



ONLINE BANKING TERMS AND CONDITIONS AGREEMENT

Online Banking | Remote Deposit Capture | ACH Origination
Positive Pay Service | Wire Transfers | General Terms and Conditions

CONTENTS

ARTICLE ONE:	Online Banking
ARTICLE TWO:	ACH Origination
ARTICLE THREE:	Wire Transfers
ARTICLE FOUR:	Remote Deposit Capture
ARTICLE FIVE:	Positive Pay Service
ARTICLE SIX:	General

The Online Banking Terms and Conditions Agreement ("Agreement") describes the general and specific terms and conditions for receiving certain identified services ("Services") from Pacific Valley Bank ("Bank" or "Financial Institution").

Based upon your Service Plan, you are subscribing to receive one or more Online Banking ("Services") covered in this Agreement and any related documents or schedules. The terms and conditions for specific Services are contained in the Articles relating to those specific Services. In general, terms, conditions, and definitions described in Article One of this Agreement apply to all Services received by you under this Agreement. Your use of these Services is conditioned upon your acceptance of the terms and conditions set forth in this Agreement.

1. ARTICLE ONE: ONLINE BANKING TERMS AND CONDITIONS.

This Article One establishes the terms and conditions for electronic access to your accounts using the Pacific Valley Bank Online Banking system ("Service"). By applying for Pacific Valley Bank's Online Banking, you are agreeing to the terms and conditions described in this Agreement.

1.1. DEFINITIONS. As used in this entire Agreement, the words "we," "our," "us," "Bank" and "Financial Institution" (and similar terms) mean Pacific Valley Bank. "You," "your," "Customers", and "Customer" (and similar terms) refer to the account holder named below and anyone else authorized by that account holder to exercise control over the account holder's funds through the Service.

1.1.1. "Accounts," means Customer accounts at the Bank that are accessed through the Service.

1.1.2. "Account Administrator," means individuals authorized by Customer, in the Application or subsequent written instructions acceptable to Bank, who will be allowed to use Pacific Valley Bank's Online Banking system for one or more authorized Services. Account Administrator must be an authorized signer on all of Customer's accounts with Bank.

1.1.3. "Authorized Representative," means individuals authorized by Customer, or Customer's Account Administrator on Customer's behalf, who will be allowed to use Pacific Valley Bank's Online Banking system for one or more authorized Services. Account Administrator is authorized all access granted to an Authorized Representative

1.2. AVAILABLE SERVICES. The following Services are available:

1.2.1. Account Information. Permit Authorized Representatives to obtain balance and transaction information about your Eligible Accounts. Please note that certain information and transactions are not processed by us until after the close of our business day; some transactions may not be reflected in the system until the next banking day. Posted items may be reversed due to insufficient funds, stop payment orders, legal process, and other reasons. Certain balances also may not be subject to immediate withdrawal. We assume no responsibility for any loss arising from incomplete information or for any temporary interruption in our information system. If you are unable to access our system for any reason, you can contact your branch of account for loan and deposit information. You may download your Eligible Account(s) information into software such as Intuit QuickBooks® or Microsoft Money®.

1.2.2. Internal Funds Transfers. Allow Authorized Representatives to transfer money between Eligible Accounts with us. Transfers may be scheduled to be initiated on the current Business Day, on a future date, or on the same date of each month, subject to the restrictions of this Agreement and other agreements between you and the Bank (including, but not limited to those contained in the Understanding your Deposit Account Disclosure that limit the number of transfers that may be made from your Money Market or Savings account during any monthly statement period of at least 4 weeks). Although your Authorized Representatives can enter transfer information through the Services twenty-four (24) hours a day, seven (7) days a week, transfers can be initiated by the Bank only on Business Days. Funds will be deducted from your account on the Business Day for which your Authorized Representative directs the transfer to be initiated by the Bank. This date is referred to in this Agreement as the "Transaction Date." If the date designated as the Transaction Date is not a Business Day, the Transaction Date will be deemed to be the Business Day following the date that your Authorized Representative designated. Transfer

instructions must be received by the Bank not later than 5:00 p.m. Pacific Time on any Business Day (the "Transfer Cut-Off Hour") in order for the transaction to be completed on that Business Day. If instructions for a "same day" transfer are received after the Transfer Cut-Off Hour or on a day that is not a Business Day, your Authorized Representative will be deemed to have directed that the transfer occur on the following Business Day. For purposes of this Agreement, "Business Day" means Monday through Friday, excluding Bank holidays. Recurring transfers are those made for the same amount and are made on a weekly, bi-monthly, monthly or other periodic basis. Once started, recurring transfers will be made automatically unless (1) your Authorized Representative has Account Administrator rights to change the transfer template; (2) tells us to stop or cancel the Service in the manner provided below and, in such case, following a period of time that will give us a reasonable opportunity to act on that request. You can stop any or all of these recurring transfers by calling Pacific Valley Bank at (831)771-4330 or writing us at Pacific Valley Bank 422 Main Street, Salinas, California 93901, so that we receive the cancellation request not less than three (3) Business Days before the next Transaction Date scheduled for the recurring transfer. Cancellation requests sent to us via electronic mail (via your personal or Customer e-mail system) or in any manner other than the procedures set forth in this paragraph will not be accepted.

1.2.2.1. Pursuant to federal law, you and your Authorized Representatives collectively may perform no more than six funds transfers, payments or preauthorized withdrawals per month from any money market account. If you exceed the maximum number of allowable transfers, payments or preauthorized withdrawals on any money market account and/or savings account, the Bank will take such steps as it reasonably deems necessary to ensure your future compliance with allowable transfer limits, including terminating your Online Banking Account.

1.2.2.2. Services. Allowable transfers and withdrawals on any savings account are limited to a maximum of six per month. Additionally, excess withdrawals are subject to a per transaction excess withdrawal fee as set in Bank's Miscellaneous Schedule of Fees, as amended from time to time.

1.2.3. Stop Payments. Allow your Authorized Representatives to initiate stop payment(s) on check(s) drawn on your Eligible Accounts via on-line instructions to the Bank, irrespective of the signer on the item. This feature cannot be used to stop payment on an Automated Clearing House transfer (ACH), a Wire Transfer, or a Paper Draft. To access the Stop Payment Service, your Authorized Representative must log-on to the Service by entering his or her Access Codes as directed by the Internet Banking screen message and select "Stop Pay" from the account level menu. To be effective, the stop payment order must precisely identify the number, date, amount of the item, and the payee. You authorize us to follow the Stop Payment instructions that we receive on-line via access that was gained through the use of the Access Codes for the appropriate Authorized Representative(s) and to debit the Eligible Account (or any of your other accounts) for a stop payment fee in accordance with the Bank's current Miscellaneous Schedule of Fees. We must receive the Stop Payment instruction in time to give us a reasonable opportunity to act on it. We will acknowledge our receipt and processing of Stop Payment instructions by an "Approved" message appearing on the Stop Payment screen. Given the above limitations about certain "same day" transactions, however, such "Approved" message does not mean that the Bank has successfully stopped payment on the item. Stop Payment orders are valid for a period of 6 months unless your Authorized Representative instructs us to cancel it or to renew it, provided that we have not already returned the check. We are not obligated to notify you when a Stop Payment order expires. The order may be renewed for additional 6 month periods at the fee in effect when the renewal is placed. Your Authorized Representative may cancel a stop payment at any time in person, at the Bank, or by calling Pacific Valley Bank at (831)771-4330. We may pay the check when the stop payment order expires.

1.2.3.1 If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone

holding the item may be entitled to enforce payment against you despite the stop payment order.

1.2.3.2. If you write a new check to replace one on which you have placed a stop payment order, be sure it has a different check number and date. It is also helpful to write the word "replacement" on it so it is not mistaken for the original check. Stop payment requests sent to us via electronic mail (via your personal or Online Banking system) or in any manner other than the procedures set forth in this paragraph will not be accepted.

1.2.4. Wire Transfers. The terms and conditions of which are described in Article 3, below.

1.2.5. Automated Clearing House (ACH) Origination. The terms and conditions of which are described in Article 2, below.

1.3. APPLICATION. This Agreement is not complete unless and until we review and approve all applicable Applications to use the Service, as set out in the Application.

1.3.1. Online Banking Application. This Application covers Customer's request for one or more Online Banking Services ("Services") using the Bank's Online Banking platform. You can request the addition or deletion of Services and/or Accounts from time to time by submitting a written request to Pacific Valley Bank 422 Main Street, Salinas, California 93901. The Application lists specific Bank accounts that you wish to access and/or use with one or more of the Services. If the Application includes the accounts of your parent, subsidiaries or affiliates, you warrant that they have authorized you to access their accounts through the Services in the same manner as your own accounts. You agree to provide us with their written authorization, in form and substance acceptable to us, evidencing that authority, and to notify us immediately in writing of any change to that authorization.

1.4. SECURITY PROCEDURES. Pacific Valley Bank and its vendors are committed to providing a safe online banking system. Login information the request and display of person information are done via the use of encrypted SSL communication to prevent unauthorized access. We will provide you with a User ID and Password ("Password") and token (for ACH origination and Wire Transfer) to access your requested Services. We also require you to identify a unique image that you previously selected and to provide an answer to a security question if you logon from a computer that we do not recognize as one you have logged on from in the past. Login attempts are monitored and 3 consecutive failed login attempts will result in your access becoming blocked. It will be necessary to contact the Bank to request that it be unlocked or reset. We agree to provide reasonable assistance to establish Login IDs, Passwords, and tokens, training, and support to you for properly using the Services. You agree to: (a) comply with this Agreement; (b) take reasonable steps to safeguard the confidentiality and security of the Password and/or token, and any other proprietary property or information we provide to you in connection with the Services; (c) not permit more than one person to use the same password and/or token and you may not permit any person other than an Authorized Representative or your Account Administrator to have access to any of the Access Codes; (d) initiate control practices to regularly monitor employee access to the service (e) establish dual control procedures as set by you whereby one individual must approve and/or release an instruction from Customer to a service, for example ACH file transmissions and (f) notify us immediately if you have any reason to believe the security or confidentiality required by this provision has been or may be breached. Our security procedures are not designed for the detection of errors (e.g., duplicate payments or errors in your fund transfer instructions). We will not be obligated to detect errors by you or others, even if we take certain actions from time to time to do so.

1.4.1. Each time you make a transfer, deposit or payment with a Service, you warrant that our security procedures are commercially reasonable (based on the normal size, type, and frequency of your transactions). You agree to be bound by any transfer or payment order we receive through the Services, even if the order is not authorized by you, if it includes your Password or is otherwise processed by us in accordance with our security procedures. Any transaction initiated or authorized using a valid combination of a Login ID and Password will be considered authentic, valid and binding.

1.4.2. Access Control/Account Administrator. Based on the information you submit pursuant to this Agreement, the Bank will

issue an Access ID, Passwords, and security token (for ACH Originations and Wire Transfer Services) and set parameters for Accounts and for the Account Administrator. Depending on the Service Plan you select, your Account Administrator may also be granted authority to determine who will be authorized to use the Services on your behalf. Your Account Administrator will establish limits on each user's authority to access information and conduct transactions. You assume sole responsibility for the actions of your Account Administrator, the authority he or she gives others to act on your behalf, and the actions of the persons designated by the Account Administrator to use the Services. Customer authorizes Pacific Valley Bank to issue an Access ID, Password, and security token (for ACH origination or Wire Transfer Services) for the Account Administrator. You warrant and guarantee all transactions performed using the valid Access ID, Password, or Security token (if applicable) are valid obligations of Customer.

1.4.3. You or your Account Administrator will need to designate which accounts will be utilized for Service payments and transfers. If your Account Administrator designates an account that requires more than one signature for the withdrawal or transfer of funds, you agree that we may act upon any Service instruction that is accompanied by the password designated by you or your Account Administrator for that account and the Service in question. Note: This may mean that we will act upon the instruction of only ONE person (e.g., to wire funds), even though the signature card for the account in question indicates that it is a two-or-more signature account. As long as an instruction is accompanied by the designated password, the transaction will be deemed authorized by you.

1.4.4. You are responsible for and agree to provide to us any instructions relating to changes in your authorized signers, representatives, or account administrators immediately and in writing.

1.4.5. USER RESPONSIBILITIES. Safe and effective use of Pacific Valley Bank's Online Bank service requires that you take an active role and responsibility for maintaining a safe and secure computer environment and follow safe online computing practices. Your role in maintaining a secure environment includes, but is not limited to, the following:

- Do not share your private or personal information (Access ID, password, account number, Social Security Number), or any other sensitive information with unauthorized parties.
- Do not leave your private or personal information out in an open area accessible by other, including your computer screen. When possible, lock your computer prior to leaving and enable a password protected screen saver to automatically lock your computer.
- Do not send your private or personal information over any public or general e-mail system. Email is generally not secure or encrypted and unauthorized parties may easily read the contents.
- Do not login or access Online Banking service from public or shared use computers when you are unable to verify the software installed does not record your keystrokes or online activity.

Do not leave your computer unattended while you are logged into Online Banking.

- Secure your computer by utilizing a firewall and running updated anti-virus and anti-spyware software to reduce the possibility of having the information you type captured and sent to unauthorized parties. Scan your computer hardware and software on a regular basis in order to detect and remove computer viruses.
- Do not use an easy to guess password such as your first or last name, "password" or the name of your child. A more secure password should be at least 12 characters long and include a combination of numbers, upper and lower case letters, as well as special characters such as !@#%\$%^&*+?
- Change your password on a regular basis. We recommend changing the password every 45 days or as soon as possible if you have any reason to believe that others may know it.
- Be skeptical of all requests for your personal information regardless of whether they are made via phone calls, e-mail messages, or web pages.
- Consider the purchase of computer fraud and internet liability insurance to protect you in cases of fraud.

• Immediately report any unauthorized or suspicious activity on your account and report any lost or stolen personal information to Pacific Valley Bank at 831-771-4330.

1.5. EQUIPMENT. You are responsible for providing and maintaining any equipment that is necessary for the Services, such as telephones, terminals, modems and computers. You agree to use equipment that is compatible with our programs, systems and equipment, which we may change from time to time. We assume no responsibility for the errors, failures, defects or incompatibility of any computers or software that you use in connection with the Services, even if we have previously approved their use.

1.6. INFORMATION PROCESSING AND REPORTING. We will not be responsible for determining the accuracy, timeliness or completeness of any information that you or others provide to us. Our sole responsibility for any reporting errors caused by us will be to reprocess the information for the period in question and to provide corrected reports at our own expense. You agree to maintain adequate backup files of the data you submit for a reasonable period of time in order to facilitate any needed reconstruction of your transactions (e.g., due to a telecommunication failure). 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.

1.7. RELIANCE ON THIRD PARTIES. Our ability to provide certain Services is dependent upon our ability to obtain or provide access to third party vendors and networks. In the event any third party is unavailable or we determine, in our discretion, that we cannot continue providing any third party network access, we may discontinue the related Service or may provide the Service through an alternate third party. In such situations, we will have no liability for the unavailability of access. We will not be responsible for any services you receive from third party vendors.

1.8. INTERNET ACCESS. Our service providers and we assume no responsibility for viruses created by third parties, or for any third party's unauthorized access to, or use of, your computer system.

1.8.1. Your use of the Internet will be entirely at your own risk. We make no representation, warranty or endorsement with respect to: (a) information placed on the Internet by third parties; (b) the security or continued availability of the Internet or of any Internet Web site, including without limitation our Web site; or (c) the services, products or information made available over the Internet by others whose sites may be accessed, directly or indirectly, as a result of our Services.

1.8.2. You agree that: (a) any Internet services are provided to you on an "as is" basis, without warranties of any kind; (b) we will not be liable for any errors, defects in, or the untimeliness or lack of authenticity of any information provided over the Internet; (c) we may monitor your e-mail and Internet communications with our employees; and (d) our Internet services will be subject to the additional qualifications and operating rules, if any, set forth on our Web site.

1.9. CUTOFF HOURS. A number of our Services are subject to processing cutoff hours:

SERVICE	CUTOFF (Pacific Time)
Domestic Wire Transfer	12:00 p.m.
International Wire Transfer	12:00 p.m.
ACH Transactions	5:00 p.m.
Remote Deposit Capture	4:00 p.m.
Positive Pay Issue File of Outstanding Checks	5:00 p.m.
Positive Pay- Return/Pay deadline	12:00 p.m.

Our business days are Monday through Friday, excluding holidays. Instructions received after the cutoff hour or on a non-business day may be deemed received as of the next business day. Services may occasionally be unavailable due to needed maintenance or system/network interruptions.

2. ARTICLE TWO: ACH ORIGINATION AND ACH FILTERS TERMS AND CONDITIONS

2.1. GENERAL. This Article relates to Services in which Customer wishes to initiate Credit and/or Debit Entries by means of the Automated Clearing House Network pursuant to the terms of this Agreement and the rules of the National Automated Clearing House

Association and the local ACH Association ("Rules") and Financial Institution is willing to act as an Originating Depository Financial Institution with respect to such Entries. Unless otherwise defined herein, capitalized terms in this Article 2 shall have the meaning provided in the Rules. The term "Entries" shall have the meaning provided in the Rules and shall also mean the data received from Customer hereunder from which Financial Institution prepares Entries.

2.2. TRANSMITTAL OF ENTRIES BY CUSTOMER. Customers may transmit PPD (Prearranged, Payments or Deposits) or CCD (Cash Concentration or Disbursement) credit or debit Entries to Financial Institutions to the location(s) and in compliance with the formatting and other requirements set forth in this Agreement. The total dollar amount of Entries transmitted by Customer to Financial Institution on any day shall not exceed the Maximum ACH Origination Limit approved by Financial Institution.

2.3. SECURITY PROCEDURE.

2.3.1. Customer and Financial Institution shall comply with the security procedure requirements described in Article 1 Section 1.4 with respect to Entries transmitted by Customer to Financial Institution. Customer acknowledges that the purpose of such security procedure is for verification of authenticity and not to detect an error in the transmission or content of an Entry. No security procedures for the detection of any such error have been agreed upon between the Financial Institution and Customer.

2.3.2. Customer is strictly responsible to establish and maintain the procedures to safeguard against unauthorized transmissions. Customer warrants that no individual will be allowed to initiate transfers in the absence of proper supervision and safeguards and agrees to take reasonable steps to maintain the confidentiality of the security procedures and any logons, passwords, codes, security devices and related instructions provided by the Financial Institution in connection with the security procedures described in Article 1 Section 1.4. If Customer believes or suspects known or accessed by unauthorized persons, Customer agrees to notify Financial Institution immediately followed by written confirmation. The occurrence of unauthorized access will not affect any transfers made in good faith by Financial Institution prior to receipt of such notification and within a reasonable time period to prevent unauthorized transfers.

2.4. COMPLIANCE WITH SECURITY PROCEDURE.

2.4.1. If an Entry (or request for cancellation or amendment of an Entry) received by Financial Institution purports to have been transmitted or authorized by Customer, it will be deemed effective as Customer's Entry (or request) and Customer shall be obligated to pay Financial Institution that amount of such Entry even though the Entry (or request) was not authorized by the Customer, provided Financial Institution accepted the entry in good faith and acted in compliance with security procedure referred to in Article 1 Section 1.4 with respect to such entry. If signature comparison is to be used as a part of that security procedure, Financial Institution shall be deemed to have complied with that part of such procedure if it compares the signature accompanying a file of Entries (or request for cancellation or amendment of an Entry) received with the signature of a Security Administrator or Authorized Representative of Customer and, on the basis of such comparison, believes the signature accompanying such file to be that of such Authorized Representative.

2.4.2. If an entry (or request for cancellation or amendment of an Entry) received by Financial Institution was transmitted or authorized by Customer, Customer shall pay Financial Institution the amount of the Entry, whether or not Financial Institution complied with the security procedure referred to in Article 1 Section 1.4 with respect to the Entry and whether or not that Entry was erroneous in any respect if that error would have been detected if Financial Institution had complied with such procedure.

2.5. RECORDING AND USE OF COMMUNICATIONS. Customer and Financial Institution agree that all e-mails or data transmissions between them or their agents made in connection with Article 2 of this Agreement may be electronically recorded and retained for use by either party.

2.6. PROCESSING, TRANSMITTAL AND SETTLEMENT BY FINANCIAL INSTITUTION. Except as provided in Section 2.7, On-Us Entries and Section 2.8, Rejection of Entries, Financial

Institution shall (I) process Entries received from Customer to conform with the file specifications set forth in Rules, (II) transmit such Entries as an Originating Depository Financial Institution to an Automated Clearing House Operator, and (III) settle for such Entries as provided in the Rules.

2.6.1. All ACH Credit Entries should be completed/authorized at least two (2) business days prior to the "Effective Date" of the transactions. All ACH Debit Entries should be completed/authorized at least one (1) business day prior to the "Effective Date" of the transactions. If the transactions are not completed/authorized by the required timeframe, Financial Institution cannot guarantee the transactions will be accepted by ACH processors, or be received/posted on the "Effective Date" by the recipient's financial institution. Financial Institution may accept these items and they will be forwarded to the ACH processor no later than the Financial Institution's next regularly scheduled delivery time. For settlement/Delivery purposes, a business day is defined as legal banking days where both the Financial Institution and ACH processor is open for business. The end-of-day cut-off time or cut off hours are described in Article 1 Section 1.9.

2.6.2. All ACH Credit originations represent financial obligations for the Company and Financial Institution. The Financial Institution may reject any Entry if Company has failed to comply with its account balance obligations. This balance showing in the Internet Banking system associated with the account designed as the settlement account for the Entries must be sufficient to cover the total originations on the Delivery Date as described above. If the settlement account does not have sufficient funds at that time, the Financial Institution may, without any liability, deny, reject, or process the Entries. If the Entries are processed, the Company is still obligated to pay the Financial Institution for the Entries.

2.6.3. Financial Institution shall transmit such entries to the ACH Operator by the Delivery Date deadline prior to the Effective Entry Date shown in such Entries, provided (I) such Entries are received by Financial Institution's related cut-off time set forth in Article 2 Section 2.6.1 (II) the Effective Entry Date is at least one (1) day after such Business Day, and (III) the ACH is open for business on such Business Day. Entries shall be deemed received by Financial Institution, in the case of transmittal by tape, when received by Financial Institution, and in the case of transmittal by electronic transmissions, when the transmission (and compliance with any related security procedure provided for herein) is completed.

If any of the requirements of clause, (I), (II), (III) of Section 2.6.3 are not met, Financial Institution shall use reasonable efforts to transmit such Entries to the ACH Operator by the next deposit deadline of the ACH Operator which is a business day and a day on which the ACH is open for business.

2.7. ON-US ENTRIES. Except as provided in Article 2 Section 2.8, Rejection of Entries, in the case of an Entry received for credit or debit to an account maintained with Financial Institution (an "On-US Entry"), Financial Institution shall credit or debit the Receiver's account in the amount of such Entry on the Effective Entry Date contained in such Entry, provided the requirements set forth in clauses (I) and (II) of Section 2.6.2 are met. If either of those requirements is not met, Financial Institution shall use reasonable efforts to credit or debit the Receiver's account in the amount of such Entry no later than the next business day following such Effective Entry Date.

2.8. REJECTION OF ENTRIES. Financial Institution may reject any Entry, which does not comply with the requirements of Article 2 Section 2.2, Transmittal of Entries by Customer, or Article 2 Section 2.3 Security Procedure, of which contains an Effective Entry Date more than five days after the business day such Entry is received by Financial Institution. Financial Institution may reject an On-US Entry, for any reason for which an Entry may be returned under Rules. Financial Institution may reject an Entry if Customer has failed to comply with its account balance obligations under Article 2 Section 2.12, The Account. The Financial Institution may reject any entry if Customer does not adhere to security procedures as described in this Agreement. Financial Institution shall notify Customer by phone, electronic transmission (including e-mail), or in writing of such rejection no later than the business day such Entry would otherwise have been transmitted by Financial Institution to the ACH Operator or, in the case of an On-US entry, its Effective Entry Date. Notices of rejection shall be effective when given.

Financial Institution shall have no liability to Customer by reason of the rejection of any such entry or the fact that such notice is not given at an earlier time than that provided for herein.

2.9. CANCELLATION OR AMENDMENT BY CUSTOMER. Customer shall have no right to cancel or amend any Entry after its receipt by Financial Institution. However, if such request complies with the security procedures described in this Agreement for the cancellation of Data, Financial Institution shall use reasonable efforts to act on a request by Customer for cancellation of an Entry prior to transmitting it to the ACH Operator or, in the case of an On-US Entry, prior to crediting or debiting a Receiver's account, but shall have no liability if such cancellation is not effected. Customer shall reimburse Financial Institution for any expenses, losses, or damages Financial Institution may incur in effecting or attempting to affect Customer's request for the reversal of an entry.

2.10. NOTICE OF RETURNED ENTRIES AND NOTIFICATION OF CHANGE.

2.10.1. Financial Institution shall notify Customer by phone, electronic transmission (e-mail) or US Mail of the receipt of a returned entry from the ACH Operator no later than (one Business Day) after the Business Day of such receipt. Except for an entry retransmitted by Customer in accordance with the requirements of Article 2 Section 2.2, Transmittal of Entries By Customer, Financial Institution shall have no obligation to retransmit a returned Entry to the ACH if Financial Institution complied with the terms of this Agreement with respect to the original Entry. Customer shall notify the Originator by phone, electronic transmission or e-mail of receipt of each return entry no later than one Business Day after the Business Day of receiving such notification from the ODFI.

2.10.2. Financial Institution shall provide Customer all information, as required by the NACHA Operating Rules, with respect to each Notification of Change (NOC) Entry or Corrected Notification of Change (Corrected NOC) Entry received by Financial Institution relating to Entries transmitted by Customer. Financial Institution must provide such information to Customer within two banking days of the Settlement Date of each NOC or Corrected NOC Entry. Customer shall ensure that changes requested by the NOC or Corrected NOC are made within six (6) banking days of Customer's receipt of the NOC information from Financial Institution or prior to initiating another Entry to the Receiver's account, whichever is later.

2.11. PAYMENT BY CUSTOMER FOR ENTRIES; PAYMENT FOR ODFI FOR ENTRIES.

2.11.1. Customer shall pay Financial Institution the amount of each credit Entry transmitted by Financial institution pursuant to this Agreement at such time on the Settlement Date with respect to date of transmittal by Financial Institution of such credit Entry as Financial Institution, in its discretion, may determine.

2.11.2. Customer shall promptly pay Financial Institution the amount of each debit entry returned by an RDFI that was transmitted by Financial Institution pursuant to this Agreement.

2.11.3. Financial Institution shall pay Customer the amount of each debit Entry transmitted by Financial Institution pursuant to this Agreement at such time on the settlement date with respect to such debit Entry as Financial Institution, in its discretion, may determine, and the amount of each On-US Entry at such time on the Effective Entry Date with respect to such Entry as Financial Institution, in its discretion, may determine.

2.11.4. Financial Institution shall promptly pay Customer the amount of each credit Entry returned by an RDFI that was transmitted by Financial Institution pursuant to this Agreement.

2.12. THE ACCOUNT. Financial Institution may, without prior notice or demand, obtain payment of any amount due and payable to it under Article 2 of this Agreement by debiting the account(s) of Customer identified in Customer's Application (the "Account"), and shall credit or debit the Account for any amount received by Financial Institution by reason of the return of an Entry transmitted by Financial Institution for which Financial Institution has previously received payment or credit from Customer. Such credit or debit shall be made as of the day of such receipt by Financial Institution. Customer shall at all times maintain a balance of available funds in the Account sufficient to cover its payment obligations under this Agreement. In the event there are not sufficient funds in the Account to cover Customer's obligations under this Agreement, Customer agrees that Financial Institution may

debit any account maintained by Customer with Financial Institution or any affiliate of Financial Institution or that Financial Institution may set off against any amount it owes to Customer, in order to obtain payment of Customer's obligations under this Agreement. Upon request of Financial Institution, Customer agrees to promptly provide to Financial Institution such information pertaining to Customer's financial condition as Financial Institution may reasonably request.

2.13. ACCOUNT RECONCILIATION. Entries transmitted by Financial Institution or credited to a Receiver's account maintained with Financial Institution will be reflected on Customer's periodic statement issued by Financial Institution with respect to the Account pursuant to the Agreement between Financial Institution and Customer. Customer agrees to notify Financial Institution promptly of any discrepancy between Customer's records and the information shown on any periodic statement. If Customer fails to notify Financial Institution of any discrepancy within ten (10) business days of receipt of a periodic statement containing such information, Customer agrees the Financial Institution shall not be liable for any other losses resulting from Customer's failure to give such notice or any loss of interest or any interest equivalent with respect to an Entry shown on such periodic statement. If Customer fails to notify Financial Institution of any such discrepancy within sixty (60) days of receipt of such periodic statement, Customer shall be precluded from asserting such discrepancy against Financial Institution.

2.14. CUSTOMER REPRESENTATION AND AGREEMENTS; WARRANTIES. With respect to each and every Entry transmitted by Customer, Customer represents and warrants to Financial Institution and agrees that (a) each person shown as the Receiver on an Entry received by Financial Institution from Customer has authorized the initiation of such Entry and the crediting or debiting of its account in the amount and on the Effective Entry Date shown of such Entry, (b) such authorization is operative at the time of transmittal of crediting/debiting by Financial Institution as provided herein, (c) Entries transmitted to Financial Institution by Customer are limited to those types of Credit or Debit Entries set forth in Section 2.2, Transmittal of Entries By Customer, (d) Customer shall perform its obligations under this Agreement in accordance with all applicable laws, regulations, and orders, including, but not limited to the sanctions laws, regulation and orders administered by OFAC; laws, regulations, and orders administered by FINCEN; and any state laws, regulations, or orders applicable to providers of ACH payment services, and (e) Customer shall be bound by and comply with the Provision of the Rules (among other provisions of the rules) making payment of an entry by the RDFI to the receiver provisional until receipt by the RDFI of final settlement for such entry. Customer specifically acknowledges that it has received notice of the rule regarding provisional payment and of the fact that, if such settlement is not received, the RDFI shall be entitled to a refund from the receiver of the amount credited and Customer shall not be deemed to have paid the receiver the amount of the entry. Customer shall indemnify Financial Institution against any loss, liability or expense (including attorney fees and costs) resulting from or arising out of any breach of any of the foregoing warranties, representations or agreements contained in this Article 2.

Each company originating ACH entries through Pacific Valley Bank must comply with the NACHA Operating Rules. As you may be aware, these Rules are updated with changes, additions, and deletions on an annual basis, Pacific Valley Bank will ensure that annually it communicates these Rules changes to ensure that our customers are educated on those Rules and make any necessary changes to its daily processes as a result of these changes. Annually, we recommend that you purchase a copy of the updated NACHA Operating Rules & Guidelines by contacting the bank at 831-771-4316 or by visiting <http://www.nacha.org>.

2.15. INCONSISTENCY OF NAME AND ACCOUNT NUMBER. Customer acknowledges and agrees that, if an Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted by Financial Institution to the Receiving Depository Financial Institution may be made by the Receiving Depository Financial Institution (or by Financial Institution in the case of an On-Us Entry) on the basis of the account number supplied by the Customer, even if it identifies a person different from the named Receiver, and that Customer's obligation to pay the amount of the Entry to Financial Institution is not excused in such circumstances.

2.16. NOTICES, INSTRUCTIONS, ETC.

2.16.1. Except as otherwise expressly provided herein, Financial Institution shall not be required to act upon any notice or instruction received from Customer or any other person, or to provide any notice or advice to Customer or any other person with respect to any matter.

2.16.2. Financial Institution shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by an Account Administrator or Authorized Representative, and any such communication shall be deemed to have been signed by such person. Customer may add or delete any Account Administrator or Authorized Representative by written notice to Financial Institution signed by an Authorized Representative other than that being added or deleted. Such notice shall be effective on the second business day following that day of Financial Institution's receipt thereof.

2.17. DATA RETENTION. Customer shall retain data on file adequate to permit remarking Entries for five (5) days following the date of their transmittal by Financial Institution as provided herein, and shall provide such Data to Financial Institution upon its request. Without limiting the generality of the foregoing provision, Customer specifically agrees to be bound by and comply with all the applicable provision of the rules regarding the retention of documents or any record without limitation, Customer's responsibilities to retain all items, source documents, and records of authorization in accordance with the rules.

2.18. TAPES AND RECORDS. All magnetic tapes, Entries, security procedures and related records used by Financial Institution for transactions contemplated by this Agreement shall be and shall remain Financial Institution's property. Financial Institution may, at its sole discretion, make available such information upon Customer's request. Customer shall pay any expenses incurred by Financial Institution in making such information available to Customer.

2.19. EVIDENCE OF AUTHORIZATION. Customer shall obtain all consents and authorizations required under the Rules and shall retain such consents and authorizations for two (2) years after they expire.

2.20. RIGHT TO AUDIT. The bank reserves the right to audit its ACH Originators to ensure compliance with this agreement and the NACHA rules and regulations governing the ACH network. The company shall, upon the financial institution's request, provide to the financial institution any audit related information (i.e. customer authorizations, proof of record retention, system security etc.) and assistance as the bank may require to perform such review within 7 days of our request.

2.21. COOPERATION IN LOSS RECOVERY EFFORTS. In the event of any damages for which Financial Institution or Customer may be liable to each other or to a third party pursuant to the Services provided under this Agreement, Financial Institution and Customer will undertake reasonable efforts to cooperate with each other, as permitted by applicable law, in performing loss recovery efforts and in connection with any actions that the relevant party may be obligated to defend or elects to pursue against a third party.

2.22. ACH TRANSACTIONS. ACH transaction limits are set by Bank as an effective way to minimize potential loss from unauthorized ACH activity posting to your account(s). These limits are provided to your initial training and site visit.

2.22.1. Customer Responsibilities. Customer shall supply bank with required authorized ACH information. Such information shall include, without limitation, the Company ID and Company Name. Customer shall be responsible for the accuracy and completeness of all information provided to Bank.

2.22.2. Bank Responsibilities. In reliance on the information provided by Customer, Bank shall establish the ACH filter parameters on the core system within two business days of receipt of the request.

2.22.3. ACH Exceptions. Each business day, Bank shall make reasonable efforts to report to Customer any ACH transaction that is not established in the core system as an authorized ACH transaction. Customer requests Bank to return all ACH exceptions, unless Customer instructs Bank to pay an ACH exception. Bank shall have no responsibility for any liability, loss or damage resulting from (i) Customer not completing affidavit of forgery, (ii) Customer's failure to meet the established deadline.

2.23 PROHIBITED USES. The following content and activities may not be displayed or promoted by Customer nor associated in any way with Customer's account, including, without limitation:

Transmission, storage, or presentation of any information, data, or material in violation of any United States, state or local law, rule or regulation.

Copyrighted materials without the proper authorization or permission.

Material or activities judged by Pacific Valley Bank to be threatening, obscene, disparaging, or hate related.

Pornography, nudity, and sex-related merchandising, including without limitation, sites that may infer sexual content, or link to adult content.

Content that promotes any illegal activity.

Content that might be damaging to our services or to any other server on the internet.

Pirated software.

Promotion or sale of unsolicited or bulk email (SPAM) software or services.

Unsolicited or bulk email or newsgroup posts (SPAM) which references and/or is traceable to Pacific Valley Bank or Customer in any way.

Illegally distributed MP3 media.

Links or reference to any of the above.

3. ARTICLE THREE: WIRE TRANSFER TERMS AND CONDITIONS.

The terms and conditions relating to wire transfer Services are governed pursuant to this Article 3 of the Agreement.

3.1. WIRES TRANSFERS. Customer authorizes us, Pacific Valley Bank, to transfer funds (a "funds transfer") as shown on the payment order transmitted by Customer to financial Institution. We send the funds transfer by our usual methods. This means we may select any intermediary Bank, funds transfer system, or means of transmittal to send your payment order. Other banks involved in the funds transfer may impose additional charges.

3.1.1. We do not have to get a receipt from the beneficiary of the funds transfer. If you request, we will try to confirm payment of the funds transfer. You agree to pay our charges for that confirmation. We do not have to act on your request until at least three weeks after the date of the funds transfer.

3.1.2. Customer agrees that wire transactions are irrevocable. Customer also agrees the obligation of Pacific Valley Bank to exercise ordinary care in the processing procedures established for this transaction does not include delays or losses caused by another party's involvement in the transfer procedure.

3.1.3. We have specific cutoff times or hours for processing payment orders. Different cutoff times may apply to different types of payment orders. Refer to Article 1.9.

3.1.4. If Fed wire carries any part of the funds transfer, your rights and obligations regarding the funds transfer are governed by regulation J of the U.S. Federal Reserve Board.

3.1.5. We may reject this payment order. If you provide us with the information, we notify you of rejection orally, electronically, or in writing. We send the notice of rejection by the end of our next business day. We are not liable to you for the rejection, and we are not obligated to pay you interest for the period before you receive the notice of rejection.

3.1.6. When we debit your account with us to pay for this funds transfer, we notify you about the funds transfer by listing it on your account statement. You must send us written notice, including a statement of relevant facts, within 14 calendar days after you receive the first account statement on which any unauthorized or erroneous debit to your account or any other discrepancy between your records and ours appear. If you fail to notify us within this 14 day period, we are not liable or obligated to compensate you, for any loss of interest or interest equivalent because of an unauthorized or erroneous debit.

3.2. SECURITY PROCEDURE.

3.2.1. Customer and Financial Institution shall comply with the security procedure requirements described in Article 1 Section 1.4 with respect to Entries transmitted by Customer to Financial Institution. Customer acknowledges that the purpose of such security procedure is for verification of authenticity and not to detect

an error in the transmission or content of an Entry. No security procedures for the detection of any such error have been agreed upon between the Financial Institution and Customer.

3.2.2. Customer is strictly responsible to establish and maintain the procedures to safeguard against unauthorized transmissions. Customer warrants that no individual will be allowed to initiate transfers in the absence of proper supervision and safeguards and agrees to take reasonable steps to maintain the confidentiality of the security procedures and any logons, passwords, codes, security devices and related instructions provided by the Financial Institution in connection with the security procedures described in Article 1 Section 1.4 for the access rights granted to Services. If Customer believes or suspects that any such information or instructions have been known or accessed by unauthorized persons, Customer agrees to notify Financial Institution immediately followed by written confirmation. The occurrence of unauthorized access will not affect any transfers made in good faith by Financial Institution prior to receipt of such notification and within a reasonable time period to prevent unauthorized transfers.

3.3. COMPLIANCE WITH SECURITY PROCEDURE.

3.3.1. If an Entry (or request for cancellation or amendment of an Entry) received by Financial Institution purports to have been transmitted or authorized by Customer, it will be deemed effective as Customer's Entry (or request) and Customer shall be obligated to pay Financial Institution that amount of such Entry even though the Entry (or request) was not authorized by the Customer, provided Financial Institution accepted the entry in good faith and acted in compliance with security procedure referred to in Article 1 Section 1.4 with respect to such entry. If signature comparison is to be used as a part of that security procedure, Financial Institution shall be deemed to have complied with that part of such procedure if it compares the signature accompanying a file of Entries (or request for cancellation or amendment of an Entry) received with the signature of an Authorized Representative of Customer and, on the basis of such comparison, believes the signature accompanying such file to be that of such Authorized Representative.

3.3.2. If an entry (or request for cancellation or amendment of an Entry) received by Financial Institution was transmitted or authorized by Customer, Customer shall pay Financial Institution the amount of the Entry, whether or not Financial Institution complied with the security procedure referred to in Article 1 Section 1.4 with respect to the Entry and whether or not that Entry was erroneous in any respect if that error would have been detected if Financial Institution had complied with such procedure.

3.4. PAYMENT BY CUSTOMER FOR ENTRIES. Customer shall pay Financial Institution the amount of each Entry transmitted by Financial Institution pursuant to this Agreement.

3.5. NOTICES, INSTRUCTIONS, ETC. With respect to this Article 3:

3.5.1. Except as otherwise expressly provided herein, Financial Institution shall not be required to act upon any notice or instruction received from Customer or any other person, or to provide any notice or advice to Customer or any other person with respect to any matter.

3.5.2. Financial Institution shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by a Security Administrator or Authorized Representative, and any such communication shall be deemed to have been signed by such person. Customer may add or delete any Account Administrator or Authorized Representatives by written notice to Financial Institution signed by an Account Administrator other than that being added or deleted. Such notice shall be effective on the second business day following that day of Financial Institution's receipt thereof.

4. ARTICLE FOUR: REMOTE DEPOSIT CAPTURE SERVICE TERMS AND CONDITIONS. The provisions of this Article 4 govern the terms and conditions of Customer's Remote Deposit Capture Service.

4.1. GENERAL DESCRIPTION OF REMOTE DEPOSIT CAPTURE SERVICE. Subject to the terms, provisions and conditions of Article 4 of this Agreement, Bank shall provide the Remote Deposit Capture Service to Customer, which allows Customer to make deposits to Customer's deposit accounts listed in the Online Banking and Remote Deposit Capture Application you processed with the Bank and made a

part hereof (each such deposit account a "Remote Deposit Account" and, collectively, the "Remote Deposit Accounts") from Customer's office by scanning checks on a desktop scanner and delivering the images and information required hereby to Bank or Bank's designated processor (a "Processor"). The terms Bank and Processor may be used interchangeably when used in relation to any services performed by a Processor on behalf of Bank including, but not limited to, the receipt and processing of images and check data and any notices related thereto. The scanner must capture an image of the front and back of each Check (as herein defined) to be deposited (each an "Image" and, if more than one, "Images") in accordance with the Procedures (as herein defined), must read and capture the magnetic ink character recognition ("MICR") line on each check and must read and capture all such other data and information as is required by this Agreement. After capture of the Images, the MICR line on each check and all other required data and information from each check, Customer will transmit one or more files containing the Images, the MICR line from each check and all other required data and information from or pertaining to all checks and all batched deposit (as herein defined) data and other required information (each such file a "File" and, if more than one, "Files") to Bank or Processor via the Internet. Subject to compliance with the terms, provisions and conditions of, and as provided in, Article 4 of this Agreement, Bank will provisionally credit the Account or Accounts designated by Customer for the amount of the deposit(s) to which the File(s) pertains at the end of the day of receipt of the File(s) and enter the images of the checks into the collection process, in accordance with the provisions of Bank's then current deposit account agreement and disclosure pertaining to the Account(s) into which the deposit is to be made (the "Deposit Agreement") and this Agreement. Customer acknowledges and agrees that Bank may discontinue, and/or change the terms of, the Remote Deposit Capture Service or any related content, features, products or services associated therewith, at any time without notice or liability to Customer or any third party.

4.2. HARDWARE AND SOFTWARE. Customer understands it must, and hereby agrees to, at its sole cost and expense, use computer hardware and software that meets all technical requirements for the proper delivery of the Remote Deposit Capture Service and that fulfills Customer's obligation to obtain, and maintain, secure access to the Internet. Customer understands and agrees it may also incur, and shall pay, any and all expenses related to the use of the Remote Deposit Capture Service, including, but not limited to, telephone service or Internet service charges. Customer is solely responsible for the payment of any and all costs and expenses associated with meeting and maintaining all technical requirements and additional items necessary for the proper use of the Remote Deposit Capture Service. Customer understands and agrees that it is solely responsible for the operation, maintenance and updating of all equipment, software and services used in connection with the Remote Deposit Capture Service and the cost thereof, and Customer hereby agrees that it will perform, or cause to be performed, all vendor recommended maintenance, repairs, upgrades and replacements, and such performance shall be rendered by properly trained personnel, whether they are employees of Customer or third-party employees. Bank is not responsible for, and Customer hereby releases Bank from any and all claims for damages resulting from, or related to, any computer virus or related problems that may be associated with using electronic mail or the Internet. Bank is not responsible for, and Customer hereby releases Bank from any and all claims for damages resulting from, or related to, defects in or malfunctions of Customer's computer hardware or software, or failures of or interruptions in any electrical, telephone or Internet services. Bank hereby advises Customer, and Customer hereby agrees, to scan its computer hardware and software on a regular basis using a reliable computer virus detection product in order to detect and remove computer viruses. In connection with its use of the Remote Deposit Capture Service, Customer shall only use the hardware provided by Bank or such other hardware as is approved in advance by Bank and shall only use such software as is approved in advance by Bank.

4.2.1. All right, title and interest in and to (a) any and all computer programs, including, but not limited to, the object and source codes therefore, and any and all updates, upgrades, fixes and enhancements thereto and any and all documentation, user guides and instructions pertaining thereto (everything in this clause (a), collectively, "Software"), (b) the Remote Deposit Capture Procedure Manual (defined herein below) and (c) any and all users guides, instructions and other documentation provided to, or used by, Customer in

connection with the Remote Deposit Capture Service (everything in this clause (c) together with the Remote Deposit Procedure Manual, collectively, the "Documentation") shall be, and remain, the property of Bank or any third party Software provider, as applicable. Unless otherwise expressly authorized, Customer may not (a) copy, reproduce, transmit, retransmit, disseminate, display, publish, sell, broadcast, circulate, distribute, transfer, assign, commercially exploit, reverse engineer, reverse compile or create derivative works of, the Software in any form or (b) copy, reproduce, transmit, retransmit, disseminate, display, publish, sell, broadcast, circulate, distribute, transfer, assign, commercially exploit the Documentation.

4.3. CHECKS DEPOSITED AND SECURITY INTEREST. Customer hereby agrees that it will only scan and deposit a check(s) as that term is defined in Federal Reserve Board Regulation CC ("Reg CC"). Customer further agrees that it will not remotely deposit any check or other item that: (a) are payable to any person or entity other than Customer, (b) are drawn, or otherwise issued, by Customer or any affiliate of Customer on any account of Customer or of such affiliate, (c) are prohibited by Bank's then current procedures pertaining to the Remote Deposit Capture Service (the "Procedures") or are in violation of any law, rule or regulation, (d) Customer knows or suspects, or should know or suspect, is fraudulent or otherwise not authorized by the owner of the account on which the Check is drawn, (e) have not been previously endorsed by a bank and are either "substitute checks" (as defined in Reg CC or other applicable federal law or regulation) or "image replacement documents" that purport to be substitute checks, without Bank's prior written consent, (f) are drawn on financial institutions that are located outside of the United States or Territories of the United States, (g) is a Remotely Created Check, or (h) which are not acceptable to Bank for deposit into a deposit account as provided in the Deposit Agreement, which is incorporated herein by reference and made a part hereof (Checks described in clauses (a) through (h) each a "Prohibited Check" and, collectively, "Prohibited Checks"). If Customer deposits a Prohibited Check, Customer agrees to indemnify and reimburse Bank for, and hold Bank harmless from and against, any and all losses, costs and expenses (including reasonable attorneys fees) Bank may incur associated with any warranty, indemnity or other claim related thereto. Furthermore, if, after first having obtained Bank's written consent to do so, Customer provides Bank with an electronic representation of a substitute check for deposit into an Account instead of an original Check, Customer agrees to indemnify and reimburse Bank for, and hold Bank harmless from and against, any and all losses, costs and expenses (including reasonable attorneys fees) Bank incurs because any such substitute check resulting from such electronic representation does not meet applicable substitute check standards and/or causes duplicate payments.

4.3.1. Customer grants Bank a security interest in all Remote Deposit Accounts or other deposits (whether general or special) of Customer's at the Bank, and in all funds in such Remote Deposit Accounts or other deposits, to secure Customer's obligations to Bank under this Agreement. This security interest will survive termination of this Agreement.

4.3.2. Customer may be required to maintain a reserve ("Settlement Reserve") of an amount to be solely determined by the Bank. Customer acknowledges and agrees that any Settlement Reserve will be deposited in a Bank account for exclusive use by the Bank for purposes of offsetting any of Customer's obligations under Article 4 of this Agreement. Customer grants the Bank a security interest in any Settlement Reserve to enable the Bank to enforce any obligation owed by Customer under Article 4 of this Agreement without notice or demand to Customer. Customer's obligation to maintain a Settlement Reserve shall survive the termination of this Agreement, with such obligation lasting until all of Customer's obligations under Article 4 of this Agreement have been fully offset.

4.4. SCANNING OF CHECKS AND TRANSMISSION OF FILES.

Customer shall properly install and use all software and hardware required by this Agreement or otherwise required for, or related to, the use of the Remote Deposit Capture Service. Customer shall (a) endorse each Check to be deposited in accordance with the Procedures, (b) scan the front and back of each Check to be deposited and thereby capture the image of the front and back of each Check and capture the MICR encoding on, and any other required data from, each Check and (c) transmit the File containing the images of, the MICR line from and all other required data and information from or pertaining to, such Checks and all batched data

and other information to Bank or its Processor in accordance with the Procedures, a copy of which Procedures have either heretofore been, or are herewith, provided to Customer by Bank, and Customer acknowledges receipt thereof. Bank reserves the right to amend the Procedures, with or without prior notice to Customer. Bank will provide Customer with a Username and a temporary password („Security Procedures“) to access the Remote Deposit Capture Service. The specific Security Procedures will be described in the Procedures. Customer agrees to, at all times, (a) comply with the Procedures, (b) safeguard the confidentiality and security of the Procedures, Security Procedures and all other proprietary property or information Bank provides to Customer in connection with the Remote Deposit Capture Service and (c) notify Bank immediately if Customer has any reason to believe the security or confidentiality required by this provision has been or may be breached. Customer acknowledges, understands and agrees the Security Procedures are not designed for the detection of errors. Bank is not, and will not be, obligated to detect errors by Customer or others, even if Bank takes certain actions from time to time to do so.

4.4.1. To ensure accuracy, Customer shall balance the dollar amount of each deposit to the sum of the Checks prior to transmitting the File in accordance with the Procedures. Customer may send multiple Files to Bank or Processor throughout the day. The total dollar value of the Files sent by Customer to Bank on any day shall not exceed the dollar amount specified by Bank (the “Deposit Limit”). If the total dollar value of the Files sent by Customer to Bank on any day exceeds the Deposit Limit, Bank may, at its option, refuse to accept the File that exceeds the Deposit Limit, or Bank may accept and process the File. Customer agrees not to exceed the Deposit Limit. To be eligible for processing on the day transmitted, Files must be received by Bank no later than the cut-off time specified by Bank (the “Cut-Off Time” as described in Article 1 Section 1.9). A File is considered received by Bank when a complete copy of such File has a delivered status on a Bank electronic storage device in conformity with Bank’s technical and operational requirements. To meet the Cut-Off Time, the entire File must be batched out by the Cut-Off Time, and the File must successfully pass the edits for conformity with the technical requirements. For purposes of determining when a File has been delivered and received, Bank’s records shall be determinative. A File which is not balanced in accordance with the Procedures or which is received after the Cut-Off Time shall be deemed to have been received on the business day following the business day on which the File is actually received by Bank. Bank reserves the right to reject the number of Files that may be transmitted in a day, the Deposit Limit and the Cut-Off Time. All such changes shall be effective immediately and may be implemented prior to Customer’s receipt of notice thereof. Customer may contact Bank at any time to verify the current number of Files that may be transmitted in a day, the Deposit Limit and the Cut-Off Time.

4.5. MAINTENANCE AND DESTRUCTION OF ORIGINAL CHECK. Customer shall stamp or endorse the original check before or during the process of scanning the Check in accordance with Section 4.5 of this Agreement.. Customer shall securely store all original Checks for a minimum period of thirty days after Customer has received notice from Bank that the File containing the images of such Checks has been accepted (such period the “Retention Period”). During the Retention Period, Customer shall take appropriate security measures to ensure that: (a) only authorized personnel shall have access to original Checks, (b) the information contained on such Checks shall not be disclosed, (c) such Checks will not be duplicated or scanned more than one time and (d) such Checks will not be deposited or negotiated in any form. Customer shall destroy original Checks upon the expiration of the Retention Period applicable to such Checks. Customer will use commercial and Federal standards to destroy Checks after expiration of the Retention Period. Customer hereby indemnifies Bank for, and holds Bank harmless from and against, any and all claims, demands, actions, causes of action, losses and damages, of whatever nature or kind, and regardless of the theory upon which the same is(are) based, caused directly or indirectly by, arising out of, related to, in connection with or resulting wholly or partially from, the destruction of original Checks by Customer. Customer will promptly (but in all events within 5 business days) provide any retained Check (or, if the Check is no longer in existence, a sufficient copy of the front and back of the Check) to Bank as requested to aid in the clearing and collection process or to resolve claims by third parties with respect to any Check.

4.6. IMAGE AND MICR QUALITY. Each File transmitted by Customer to Bank shall contain Images of the front and the back of the Checks scanned and remotely deposited by Customer. Each Image of each Check shall be of such quality that the following information can clearly be read and understood by sight review of such Image:

- 4.6.1.** the amount of the Check;
- 4.6.2.** the payee of the Check;
- 4.6.3.** the signature of the drawer of the Check;
- 4.6.4.** the date of the Check;
- 4.6.5.** the Check number;
- 4.6.6.** the information identifying the drawer and the paying bank that is preprinted on the Check, including the MICR line; and
- 4.6.7.** all other information placed on the Check prior to the time an image of the Check is captured, such as any required identification written on the front of the Check and any endorsements applied to the back of the Check.

4.6.8. Each Image shall also meet all standards for image quality established by the American National Standards Institute (“ANSI”), the Board of Governors of the Federal Reserve or any other regulatory agency, clearing house or association.

4.6.9. Customer shall also capture and transmit to Bank the full-field MICR encoding on each Check. In accordance with the Procedures, Customer shall ensure that the following information is captured from the MICR line of each Check:

- 4.6.9.1.** the American Bankers Association routing transit number (“RTN”);
- 4.6.9.2.** the number of the account on which the Check is drawn;
- 4.6.9.3.** when encoded, the amount of the Check; and
- 4.6.9.4.** when encoded, the serial number and the process control field of the Check.

4.7. RECEIPT OF FILE. Customer agrees that Customer shall be solely liable for, and Bank shall not have any liability whatsoever to Customer for, any File or the Images or other information contained therein that are not received by Bank or for any File or the Images or other information contained therein that are intercepted or altered by an unauthorized third party. Customer agrees that Bank has no obligation to accept a File and, therefore, may reject any File or the Images or other information contained therein submitted by Customer. Bank has no obligation to notify Customer of the rejection of a File or the Images or other information contained therein. Bank shall have no liability to Customer for the rejection of a File or the Images or other information contained therein or for the failure to notify Customer of such rejection. Upon receipt of a File submitted by Customer, Bank may examine such File and the Images and other information contained therein to ensure that Customer has complied with Article 4 of this Agreement and followed the Procedures. If Bank determines that Customer has not complied with this Agreement or followed the Procedures or if errors exist in the Images or other information contained in the File, Bank, in its sole discretion, may either reject the File or elect to correct the error and accept and process the corrected File (a “Corrected File”). As a form of correction, Bank may credit Customer’s Account for the full amount of the deposit and make any necessary adjustments to the Remote Deposit Account to correct the error. Bank may, at its option, also perform a risk management analysis of one or more Files submitted by Customer to detect potentially fraudulent Checks, and, in its sole discretion, Bank may reject any such File or the Images or other information contained therein. If after examination of a File and the Images and other information contained therein, Bank determines that Customer has complied with this Agreement and processed and transmitted the File in accordance herewith and with the Procedures, the File is balanced and the Images meet the requirements of Section 4.6 of this Agreement, then Bank shall accept the File (an “Accepted File”) for deposit to Customer’s Account. Notwithstanding the fact that Bank has accepted a File for deposit, any credit made to Customer’s Account shall be provisional, and Customer shall remain liable to Bank for any errors, inaccuracies, breach of warranties and any other loss sustained by, or claim made against, Bank.

4.8. DEPOSIT CREDIT AND AVAILABILITY OF FUNDS. Upon acceptance of the File. For the purpose of determining availability of funds, Bank may hold funds for the period of time permitted by Reg

CC. For the purposes of determining the time for which funds may be held by Bank under Reg. CC, the place of deposit shall be 422 Main Street, Salinas, California 93901.

4.9. LAWS, RULES AND REGULATIONS. Customer agrees to comply with all existing and future operating procedures used by Bank for processing of transactions. Customer further agrees to comply with, and be bound by, all applicable state or federal laws, rules, regulations, orders, guidelines, operating circulars and pronouncements, affecting checks and drafts and ACH transactions, including, but not limited to, all rules and procedural guidelines established by the Federal Trade Commission ("FTC"), the Board of Governors of the Federal Reserve, National Check Exchange ("NCE"), Small Value Payments Company ("SVP Co"), Viewpointe, Endpoint Exchange, the National Automated Clearing House Association ("NACHA"), Electronic Check Clearing House Organization ("ECCHO") and any other clearinghouse or other organization in which Bank is a member or to which rules Bank has agreed to be bound. The Rules are incorporated herein by reference. These procedures, rules, and regulations (collectively the "Rules") and laws are incorporated herein by reference. In the event of conflict between the terms of this Agreement and the Rules, the Rules will control.

4.10. COLLECTION OF CHECKS. Bank, in its sole discretion, shall determine the manner in which Images shall be presented for payment to the drawee bank. Bank, in its sole discretion, shall select the clearing agents used to collect and present the Images, and Bank's selection of the clearing agents shall be considered to have been designated by Customer. Bank shall not be liable for the negligence of any clearing agent. Collection of Checks is also subject to the Rules and the terms of the Deposit Agreement.

4.11. CONTINGENCY PLAN. Customer agrees that, in the event Customer is not able to capture, balance, process, produce or transmit a File to Bank, or otherwise comply with the terms hereof or of the Procedures, for any reason, including, but not limited to, communications, equipment or software outages, interruptions or failures, Customer will transport the originals of all Checks to the closest office of Bank and deposit original Checks with Bank until such time that the outage, interruption or failure is identified and resolved. The deposit of original Checks at an office of Bank shall be governed by the terms and conditions of the Deposit Agreement and not by the terms of this Agreement. Notwithstanding the foregoing, and to the extent applicable, Section 4.12 of this Agreement dealing with warranties shall apply to the deposit of original Checks.

4.12. WARRANTIES. With respect to the Remote Deposit Capture Service provisions of this Agreement contained in Article 4, Customer represents, warrants and covenants the following to Bank:

4.12.1. Checks Deposited. Customer shall only deposit Checks that are authorized by this Agreement, the Procedures and the Deposit Agreement;

4.12.2. Image Quality. Each Image transmitted by Customer to Bank contains an accurate representation of the front and the back of each Check and complies with the requirements of this Agreement;

4.12.3. Accuracy of Information. All data and other information submitted by Customer to Bank, including, but not limited to, data contained in the MICR line of each Check is complete and accurate and complies with the requirements of this Agreement;

4.12.4. Business Purpose Only. Customer is not a consumer, and the Remote Deposit Capture Service shall be used for business purposes only;

4.12.5. No Duplicates. Customer will not:

4.12.5.1. create duplicate Images of the Checks,

4.12.5.2. transmit a duplicate Image or File to Bank, or

4.12.5.3. deposit or otherwise negotiate the original of any Check of which an Image was created.

4.12.5.4. Customer further warrants that no subsequent transferee, including but not limited to Bank, a collecting or returning bank, drawer, drawee, payee or endorser, will be asked to pay the original Item from which the Image(s) was created or a duplication (whether paper or electronic, including ACH entries) of the Item(s);

4.12.6. No Loss. No Subsequent transferees of the Item(s), including but not limited to Bank, a collecting or returning bank,

drawer, drawee, payee or endorser, shall sustain a loss as the result of the fact that the Image was presented for payment or returned instead of the original Check;

4.12.7. Information. All information provided by Customer to Bank is true, complete and accurate and properly reflects the business, financial condition and principal partners, owners or officers, of Customer. Customer is not engaged in, or affiliated with, any businesses, products or methods of selling other than those disclosed by Customer to Bank;

4.12.8. Transactions. All Checks and business transactions of Customer are, and will be, bona fide. All signatures on Checks are authentic and authorized.

4.12.9. Rule Compliance. Customer conducts its business, and submits Checks and Files in compliance with this Agreement, the Procedures, applicable law and the Rules.

4.12.10. Computer Virus. No Files or Checks contain any computer viruses or other harmful, intrusive or invasive codes.

4.13. RETURNED CHECKS.

4.13.1. Chargeback of Returned Checks. If Images of Checks deposited by Customer are dishonored or otherwise returned unpaid by the drawee bank, or are returned by a clearing agent for any reason, including, but not limited to, issues relating to the quality of the Image, Customer understands and agrees that, since Customer either maintains the original Check or has destroyed the original Check in accordance with Section 4.5 of this Agreement, the original Check will not be returned, and Bank may charge back an Image of the Check to Customer's Account. Customer understands and agrees that the Image may be in the form of an electronic or paper reproduction of the original Check or a substitute check. Unless otherwise instructed by Bank, Customer agrees not to deposit the original Check if an Image or other debit as previously described is charged back to Customer.

4.13.2. Special Instructions. Customer may request that Bank re-present returned Images of Checks to the drawee or process returned Images of Checks according to instructions provided by Customer to Bank (the "Special Instructions"). These Special Instructions may be given to Bank in a separate document in conjunction with or subsequent to the execution of this Agreement. Bank shall not be bound by such Special Instructions until such time as Bank has agreed in writing to accept the Special Instructions. Notwithstanding the fact that Bank has agreed to accept the Special Instructions, Bank may, in its sole discretion, disregard the Special Instructions and charge the returned Check back to Customer Account to which the Checks were deposited. In the event that Customer has requested that returned Images of Checks be re-presented, in no event will Bank re-present an Image of a Check or an ACH entry in excess of the limit established or permitted for the number of times that a Check or ACH entry may be re-presented by the Rules. Customer may change or amend the Special Instructions by providing Bank a written request to change or amend the Special Instructions. Changes or amendments to the Special Instructions shall not become effective until acknowledged and accepted in writing by Bank. Customer hereby agrees to pay Bank the fees for processing returned Checks and Special Instructions contained in Bank's then current schedule of fees for such services.

4.14. CONFIRMATION: ACCOUNT RECONCILIATION. Bank will provide notice of receipt of deposits to Customer's Account on the periodic statement for such Account. Customer is responsible for detecting and reporting to Bank any discrepancy between Customer's records and the records Bank provides to Customer. If Customer does not detect and notify Bank of such a discrepancy within 15 days of Customer's receipt of any terminal printout, mailed report or periodic statement (each a "Report"), whichever is received first, then such transactions shall be considered correct, and Customer shall be precluded from asserting such error or discrepancy against Bank.

4.15. UPDATE NOTICE. Customer shall provide written notice to Bank of any changes to the information previously provided by Customer to Bank, including, but not limited to, any additional locations, any change in business, any new business, the identity of principals and/or owners, the form of business organization, type of goods and services provided and method of conducting sales. Such notice must be received by Bank within 5 business days of the change. Customer shall provide any additional information requested by Bank within 5 days of such request. Bank retains the right to:

4.15.1. review Customer's Checks, Files and business activities from time to time to confirm Customer is conducting business as stated by Customer at the time of the execution of this Agreement and

4.15.2. re-price or terminate the Remote Deposit Capture Service based on changes to information previously provided to Bank by Customer.

4.16. BANK'S DUTIES. With respect to the Remote Deposit Capture Service, Bank's duties and responsibilities are limited to those described in Article 4 of this Agreement, the Deposit Agreement and any other agreements governing the Accounts. Bank will use commercially reasonable care in performing its responsibilities under this Agreement.

4.17. BANK'S RESPONSIBILITIES. Customer agrees to monitor its account balances and charges, to promptly notify Bank if any Report conflicts with Customer's records, and to refrain from acting on information it has reason to believe is erroneous. In all instances, Bank's and, if the services of a third party provider are utilized in the provision of the Remote Deposit Capture Service, such third party's sole liability to Customer shall be limited to the correction of any errors made. Bank shall not be responsible for suspension of performance of all or any of its obligations, responsibilities or covenants hereunder, whether expressed or implied, if at any time, or from time to time, compliance therewith is prevented or hindered by, or are in conflict with, any federal or state law, regulation or rule, the order of any court of competent jurisdiction, any act of God or of the public enemy, war, epidemic, strike, or work stoppages of the U.S. Postal Service and commercial carrier(s), or electric power disruption or shortage, telecommunications failure or computer failures; acts, omissions or errors of any carrier and/or agent operating between Customer and Bank or Bank and any Federal Reserve Bank or other agency utilized to exercise transfers or other recipients of transferred funds; any incorrect, unauthorized or fraudulent use or other fraud by any person other than Bank's employees; or, without limiting the generality of the foregoing, any other cause or circumstance beyond Bank's control or other conditions or circumstances not wholly controlled by Bank, which would prohibit, retard or otherwise affect Bank's complete or partial performance under this Agreement.

4.18. INTERNET DISCLAIMER. Bank does not, and cannot, control the flow of any documents, files, data or other information via the Internet, whether to or from Bank's network, other portions of the Internet or otherwise. Such flow depends in large part on the performance of Internet services provided or controlled by third parties. Actions or inactions of such third parties can impair or disrupt Customer's connections to the Internet (or portions thereof). Bank cannot guarantee that such events will not occur. Accordingly, Bank disclaims any and all liability arising out of, resulting from or related to, such events, and in no event shall Bank be liable for any damages of any kind (whether in contract, in tort or otherwise) that are attributable or in any way related to the Internet infrastructure or Customer's or Bank's ability or inability to connect to the Internet.

4.19. THIRD PARTIES; MAINTENANCE.

4.19.1. Remote Deposit Capture Service from Others. Customer may be using special equipment, services or software provided by a third party to assist it in processing Checks and Files hereunder (each a "Third Party" and, if more than one, "Third Parties"). Customer agrees that any Third Party is acting as Customer's agent in the delivery of Checks and Files to Bank, and agrees to assume full responsibility and liability for any failure of that Third Party to comply with the Rules or this Agreement. Bank will not be liable for any losses or additional costs incurred by Customer as a result of any error by a Third Party or a malfunction of equipment provided by a Third Party. Customer is solely responsible for maintaining compliance with the requirements of any Third Party, including obtaining any software updates. Bank shall not have any responsibility for any Check or File handled by a Third Party until that point in time when Bank accepts and approves a Check or File from such Third Party for processing.

4.19.2. Equipment Maintenance. Customer shall be solely responsible for obtaining and properly maintaining its equipment and system requirements, including computer equipment, Internet connectivity, scanning terminals (unless contracted with Bank) and any other equipment or items necessary to receive the Remote Deposit Capture Service. Bank shall not be liable to Customer, in

any manner whatsoever, for any type of errors, losses, damages or other claims related to Customer's failure to do so.

4.20. USE OF TRADEMARKS. Customer may not use Bank's name or trademarks without the express written consent of Bank. If Customer is permitted to use any of Bank's name, trademarks or promotional materials, Customer will not indicate, directly or indirectly, that Bank endorses, or is connected in any way with, any of Customer's goods or services.

4.21. FINANCIAL INFORMATION. Bank may from time to time request information from Customer in order to evaluate a continuation of the Remote Deposit Capture Service to be provided by Bank hereunder and/or adjustment of any limits set by this Agreement. Customer agrees to provide the requested financial information immediately upon request by Bank, in the form required by Bank. Customer authorizes Bank to investigate or reinvestigate at any time any information provided by Customer in connection with this Agreement or the Remote Deposit Capture Service and to request reports from credit bureaus and reporting agencies for such purpose. Upon request by Bank, Customer hereby authorizes Bank to enter Customer's business premises for the purpose of ensuring that Customer is in compliance with this Agreement. If Customer refuses to provide the requested financial information, or if Bank concludes, in its sole discretion, that the credit risk of Customer is unacceptable, or if Customer refuses to give Bank access to Customer's premises, Bank may terminate the Remote Deposit Capture Service according to the provisions hereof.

4.22. CONFIDENTIAL INFORMATION AND PROPRIETARY RIGHT IN DATA. All information of a business nature relating to the assets, liabilities or other business affairs disclosed to Bank by Customer and Customer's Customers in connection with this Agreement is confidential. Except as allowed by applicable law, Bank shall not disclose or permit access to any such information by any person, firm or corporation. Bank shall cause its officers, employees and agents to take such action as shall be reasonably necessary to preserve and protect the confidentiality of such information, by disclosing such information only to persons needing to have access thereto for the performance of the Bank's obligations under this Agreement or to any other party to which Bank may be required by law to report such information. Customer agrees to hold confidential, and to use only in connection with the Remote Deposit Capture Service, all information furnished to Customer by Bank or by third parties from whom Bank has secured the right to use the Remote Deposit Capture Service, including, but not limited to, Bank's product and service pricing structure, system design, programming techniques or other unique techniques. In addition, should Customer at any time receive or acquire any information relating to another Customer of Bank, Customer shall promptly return such information to Bank and not reveal such information to any other party and shall not make use of such information for its own benefit or otherwise. Bank's and Customer's obligations and agreements under this paragraph shall not apply to any information supplied that was known to either party prior to the disclosure by the other, is or becomes generally available to the public other than by breach of this Agreement or otherwise becomes lawfully available on a non-confidential basis from a third party who is not under an obligation of confidence to either party. Notwithstanding anything to the contrary contained herein, it is understood and agreed by the parties hereto that the performance of the Remote Deposit Capture Service is or might be subject to regulation and examination by authorized representatives of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation and/or a State regulatory agency, and Customer agrees to the release of by Bank of Customer's reports, information, assurances and other data and information as may be required under applicable laws and regulations. Customer agrees that any specifications or programs developed by Bank in connection with this Agreement, or supplied or made available to Customer by Bank, are the exclusive property of Bank, its agents, suppliers or contractors, and further agrees that such material shall not be copied or used in any manner or for any purpose without the express written consent of Bank. This clause shall survive the termination of the Agreement.

5. ARTICLE FIVE: POSITIVE PAY SERVICE TERMS AND CONDITIONS.

5.1. INTRODUCTION. Positive Pay Service is offered by Bank as an effective way to minimize loss from fraudulent check issuance or

payment. If Positive Pay Service is requested by Customer and agreed to by Bank, Customer and Bank agree that in the event of an inconsistency between this Agreement relating to Positive Pay Service and applicable law, the provisions of this Agreement shall prevail to the extent permitted. Nothing in this Agreement is intended to limit Bank's right to return a check unpaid if there are insufficient funds in the designated account.

5.2. FORMAT SPECIFICATIONS. The Bank's format and data transmission standards will be the template for the Positive Pay Service. Customer agrees to issue checks in accordance with Bank's specifications and will change check format when requested to do so by Bank. Bank shall not be responsible for correcting or resolving processing problems caused by magnetic encoding of substandard quality.

5.3. POSITIVE PAY.

5.3.1. Customer Responsibilities. Customer shall designate to Bank all accounts that are to be used with the Positive Pay Service ("Positive Pay Account"). Customer will provide Bank with a file of all outstanding checks prior to activation of this Service. On each day that a check is written against the Positive Pay Account, Customer shall supply Bank with all required check issue information by 5:00 p.m. Pacific Time. Such information shall include, without limitation, the account number, the check number and the face amount. Customer shall be responsible for the accuracy and completeness of all information provided to Bank. All files must be submitted through Business Online Banking with the proper file format details provided by the Online Banking department at training. Files of outstanding checks submitted after 5:00 p.m. Pacific Time or on weekends, holidays, or other non-business days, will be processed on the next business day.

5.3.2. Bank's Responsibilities. In reliance on the information provided by Customer, Bank shall create a master issue file for each designated Positive Pay Account ("Issue File"). Excluding valid stop payment orders, issue voided by Customer request, and checks issued in excess of High Dollar Threshold, all checks that match by serial number and amount to Bank's Issue File will be deemed properly payable and Bank is authorized to pay all such checks.

5.3.3. Checks With Discrepancies and Checks Exceeding High Dollar Threshold (Exceptions). Each business day, Bank shall make reasonable efforts to report to Customer any check serial numbers that do not match the Issue File or exceed the High Dollar Threshold ("Exceptions") for that day's processing. Customer requests Bank to return all Exception items, unless Customer instructs Bank to pay an Exception item. Bank shall have no responsibility for any liability, loss or damage resulting from (i) payment in accordance with this Section of any Exception item that is altered or unsigned or which bears the forged or unauthorized signature of Customer, (ii) return of any Exception item to the depository bank in accordance with this Section or (iii) Customer's failure to meet the established deadlines ("Cutoff hour"). The Customer may be required to place a stop payment order on any returned Exception check, which shall be subject to Bank's customary stop payment fee. Bank's failure to report a discrepancy will not discharge Customer's obligation with regard to any item, and shall not obligate Bank to return any item if it is otherwise properly payable.

5.3.4 Any Exception items returned under the Positive Pay service will be marked "Refer to Maker." You agree to respond promptly to any inquiries regarding those items. You understand that you may have liability for the payment of any item to a party, including us or Servicer, who is a holder or holder in due course under the Uniform Commercial Code.

5.3.5. Transactions Presented to Teller. Bank will compare checks presented for cash at a branch of the Bank with the Customer's Issue File through the Admin Positive Pay module. Customer agrees that Bank may refuse to cash any check with discrepancy or checks that have not yet been included in an Issue File, and such refusal will not be deemed to be a wrongful dishonor. In the event of dishonor, Bank may attempt to contact the Customer. Customer acknowledges that under some circumstances issuance information submitted by Customer may not be reflected in the Customer's Issue File until the opening of the following business day. Customer agrees to follow established procedures should you need to manually add a check to the Issue File. Bank will make reasonable efforts to assist Customer, but Customer acknowledges that Bank

may be unable to process such requests on a same day basis. Customer agrees to assume all risk of loss for any Bank teller-cashed check that would have been identified as a check with discrepancy prior to acceptance.

6. ARTICLE SIX: GENERAL TERMS AND CONDITIONS. Without limiting the specificity of the foregoing provisions, the following general terms and conditions shall apply to all Services received by you from Bank under this Agreement.

6.1. FEES AND CHARGES. So long as this Agreement remains in effect, Customer agrees to pay to Bank, in addition to fees for other Services as provided in this Agreement, the normal deposit account service charges established from time to time by Bank and, in addition thereto, the fees and charges set forth in the Miscellaneous Schedule of Fees. The Bank may at its option increase any Fee or Charge to the extent permitted by applicable law. If the Bank elects not to increase any such Fees or Charges in any year, it may increase such Fees or Charges in a future year by a cumulative amount not to exceed what is permitted by applicable law. Notices relating to Fees and Charges will be sent in accordance with the terms and conditions set forth in the Notices section of this Agreement.

6.1.1. Customer authorizes Bank to deduct any charges for the Services from any Account, even if such deduction causes an overdraft in the Account. Should Customer fail or refuse to pay any charges under this Agreement, Customer agrees to pay all collection costs (including reasonable attorney's fees) which may be incurred by Bank. Bank shall have the right to increase or decrease charges imposed for the Services and will notify Customer of the changes, to the extent required by law. Customer's use of the Services after changes have been made shall constitute Customer's agreement to the same.

6.1.2. In addition to the service fees as well as any other fees and charges provided for in this Agreement, Customer agrees to pay all taxes, tariffs and assessments levied or imposed by any government agency in connection with the Services, this Agreement, and/or the software or equipment made available to Customer (excluding any income tax payable by Bank). Customer is also responsible for the costs of any communication lines and any data processing charges payable to third parties.

6.2. ARBITRATION/JURY TRIAL WAIVER. If a dispute involving \$25,000 or more arises between us with respect to this Agreement, its enforcement or our Services, either of us may require that it be settled by binding arbitration in accordance with the arbitration provisions of your deposit account agreement with us. If litigation is commenced by either party, demand for arbitration must be made within 30 days of service of the complaint on the party demanding arbitration. You and we each waive our right to request a jury trial in the event an action is brought by either of us with respect to this Agreement, its enforcement, or any of the Services.

6.3. ATTORNEYS' FEES. In the event of any arbitration or other adversarial proceeding between the parties concerning this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs in addition to any other relief to which it may be entitled.

6.4. SUCCESSORS. This Agreement and all the terms and provisions herein shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

6.5. ASSIGNMENT. No right or interest hereby conferred shall be assignable without the prior written consent of the other party, and any assignment made without such consent shall be null and void; provided, however that Bank may assign this Agreement or any part of it to any of Bank's affiliates or to a successor of Bank by merger or acquisition upon written notice to Customer.

6.6. NO THIRD PARTY BENEFICIARIES. This Agreement shall not be construed to confer any rights or remedies upon any person not a party to this Agreement, whether as a third party beneficiary or otherwise, against Customer or Bank, their respective successors, assigns and affiliates.

6.7. CAPTIONS AND HEADINGS. The captions and headings contained in this Agreement are for convenience of reference only and shall not be used to limit the applicability or meaning of any provisions of this Agreement.

6.8. ENTIRE AGREEMENT. The terms of the Agreement, all other agreements with Bank pertaining to the Accounts and the Rules, are incorporated by reference and made a part of this Agreement. In the event of any inconsistency between such agreements, the Rules and this Agreement, the provisions of this Agreement shall control to the extent necessary. Customer agrees that this Agreement is the entire statement of the terms and conditions which apply to the subject matter hereof. This Agreement supersedes any prior Agreements between the parties relating to any of the Services provided herein.

6.9. NO WAIVER. No delay or failure on the part of Bank in exercising any of Bank's rights under this Agreement shall constitute a waiver of such rights, and no exercise of any remedy hereunder by Bank shall constitute a waiver of its right to exercise the same or any other remedy hereunder. Except for changes made in accordance with this Agreement, no deviation, whether intentional or unintentional, will constitute an amendment of this Agreement or will constitute a waiver of any right or duty of either party.

6.10. SEVERABILITY. In the event all or any part of any one or more of the provisions contained in the Agreement shall for any reason be held to be invalid, illegal or unenforceable, in any respect, the remaining provisions or parts thereof shall be binding and enforceable as if any such invalid, illegal or unenforceable provision had never been contained herein.

6.11. CONSTRUCTION. This Agreement is an agreement between parties who are experienced in sophisticated and complex matters similar to the transactions contemplated by this Agreement, is entered into by both parties in reliance upon the economic and legal bargains contained herein, and shall be interpreted and construed in a fair and impartial manner, without regard to such factors as the party which prepared the instrument or drafted any provision thereof, the relative bargaining powers of the parties or the domicile of any party.

6.12. TERMINATION. This Agreement shall remain in full force and effect from the date hereof until such time as this Agreement is terminated by either party as hereinafter provided:

6.12.1. this Agreement may be terminated at any time by either party following this twenty (20) days prior written notice;

6.12.2. either party shall have the right to terminate this Agreement immediately by giving written notice to the other if such other party:

6.12.2.1. ceases to conduct its business in the ordinary sense,

6.12.2.2. has any substantial part of its property become subject to any levy, seizure, assignment or application for sale for, or by, any creditor or government agency,

6.12.2.3. is a party to an acquisition, or

6.12.2.4. in the reasonable judgment of the party seeking termination, experiences an adverse change in its financial condition or business which impairs the ability of such party to perform its obligations under this Agreement,

6.12.2.5. fails to perform its obligations under this Agreement or defaults under any other agreement between the parties or

6.12.2.6. makes any warranty or representation which proves to be false or misleading.

6.12.3. Notwithstanding the foregoing, Bank may immediately terminate this Agreement without notice if, in Bank's sole discretion, Bank determines that Customer has abused any of the Services or Bank believes that it will suffer a loss or other damage if the Agreement is not terminated.

6.12.4. Bank's election to terminate this Agreement is in addition to any and all other remedies that may be available to Bank and will not affect any obligations Customer may have to Bank. Any reinstatement of Services under this Agreement will be at Bank's sole discretion and must be agreed upon in writing by an authorized representative of Bank.

6.12.5. Upon termination of this Agreement, any property or rights of a party in the possession of the other party, tangible or intangible, shall be returned to owner thereof within thirty (30) days after the later to occur of

6.12.5.1. termination of the Agreement, or

6.12.5.2. the last date that such party receives any such property or rights.

6.12.6. Upon termination of this Agreement,

6.12.6.1. Customer will promptly pay to Bank all sums due or to become due under this Agreement,

6.12.6.2. Customer shall have no further right to make use of the Services or any system or software which may have been provided in connection with any Service.

6.12.7. Bank and Customer agree that Sections 4.1, 4.2, 4.4, 4.5, 4.8, 4.11, 4.12, and 5.3 shall survive the termination of this Agreement."

6.12.8. In addition to the foregoing, we may terminate your Services or this Agreement immediately and without prior notice if: (a) you breach any agreement with us; (b) the confidentiality of your Password is compromised; (c) we have reason to believe that an unauthorized transaction has taken or may take place involving any of your accounts or any of the Services; (d) you become insolvent or the subject of a bankruptcy, receivership, or dissolution proceeding; or (e) we are uncertain as to any person's authority to give us instructions regarding your accounts or the Services. The termination of this Agreement will not affect the rights or obligations of the parties that arise prior to termination.

6.13. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California, without reference to its conflict of laws provisions, and applicable federal law.

6.14. NOTICES. Unless otherwise indicated to the contrary, any notice required hereunder shall be given by first class U.S. Mail, postage prepaid, by receipted hand delivery, electronically or by any other means agreed upon by both parties and if, to Bank, at the address set forth below and, if to Customer, at the most recent address shown for Customer in Bank's records. If any notice instructions are given, the provisions of such shall govern the method and location for giving notice. Any notice mailed shall be presumed received on the third business day after mailing thereof.

6.14.1. If to Bank: Pacific Valley Bank, 422 Main Street, Salinas, California 93901.

6.15 ACCOUNT INFORMATION DISCLOSURE. The circumstances under which we may provide information account accounts to third parties are summarized in our current privacy notice. Customer agrees that a privacy notice was provided at account opening. Customer may also access the privacy notice at www.pacificvalleybank.com/privacy-page.php or request a paper copy by writing to us at Pacific Valley Bank, 422 Main Street Salinas California 93901.

6.15. AUTHORITY AND LEGALITY. Customer is authorized to enter into, and perform its obligations under, this Agreement;

6.15.1. the person signing this Agreement on behalf of Customer is duly authorized to execute this Agreement;

6.15.2. this Agreement is valid and enforceable against Customer in accordance with its terms; and

6.15.3. the entry into, and performance of, this Agreement by Customer will not violate any law, or conflict with any other agreement, to which Customer is subject.

6.16. NO LITIGATION. There is no action, suit or proceeding pending or, to Customer's knowledge, threatened which, if decided adversely, would impair Customer's ability to carry on its business substantially as now conducted or which would adversely affect Customer's financial condition or operations.

6.17. INDEMNITY. Customer agrees to indemnify Bank for, and hold Bank harmless from and against, any and all claims, losses, liabilities, costs, and expenses (including, without limitation, reasonable attorneys' fees) arising from a breach of any of Customer's warranties, representations and/or obligations under this Agreement or any other agreement with between Customer and Bank and the terms of this paragraph shall survive the termination of this Agreement.

6.18. AMENDMENTS. Bank may amend the terms of this Agreement at any time, in its sole discretion, by giving notice to Customer. If required by this Agreement or by applicable law, notice will be given for the applicable required number of days in advance of each such amendment. Customer's continued use of the Services provided herein shall constitute Customer's agreement to such amendments. No amendments requested by Customer shall be effective unless received, and agreed to in writing, by Bank.

6.19. FINANCIAL REVIEW. You agree to provide us with a financial statement and other information on your financial condition upon our request.

6.20. MONITORING OF COMMUNICATIONS. You agree on behalf of yourself, your employees and agents that we may monitor and record your telephone and electronic communications in connection with the Services at any time, without further notice to you or any party to the communication.

6.21. SECURITY INTEREST. You grant us a security interest in your Bank accounts to secure the repayment of any overdraft or other obligation that you incur under this Agreement.

6.22. ACCEPTANCE. This Agreement shall be effective when Bank accepts and agrees to it. You represent and warrant that this Agreement, once duly executed and delivered by both parties, will be a valid agreement enforceable against Customer in accordance with its terms. You agree to cooperate with Bank in all manner reasonably requested by Bank, including providing Bank with information about you and executing and delivering to Bank any documents reasonably requested by Bank to further the purpose of this Agreement.

6.23. COUNTERPARTS. This Agreement may be executed in one or more counterparts or duplicate originals, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

6.24. FINANCIAL INSTITUTION RESPONSIBILITIES; LIABILITY; LIMITATIONS ON LIABILITY INDEMNITY.

6.24.1. In the performance of the Services required by this Agreement, Bank shall be entitled to rely solely on the information, representations, and warranties provided by Customer pursuant to this Agreement, and shall not be responsible for the accuracy or completeness thereof. Bank shall be responsible only for performing the Services expressly provided for in this Agreement, and shall be liable only for its negligence or willful misconduct in performing those Services. Bank shall not be responsible for Customer's acts or omissions (including without limitation the amount, accuracy, timeliness of transmittal or authorization of any Entry received from Customer) or those of any other person, including without limitation any Federal Reserve Financial Institution, Automated Clearing House of transmission or communications facility, any Receiver or Receiving Depository Financial Institution (including without limitation the return of an Entry by such Receiver or Receiving Depository Financial Institution) and no such person shall be deemed Bank's agent. Customer agrees to indemnify Financial Institution against any loss, liability or expense (including attorney's fees and expenses) resulting from or arising out of any claim of any person that the Financial Institution is responsible for any act or omissions of Customer or any other person described in this Section 6.23.

6.24.2. ANY PROVISION IN THIS AGREEMENT, ANY OTHER AGREEMENT OR THE RULES TO THE CONTRARY NOTWITHSTANDING, BANK SHALL ONLY BE LIABLE FOR DAMAGES SOLELY AND PROXIMATELY CAUSED BY ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AND BANK'S LIABILITY SHALL IN NO EVENT EXCEED THE LESSER OF

6.24.2.1. CUSTOMER'S ACTUAL DAMAGES OR

6.24.2.2. THE TOTAL FEES PAID BY CUSTOMER TO BANK FOR THE SERVICE.

6.24.3. IN NO EVENT SHALL BANK OR ANY PROVIDER BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR INCIDENTAL DAMAGES, LOSSES OR INJURIES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOSS OF USE, LOSS OF DATA OR COST OF COVER) ARISING OUT OF, OR RELATED TO, THE USE BY CUSTOMER OF THE REMOTE DEPOSIT CAPTURE SERVICE OR ANY SERVICE OR THE FAILURE OF BANK OR ANY PROVIDER TO PROPERLY PROCESS AND COMPLETE TRANSACTIONS THEREUNDER, EVEN IF BANK OR SUCH PROVIDER(S) HAVE BEEN SPECIFICALLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, LOSSES OR INJURIES.

6.24.4. CUSTOMER ACKNOWLEDGES AND AGREES THAT CUSTOMER'S USE OF ANY SERVICE SHALL BE AT CUSTOMER'S SOLE RISK, AND THAT THE SERVICES ARE PROVIDED BY BANK ON AN "AS IS" BASIS.

6.24.5. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BANK MAKES ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, IN LAW OR IN FACT, TO CUSTOMER OR TO ANY OTHER PERSON, AS TO OR ANY OTHER SERVICE, INCLUDING (WITHOUT LIMITATION) ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUALITY, ACCURACY, OR SUITABILITY, AND BANK HEREBY DISCLAIMS ANY AND ALL OF THE SAME. CUSTOMER AGREES THAT NO ORAL OR WRITTEN ADVICE OR REPRESENTATION OBTAINED FROM ANY BANK EMPLOYEE OR REPRESENTATIVE SHALL CREATE A WARRANTY OR REPRESENTATION FOR PURPOSES OF THIS AGREEMENT OR THE SERVICES TO BE PERFORMED PURSUANT HERETO.

6.24.6. TO THE FULLEST EXTENT ALLOWED BY LAW, AND SUBJECT TO THE FOREGOING PROVISIONS OF THIS SECTION DEALING WITH BANK'S LIABILITY FOR DAMAGES SOLELY AND PROXIMATELY CAUSED BY ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, BANK'S LIABILITY TO CUSTOMER UNDER THIS AGREEMENT SHALL BE LIMITED TO CORRECTING ERRORS RESULTING FROM BANK'S FAILURE TO EXERCISE ORDINARY CARE.

6.24.7. BANK MAKES ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, IN LAW OR IN FACT, TO CUSTOMER OR TO ANY OTHER PERSON AS TO ANY COMPUTER HARDWARE, SOFTWARE OR EQUIPMENT IN CONNECTION WITH SERVICES, INCLUDING, BUT NOT LIMITED TO, CUSTOMER'S COMPUTER SYSTEMS OR RELATED EQUIPMENT, CUSTOMER'S SOFTWARE, OR CUSTOMER'S INTERNET SERVICE PROVIDER OR ITS EQUIPMENT, OR AS TO THE SUITABILITY OR COMPATIBILITY OF BANK'S SOFTWARE, INTERNET DELIVERED SERVICE, EQUIPMENT OR COMMUNICATION INTERFACES WITH THOSE THAT CUSTOMER USES, OR AS TO WHETHER ANY SOFTWARE OR INTERNET DELIVERED SERVICE WILL PERFORM IN AN UNINTERRUPTED MANNER, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

6.24.8. BANK SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR FAILURES RESULTING FROM DEFECTS IN, OR MALFUNCTIONS OF, CUSTOMER'S COMPUTER HARDWARE OR SOFTWARE, FOR THE QUALITY OF PERFORMANCE OR LACK OF PERFORMANCE OF ANY COMPUTER SOFTWARE OR HARDWARE OR INTERNET DELIVERED SERVICES SUPPLIED BY BANK TO CUSTOMER IN CONNECTION WITH THIS AGREEMENT, OR FOR THE TRANSMISSION OR FAILURE OF TRANSMISSION OF ANY INFORMATION FROM CUSTOMER TO BANK, FROM BANK TO CUSTOMER, FROM CUSTOMER TO ANY PROCESSOR, FROM ANY PROCESSOR TO BANK, OR OTHERWISE. BANK SHALL NOT BE RESPONSIBLE FOR NOTIFYING CUSTOMER OF ANY UPGRADES OR ENHANCEMENTS TO ANY OF CUSTOMER'S COMPUTER HARDWARE OR SOFTWARE.

6.24.9. Without limiting the generality of the foregoing provisions, Bank shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, war, emergency conditions or other circumstances beyond Financial Institution's control. In addition, Bank shall be excused from failing to transmit or delay in transmitting an Entry if such transmittal would result in Bank's having exceeded any limitation upon its intra-day net funds position established pursuant to present or future Federal Reserve guidelines or in Bank's reasonable judgment otherwise would violate any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other U.S. governmental regulatory authority.

6.24.10. Subject to the foregoing limitations, Bank's liability for loss of interest resulting from its error or delay shall be calculated by using a rate equal to the average Federal Funds rate at the Federal Reserve Financial Institution of New York for the period involved.

