contains inconsistent, ambiguous, or missing information. Notice of rejection may be given to you by telephone, electronically, by facsimile, or by mail and will be effective when given. We will not incur liability to you for any loss occasioned by our refusal to honor any request.

Transfer Request Exceeds Account Balances – If there are nonsufficient available collected and available funds in your account(s) to cover your request, we may, at our sole discretion, choose to complete wire transfers that you initiated. You agree to immediately repay us the amount of any overdraft created, plus any overdraft charges, without notice or demand to you.

Cancellation or Amendment – We have no obligation to cancel or amend wire transfer instructions after we receive them. If you send us a request instructing us to cancel or amend a prior transfer request and we are able to verify the authenticity of the cancellation or amendment request using the Security Procedure, we will make a reasonable effort to act on that request, but we will not be liable to you if it is not effected. You agree to indemnify us in connection with your request to amend or cancel to the same extent as we indemnify other parties under UCC 4A. Your obligations under this provision will survive termination of this Agreement.

Inconsistency of Name and Number – A beneficiary's bank can make payment to a beneficiary based solely on the account or other identifying number, even if the name in the request differs from the name on the account.

Identification of Intermediary or Beneficiary's Bank – If your wire transfer order identifies an intermediary bank or a beneficiary's bank by both name and identifying number, we and other banks may rely on the identifying number regardless of whether the bank name and identifying number refer to different entities. We may select any intermediary bank, funds transfer system, or means of transmittal to send your payment order. Our selection may differ from that indicated in your instructions without our incurring liability to you.

Intermediary Bank Fees – Union Bank may charge fees for sending or receiving a funds transfer. You acknowledge and agree that the Bank may deduct its fees from your account or from the amount of the transfer. You further acknowledge and agree that intermediary banks may deduct their fees from the amount of the transfer that they process (whether an outgoing or incoming transfer), and that a portion of such fees may be shared with the Bank. You authorize the Bank and such intermediary banks to deduct such fees, and you further authorize the Bank to share in such fees with such intermediary banks, as described above.

Foreign Currency Transactions – If your request is in United States dollars to a foreign country, we may transfer payment in the currency of the beneficiary’s bank’s country at our buying rate of exchange for United States dollar transfers. If for any reason the transfer is returned, you agree to accept the refund in United States dollars in the amount of the foreign money credit, based on the current buying rate of the bank converting the currency to United States dollars on the date of refund, less any charges and expenses we incurred, and our commission for making the exchange.

Designation of Funds Transfer System – You hereby instruct us to use the following: Fedwire, CHIPS, SWIFT, any intermediary bank identified by the foregoing systems as a correspondent bank of the beneficiary’s bank, or any payment system or intermediary bank that we deem reasonable under the circumstances. You agree to be bound by the rules of the wire transfer payment system utilized.

Zero Balance Accounting

Our Zero Balance Accounting Service (“ZBA Service”) automatically transfers funds between your, or your and your affiliated companies (“Affiliates”), as applicable, Concentration Account and Zero Balance Accounts. The ZBA setup forms will identify the operating parameters for the ZBA Service. At the end of each Business Day (or at the end of those Business Days that you select on your setup form, as applicable), we will process the debit and credit transactions to the Zero Balance Accounts and transfer funds to and from the Concentration Account to bring the Zero Balance Accounts to the target balance as chosen by you on the set up form.

There must be sufficient available funds in the Zero Balance Accounts and Concentration Accounts to cover all transactions under the ZBA Service. The Bank may, but is not required to, transfer funds if the transfer would create an overdraft.

If any of the Zero Balance Accounts is owned by Affiliates, you are responsible for any financial liability (including any tax implications) resulting from commingling and/or movement of funds to and from the Zero Balance Accounts and the Concentration Account.

Funds transferred must be returned to your or your Affiliate's account no later than 183 days from the date of transfer, and may be returned as soon as the next Business Day. Failure to do so may subject you to tax withholding. We recommend that you consult your tax advisor. Bank does not agree to assume primary withholding and reporting as your agent.

Pooling Report – We will make available an automated report that tracks ZBA credits and debits posted to your Accounts and/or your Affiliates' Accounts, along with intercompany interest for the Concentration Account and Zero Balance Accounts calculated based on an interest rate you have designated on your setup forms.

Additionally, if applicable, we will allocate any such interest (whether debit or credit) to each of your Affiliates' Accounts by debiting or crediting the Accounts as designated in the intervals you have chosen on your setup form.

GENERAL PROVISIONS

Changes to a Service

You may request at any time to change the processing instructions for a Service. We are not obligated to implement any requested changes until we have had a reasonable opportunity to act upon them. In making changes, we are entitled to rely on requests purporting to be from you. For certain changes, we may require that your requests be in writing, in a form and manner acceptable to us, or be from an authorized person you designate. Changes are subject to our approval.

Communications

Any written notice or other written communication to be given by us under this Agreement will be addressed to you at the address specified in our records. Unless we advise you otherwise, written communication to us should be sent to your office of account. Notices are effective upon receipt, except as otherwise provided in this Agreement or any Materials.

We may electronically monitor and/or record any telephone communications with you. You consent to such recording. If our records about any communication are different from yours, our records will govern.

If we allow you to use email or communications via our website to initiate payment requests or other instructions with respect to a Service, you will be subject to the terms and conditions of this Agreement and must comply with the applicable *User Documentation*.

We may rely on oral instructions from any person who identifies himself or herself by a name that is included on a list from you of persons authorized to give such instructions.

Except as otherwise expressly stated in this Agreement, we are not required to act on any instruction from any person or to give notices to any person.

Compliance with Laws, Operating Procedures, and Guidelines; Bona Fide Transactions

You shall comply with all applicable laws, regulations, rules, or ordinances, and orders of governmental and governing authorities having jurisdiction, including, but not limited to, the Electronic Funds Transfer Act, federal Regulation E, the Fair Credit Reporting Act, the FTC Telemarketing Sales Rule (including, but not limited to, any requirement to obtain your customer's express verifiable authorization to originate a charge against the customer's bank account), federal and state privacy laws, anti-money-laundering laws (Bank Secrecy Act, USA PATRIOT Act, and Office of Foreign Assets Control lists/directives), and all rules and operating guidelines of the NACHA to the extent the same are applicable to the Services. You represent that all transactions are the result of bona fide business transactions.

Confidentiality

You acknowledge our claim to proprietary rights in the Materials and that the Materials constitute our trade secrets or trade secrets of our licensors or vendors. You understand that all Materials are confidential and you will a) safeguard the Materials at all times; b) establish and maintain procedures to assure the confidentiality of the Materials and any password or code you are assigned or use; c) use the Materials only for the purposes for which we provide them; and d) notify us promptly by telephone, confirmed in writing, if any Materials are lost or their confidentiality is compromised.

You will not, nor will you allow anyone else to, do any of the following without our prior consent: a) disclose any Materials to any person or entity, except to your employees and agents with a need to know the Materials; b) make any copies, in whole or in part, of any Materials in whatever form or medium (electronic, printed, or otherwise) in which they may exist from time to time, except as provided in the *Software License* section; and c) translate, reverse engineer, disassemble, or decompile any software or security devices.

These confidentiality obligations continue after a Service you are using is terminated.

You have sole responsibility for the custody, control, and use of all Materials. You agree that no individual will be allowed to initiate a request or other instruction contemplated in connection with the Services or have access to any Materials without proper supervision and strict security procedures. We will be fully protected in relying on the correct user identification codes and passwords, as described in the relevant *User Documentation*.

Neither party will use the other's name or refer to the other party directly or indirectly in any solicitation, marketing material, advertisement, news release, or other release to any publication without receiving the other party's specific prior written approval for each such use or release, except that we may use your name as a reference in service proposals if we obtain your prior oral approval for such use. This section does not limit either party's ability to satisfy any governmentally or judicially required disclosure.

Customer Responsibility

You agree to be solely responsible for your proper use of the Services, including, but not limited to, implementing internal procedures to safeguard your confidential access capability. You will assume full responsibility for the provision, repair, and maintenance of any facilities, computer devices, or other equipment necessary to or used by you in connection with accessing the Services.

Cutoff Hours

A number of our Services are subject to processing cutoff hours on a Business Day. You can obtain information on our current cutoff hours by contacting your Relationship Manager or office of account. Instructions received after a cutoff hour or on a day other than a Business Day may be deemed received as of the next Business Day.

General Matters

This Agreement will be controlling in the event of any conflict between it and any relevant *Deposit Account Agreement*, *Customer Manual*, *User Documentation*, *Materials*, and any other document or written or oral statement. Current *User Documentation* is available upon request.

This Agreement is binding upon each of our respective successors and permitted assigns. You may not assign any of your rights or duties under this Agreement without our prior written consent. Except as otherwise provided, this Agreement is not for the benefit of any other person, and no other person has any right under this Agreement against you or us. Nothing contained in this Agreement creates any agency, fiduciary, joint venture, or partnership relationship between you and us. We are responsible only for performing the Services expressly provided for in this Agreement. We may contract with an outside vendor in providing any Service. If any provision of this Agreement or the application of any such provision to any person or set of circumstances is determined to be invalid, unlawful, void, or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to persons or circumstances other than those determined to be invalid, unlawful, void, or unenforceable, shall be enforceable to the fullest extent permitted by law. Except as otherwise stated herein or required by law, the provisions of this Agreement are

governed by, and interpreted according to, the laws of the state where your account is located, and federal law.

No delay or failure to exercise any right or remedy under this Agreement is deemed to be a waiver of such right or remedy. No waiver of a single breach or default under this Agreement is a waiver of any other breach or default. Any waiver under this Agreement must be in writing.

Information Processing and Reporting

We offer a number of Services that require us to receive, process, and report information involving your accounts and transactions. We will not be responsible for determining the accuracy, timeliness, or completeness of any information that you or others provide to us. We shall be protected in acting on any oral or written request, whether received by telephone, courier, U.S. mail, fax, email, Internet, or other means of communication, believed in good faith to be genuine and to have been made by you or your authorized agents. We will not have a duty to interpret the content of any data transmitted to us, except to the limited extent set forth in this Agreement and the *User Documentation*. Unless we agree otherwise in writing, we will not be required, by means of the Security Procedures or otherwise, to detect errors in the transmission or content of any information we receive from you or third parties.

We make no warranty, express or implied, in law or in fact, including, but not limited to, any implied warranty of fitness for a particular purpose or of merchantability, with respect to the Services, or any computer programs, equipment, or software made available to you. Unless otherwise agreed in writing, the computer programs, Materials, *User Documentation*, Security Procedures, software, and systems provided to you in connection with any Service represent our proprietary property and must be returned to us upon request.

You acknowledge that it is not possible for Services to be totally free from operator, programming, or equipment error, and that errors in processing and compiling data may occasionally occur (e.g., due to the failure of others to provide accurate information, or to telecommunication failures or a breakdown in an electronic data interchange). You agree to review and verify all results and to maintain adequate controls for ensuring both the accuracy of data transmissions and the detection of errors. Unless otherwise required by law, our sole responsibility for any reporting errors we cause will be to reprocess the information for the period in question and to submit corrected reports at our expense. You agree to maintain adequate backup files of the data you submit for a reasonable period of time to facilitate any needed reconstruction of your transactions. If we are unable to provide a Service for any reason, we will promptly inform you of the problem and will take reasonable steps to resume processing.

Limitation of Liability; Indemnity

Except as otherwise stated in this Agreement or required by law, we will be liable to you only for damages arising directly from our intentional misconduct or gross negligence.

We will not be responsible for any loss, delay, cost, or liability that arises, directly or indirectly, in whole or in part, from a) your actions or omissions, or those of third parties, that are not within our immediate and reasonable control; b) your negligence or breach of any agreement with us; c) any ambiguity, inaccuracy, or omission in any instruction or information provided to us; d) any error, failure, or delay in the transmission, processing, or delivery of data, records, or Items due to a breakdown in any computer or communications facility; e) accidents, strikes or labor disputes; civil unrest; terrorist attacks; fire; flood; water damage (e.g., from fire suppression systems); or acts of God; f) causes beyond our reasonable control; g) the application of any government or funds transfer system rule, guideline, policy, or regulation; h) the lack of available funds in your account to complete a transaction; or i) our inability to confirm to our satisfaction the authority of any person to act on your behalf.

Except for losses caused by our gross negligence or willful misconduct, our liability for any loss, cost, damage, or liability arising from our actions or omissions will not exceed the monthly charge for the Service in question for the month preceding the date of loss, except as otherwise required by UCC 4A.

We will not be liable under any circumstances for any special, consequential, punitive, or indirect damages that you incur in connection with your account(s), even if we are aware of the possibility for such damages, unless specifically imposed by statute that cannot be waived by the parties.

You acknowledge that our fees have been established in contemplation of a) these limitations on our liability, and b) your agreement to review statements and notices promptly and to notify us immediately of any discrepancies or problems.

You will indemnify us against and hold us harmless from any and all liabilities, claims, costs, expenses, and damages of any nature (including reasonable attorney's fees) arising out of or relating to disputes or legal actions by parties other than you and us concerning your accounts and Bank Services. The obligations contained in the preceding sentence will continue after your account or Bank Service is terminated. This section does not apply to any cost or damage incurred by a third party that is attributable to our gross negligence or intentional misconduct and for which we are legally responsible.

Limitation of Time to Bring Action

Any action or proceeding you bring to enforce an obligation, duty, or right arising under this Agreement or by law in

connection with these Services must begin within 1 year after the cause of action occurs.

Limitation on Third-Party Use and Access

Unless you have our prior written consent, you may not a) permit a third party to initiate Service transactions on your behalf, or b) use the Services to process transactions on behalf of others.

Notifying Us of a Problem

You agree to notify us immediately if you discover a) any error or discrepancy between your records and the information we provide to you about your accounts or transactions (e.g., in a statement, confirmation, or electronic report); b) unauthorized transactions involving your bank accounts or records; c) a breach in the confidentiality of the Security Procedures; or d) other problems related to the Services. You must send us a written notice of the discrepancy or other problem, including a statement of the relevant facts, within a reasonable time (not to exceed 14 days from the date you first discover the problem or receive information reflecting the problem, whichever occurs first). The provisions of this section shall survive termination of all Services.

Representations and Warranties

On and as of each day we provide any Service to you, you represent and warrant to us that a) your agreement to each provision contained in this Agreement is a duly authorized, legal, valid, binding, and enforceable obligation; b) the debiting of any account as provided in this Agreement is not inconsistent with any restriction on the use of that account; and c) your performance of your obligations will not violate any law, regulation, judgment, decree, or order applicable to you.

Software License

This section applies to all software we provide you unless a separate license agreement for specific software is given to you.

For each software application, we grant you a non-exclusive, non-transferable license to use that software and its related Materials. No such license grants you any rights to any patents, trademarks, or trade names.

You may not sublicense, lease, distribute, or otherwise transfer a software application, the related Materials, or your right to use the software and related Materials.

You may not make, or allow anyone else to make, copies of the software or related Materials beyond one copy for backup and archival purposes, except as we may otherwise agree in writing. You may not remove, obscure, or deface any proprietary notices contained in the software or related Materials, and

you must include such notices in any permitted copy of the software.

You may not alter, modify, or adapt any software or related Materials or create derivative works from them. You may not translate, reverse engineer, disassemble, or decompile the software.

A license to use software and related Materials will terminate automatically if you fail to comply with the terms of the license or any other material provision in this Agreement, or if the Services for which you are using the software are terminated. Upon termination of a license granted you, you must cease using the software and related Materials and, at our election, return or destroy all copies of the software you may have in your possession or under your control, and certify to us that you have done so. All your obligations herein will survive termination of any licenses.

Termination

You or we may terminate some or all of the Services, with or without cause, by giving 30 days' prior notice to the other party. We may terminate the Services immediately if a) you breach any agreement with us; b) the confidentiality of the Security Procedures is compromised; c) we have reason to believe that an unauthorized transaction has taken or may take place involving your account or a Service; d) you become insolvent or the subject of a bankruptcy or dissolution proceeding; e) you make any assignment for the benefit of creditors; f) you fail generally to pay your debts as they become due; g) any material adverse change occurs in your financial condition; h) we are uncertain as to any person's authority to give us instructions regarding your accounts or the Services; or i) you violate any applicable rule, regulation, or law.

Termination of a Service you use does not affect your payment obligations for Services we provide to you before the Service is terminated or any other obligations that survive termination.

GLOSSARY OF TERMS

The following are some important terms that appear in this Agreement and shall apply equally to the singular or the plural form of the term.

Business Day means each Monday through Friday, excluding holidays observed by the bank providing the Service.

Business Fee Schedule means our published fee schedule for the Services outlined in this Agreement.

Check 21 means the Check Clearing for the 21st Century Act (Pub. L. 108-100), as it may be amended from time to time.

Concentration Account means a U.S. dollar demand deposit account maintained by you or your Affiliate at Bank from which

funds are transferred to a Zero Balance Account or to which funds are transferred from a Zero Balance Account.

Credit Entries means requests, on or through prescribed media and format, for the transfer of funds to accounts of depositors at Union Bank or other financial institutions.

Customer Manual means the manual containing specific procedures, media, and data formats for a Service.

Debit Entries means requests, on or through prescribed media and format, for the withdrawal of funds from the accounts of depositors at Union Bank or other financial institutions.

Deposit Account Agreement means the current signature card, the *Business Accounts & Services Disclosure and Agreement*, or similar master account disclosures and agreements, as amended from time to time, that we provide or make available to you containing terms and conditions applicable to each deposit account for which you use a Service.

Deposit Delivery Handbook means the guide for preparing deposits for check courier and armored carrier transportation.

Entries means Credit Entries and Debit Entries consistent with the NACHA Rules and also includes any data for Entries, any pre-notification, and any Entries initiated through an EDI payment system that we approve.

Image Cash Letter means an electronic file of check images in an industry-standard file format.

Materials means software user identification codes, passwords, codes, keys, test keys, and security devices, as well as website access codes and passwords used with a Service.

NACHA means the National Automated Clearing House Association.

NACHA Rules means the rules of the National Automated Clearing House Association (including any other clearinghouse rules applicable to automated clearinghouse transactions), as amended from time to time.

Processing Schedule means the schedule we provide for processing all requests for Entries and other Services if you are enrolled in the Services, or subscribe to the Services.

Regulation CC means Federal Reserve Board Regulation CC: Availability of Funds and Collection of Checks, 12 CFR Part 229, as it may be amended from time to time.

Relationship Manager means the Union Bank account officer, deposit manager, or other officer who assists you in managing your accounts and the Transaction Banking Services we provide.

Security Procedure means the applicable security procedure for your data delivery type or Service for verifying the

authenticity of Entries, funds transfer instructions, reversal/deletion requests, advices of checks, check issuance requests, or stop payment requests.

Service means any Transaction Banking Service described or covered by this Agreement or those we later make available to you.

Substitute Check means a copy of an original check, created from a check image that is similar in size to an original check, with a slightly reduced image of the front and back of the original check. The term “substitute check” shall have the meaning set forth in Check 21 and Regulation CC, as in effect from time to time.

UCC 4A means Article 4A of the Uniform Commercial Code—Funds Transfers, as adopted by the state whose law applies to a Service, as amended from time to time.

User Documentation means any written information we provide you, including information in electronic format, as amended from time to time, that contains detailed instructions regarding the use of a Service, including, but not limited to, the *Deposit Delivery Handbook*, *Materials*, and *Customer Manual*.

Website means the Union Bank website with the Internet address *unionbank.com*.

Zero Balance Account means a U.S. dollar demand deposit account maintained by you or your Affiliate at Bank for which either the Ledger Balance or the Available Balance is returned to \$0 or some predetermined amount as chosen by you on the Setup Form at the end of each Business Day through the transfer of funds to or from a designated Concentration Account.

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unionbank.com/commercial

Business Accounts

**Notice of Change in
Account Terms**



Important Information About Your Union Bank Accounts

This Notice of Change (“Notice”) amends the following documents, as applicable

- **Business Accounts & Services Disclosure and Agreement**
- **Business Accounts & Services and Transaction Banking Services Disclosure and Agreement**
- **Business Product Guides**

and any other addenda to the foregoing documents (Agreements). Specifically, the items listed below in this Notice reflect our changes to the Agreements. All other terms and conditions of the Agreements will remain the same and will continue to remain in effect. The provisions of this Notice are effective **JUNE 15, 2020**, unless otherwise stated in this document.

If there is any discrepancy between this Notice and the Agreements, this Notice shall be controlling (only to the extent of the discrepancy). Your continued use or maintenance of your Union Bank® account constitutes your consent to the terms of this Notice.

BUSINESS ACCOUNTS & SERVICES DISCLOSURE AND AGREEMENT AND BUSINESS ACCOUNTS & SERVICES AND TRANSACTION BANKING SERVICES DISCLOSURE AND AGREEMENT

In the **Funds Availability Policy** section, the following sub-sections are being revised to amend the amount of funds made available to you in some cases as indicated in **bold**:

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 1st Business Day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the 2nd Business Day after the day of your deposit. The first **\$225** of your deposit, however, will be available on the 1st Business Day after the day of your deposit.

If we are not going to make all of the funds from your deposit available on the 1st Business Day after the day of your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees (for example, at

an ATM or lockbox), or if we decide to take this action after you have left the premises, we will mail you the notice by the Business Day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

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

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than **\$5,525** on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last 6 months.
- There is an emergency, such as failure of computer or communications equipment, that prevents us from making your deposit available to you under the timeframes set forth in our *Funds Availability Policy*.

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 7th Business Day after the Business Day of your deposit.

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

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first **\$5,525** of a day's total deposits of cashier's, certified and teller's checks, and federal, state and local government checks will be available on the 1st 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 over **\$5,525** will be available on the 7th 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 2nd Business Day after the day of your deposit. Funds from all other

check deposits will be available on the 7th Business Day after the day of your deposit.

The **Real Time Payments (“RTP”) for Receive Only** section is being revised to remove specific Service Transfer Limit amounts because the Service Transfer Limits are set forth in the *RTP System Operating Rules*, which may be modified by The Clearing House from time to time. Consequently, the RTP terms remain as disclosed with the exception of removing transfer limit amounts, as follows:

Real-Time Payments (“RTP”) Service Terms for Receive Only

When the Bank makes Receive Only RTP available, the following terms apply. Unless expressly defined, capitalized terms used herein shall have the meanings provided in the *RTP System Operating Rules*. Please call us at 800-238-4486 if you have questions concerning these Services or their availability.

Definitions

- **Payment Amount:** The amount of funds sent to you by a Sender through the Service.
- **RTP (“RTP” or the “Service”):** An electronic payment system which allows you to receive funds in real time into your Account(s).
- **RTP System Operating Rules:** The Clearing House’s operating rules governing the obligations of parties using the RTP System.
- **RTP System:** The payment system accessed by the Service.
- **Sender:** The person or entity who sends a payment to you through the Service.
- **Sending Financial Institution:** A financial institution that participates in the RTP System and holds the Sender’s account.
- **Service Transfer:** A payment made from a Sender to you through the Service.

The Service: The RTP Service will allow you to receive real-time payments into your Account(s) from Senders that have accounts with Sending Financial Institutions. Funds transferred to your Account(s) will be credited upon completion of the Service Transfer request and will be available for withdrawal immediately. The Service will not allow you to send payments. You are not obligated to accept a Service Transfer. If you wish to reject a Service Transfer sent to you through the Service, please contact us at 800-238-4486.

The Service is available 24 hours a day, 7 days a week, including weekends and holidays. However, the Service may be unavailable, from time to time, including due to maintenance; and we may suspend or terminate your access to the Service at any time, including if we determine that you or a Sender has used the Service in an unlawful manner. Incoming payments cannot exceed the Service Transfer limit which may be found in the *RTP System Operating Rules* as updated from time to time. If a Sender sends you a payment which exceeds the applicable Service Transfer limit or any limit set by the Sending Financial Institution, the payment will be rejected without notice to you.

The Service may be used with domestic payments only. It may not be used with senders or receivers who are not residents of or otherwise domiciled in the United States. You agree that you will comply with this restriction and with all regulations of the Office of Foreign Assets Control as well as all other laws applicable to you in connection with your use of the Service.

Payments through the Service are irrevocable and cannot be reversed; however, a Sender may request that you return the funds. If this happens, the Bank will notify you of its receipt of a Return Request from the Sending Financial Institution, and you must respond to the Bank with information requested by the Bank regarding the Return Request within three (3) Business Days of our notification to you. The Bank has no responsibility for and shall not be liable in any way in connection with a dispute between you and a Sender.

A Service Transfer may fail if: 1) there are insufficient funds in the Sender's account; 2) the Bank or the Sending Financial Institution believes that the Service Transfer does not comply with these RTP terms, or applicable law; 3) you reject or have declined to receive a Service Transfer; 4) the Transfer Request exceeds the applicable Service Transfer limit as set forth in the *RTP System Operating Rules* or the Sending Financial Institution's limits and/or the Sending Financial Institution declines to process the transaction; or 5) the Service is unavailable. In addition, completion of a Service Transfer request might be delayed if the Service Transfer is subject to review by the Sending Financial Institution. We will not contact you to notify you if the Service Transfer has failed.

BUSINESS PRODUCT GUIDES

Effective **June 15, 2020** the **HOW DEPOSITS AND WITHDRAWALS WORK** section will be revised to amend the amount of funds made available to you in most cases as indicated in **bold**:

When your deposits are available:

- Cash: by the 1st Business Day after deposit
- Checks: generally the 1st Business Day after deposit, but sometimes longer
- Electronic direct deposit: same Business Day

If you make a deposit before the close of business on a Business Day that we are open, or as posted, we will consider that day to be the day of your deposit.

- In most cases, the first **\$225** of your deposit will be available by the 1st Business Day.
- If we are not going to make all deposited funds available by the 1st Business Day, we will notify you of the hold reason and when your funds will be available (generally no later than the 7th Business Day after the day of deposit).

A "Business Day" is Monday – Friday, excluding federal holidays, even though we may be open Saturday or Sunday.

Business Accounts

**Notice of Change in
Account Terms**



Important information about our Business Cash Reserve Account

Effective August 27, 2020 (“Effective Date”), the following changes affect Union Bank® Business Cash Reserve Accounts:

- Union Bank will no longer offer or make available our Business Cash Reserve Account overdraft line of credit. This does not affect existing Business Cash Reserve Accounts and applications received prior to the Effective Date. Applications for a Business Cash Reserve Account received on or after the Effective Date will not be accepted.
- Business Cash Reserve Account line increase applications for existing accounts will not be accepted on or after the Effective Date.

If there is any discrepancy between this Important Information about our Business Cash Reserve Account notice (“Notice”) and the documents listed below, this Notice shall be controlling (only to the extent of the discrepancy).

This Notice is applicable to the following documents:

- *Business Cash Reserve Account Disclosure and Agreement*
- *Business Accounts & Services Disclosure and Agreement*
- *Business Accounts & Services and Transaction Banking Services Disclosure and Agreement*
- *Business Deposit Fee Schedule*
- *Business Product Guides*, as applicable
- *Bank – Depositor Agreement – Business Deposit Accounts*
- *Application for a Business Cash Reserve Account*
- Any documents, including but not limited to, applications, brochures, program overviews, flyers, forms, marketing materials, website or Online Banking, and other related product information that reference or offer a Business Cash Reserve Account

If you have any questions about this Notice, or wish to ask about other Overdraft Services we offer, please call us at 877-671-6877 or visit your local branch during regular business hours.