

**Business Deposit Account
Terms and Conditions
Effective July 21, 2011**

Thank you for choosing Beach Business Bank and The Doctors Bank, a division of Beach Business Bank for your banking needs. This agreement, along with your signature card and the "Important Information on Your Business Account Including Fees and Charges", and other service-specific agreements and disclosures that you receive when you open your account, is a contract that establishes rules which control your account. Please read them carefully. By signing our signature card and maintaining your account with us, or by adding new accounts in the future, you acknowledge that you understand and agree to these terms, as well as any changes we make to them from time to time. Rules governing changes in interest rates are provided separately in the "Information on Your Business Account Including Fees and Charges" disclosure. For other changes, we will give you reasonable notice in writing or by any other method permitted by law.

This agreement is subject to applicable federal laws and the laws of the state of California (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to

1. summarize some laws that apply to common transactions;
2. establish rules to cover transactions or events which the law does not regulate;
3. establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
4. provide you with disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document.

TERMS - In this agreement, the words "you" and "your" refer to the owners and authorized signers of an account; "we," "our," "us" and "Bank" refer to the Bank.

OUR RELATIONSHIP - Unless otherwise expressly agreed in writing, our relationship with you will be that of debtor and creditor. No fiduciary, quasi-fiduciary or other special relationship exists between you and us. We owe you a duty of ordinary care. Any internal policies or procedures we maintain are solely for our own purposes and do not impose a higher standard of care than otherwise would apply by law without such policies or procedures.

LIABILITY - You authorize us to deduct charges directly from your account as accrued, and agree to pay any additional reasonable charges for services you request which are not covered by this agreement. You also agree to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance when sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. This includes liability for our costs to collect the deficit including, to the extent permitted by law, our reasonable attorneys' fees.

WAIVER OF JURY TRIAL - You and we each waive our right to a trial by jury in connection with any action that you or we may bring against each other in connection with your accounts, your transactions, this agreement or our services.

LIMITATION ON TIME TO SUE - An action or proceeding by you to enforce an obligation, duty or right arising under this agreement or by law with respect to your account or any account service must be commenced within one year after the cause of action accrues.

ATTORNEYS FEES - In the event of judicial or other formal action to enforce or interpret the terms of this agreement, the party determined by the judge or other Trier of fact to be the prevailing party shall be entitled to recover its reasonable attorney's fees and costs from the other party.

CONTACT INFORMATION - We are open for business every Monday through Friday (except for legal holidays) between the hours of 9:00 a.m. and 5:00 p.m. If you have any questions on this agreement or your accounts, please contact us:

Beach Business Bank
1230 Rosecrans Ave. Suite 100
Manhattan Beach, CA 90266
(310) 536-2260
info@beachbusinessbank.com

FACTS **WHAT DOES BEACH BUSINESS BANK DO WITH YOUR PERSONAL INFORMATION?**

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ▪ Social Security number and income ▪ Account balances and payment history ▪ Credit history and credit scores. <p>When you are <i>no longer</i> our customer we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Beach Business Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Beach Business Bank share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – To offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We Don't Share
For our affiliates' everyday business purposes – Information about your transactions and experiences	No	We Don't Share
For our affiliates' everyday business purposes - Information about your creditworthiness	No	We Don't Share
For nonaffiliates to market to you	No	We Don't Share

Questions?	Call (310) 536-2260 or go to our website at www.beachbusinessbank.com
-------------------	--

Who we are

Who is providing this notice?

Beach Business Bank

What we do

How does Beach Business Bank protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Also, all employees and third-party processors are bound by confidentiality agreements that prohibit the sharing of your personal information except as outlined in this notice.

How does Beach Business Bank collect my personal information?

We collect your personal information, for example, when you

- Open an account or deposit money
- Pay your bills or apply for a loan
- Use your credit or debit card

We also collect your personal information from others such as credit bureaus or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- Sharing for affiliates' everyday business purposes – information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies

- Beach Business Bank has no affiliates.

Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- Beach Business Bank does not share with non-affiliates so they can market to you.

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- Beach Business Bank does not jointly market.

Other important information

DEPOSITS

SOURCE – We may accept items payable to any of you for deposit to your account from any source without questioning the authority of the person making the deposit, and give cash back to any authorized signer(s) or designated agent on any check payable to any one or more of you, whether or not it is endorsed by you. If you make a deposit or payment that is not accompanied by instructions indicating how or where it is to be credited, we may apply it at our discretion to any loan or deposit account any of you maintains with us.

ENDORSEMENTS – We may accept for deposit any item payable to you or your order, even if they are not endorsed by you, but may require your personal endorsement prior to accepting an item for deposit. If you deposit an item that bears the endorsements of more than one person or persons who are not known to us, we may refuse the item, require all endorser(s) to be present, or require that the endorsements be guaranteed by another financial institution acceptable to us before we accept them. We may supply any missing endorsement(s) for any item we accept for deposit or collection, and you warrant that all endorsements are genuine. We may give cash back to your designated agent. If the account is a joint account, each of you authorizes any other as his or her attorney-in-fact to endorse any check or debit payable to the order of any one or more of the others and to cash or deposit the item. You authorize us to accept items payable to any of you from any source and to deposit such to your account without questioning the authority of the person making the deposit, and to give cash back to any authorized signer(s) or designated agent on any check made payable to any one or more of you, whether or not endorsed by you.

To ensure that your check is processed without delay, you must endorse it in a specific area. Federal regulations require your entire endorsement (whether a signature or a stamp) along with any other endorsement information, must fall within 1½" of the "trailing edge" of a check. As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all endorsement information within 1½" of that edge. It is important that you confine the endorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed endorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your endorsement, a prior endorsement or information you have printed on the back of the check obscures our endorsement.

RECEIPT OF DEPOSIT – We are not responsible for transactions by mail or courier, until we actually record them. We will treat and record all transactions received after our daily "cutoff time" of 5:00 p.m. on a business day we are open for business, or received on a weekend or holiday we are not open for business, as if initiated on the next business day that we are open. Deposits received through other methods, such as outside depository facilities or Image Deposit services, are governed by separate agreements.

ITEMS DEPOSITED – You agree that you will not deposit any item into your account which does not bear either the true original signature of the person on whose account the item is drawn or an authorized mechanical reproduction of that person's signature. In our discretion, we may refuse to accept any item(s) for deposit or, alternatively, may accept it on a collection basis only.

VERIFICATION AND COLLECTION – Any item that we accept for deposit or encashment is subject to later verification and final payment. We give you provisional credit until collection is final for any items, other than cash, that we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of endorsement or lack of endorsement on the item and even though we may agree to provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned unpaid for any reason by deducting the amount of the item from your account, even if you have already used the funds. A service charge may be assessed for each returned check.

If, in our sole discretion, any item appears to be uncollectible or cannot be processed through regular check clearing channels, we may either refuse the item or agree to send it on a direct collection basis. In this situation, you will not receive credit for the item until we receive final payment from the paying bank. A service charge may be assessed for each check processed in this manner, regardless of whether or not the item is paid. The paying bank may also assess a service charge for handling the collection without a guarantee of payment. In some cases, they may deduct their fee from the proceeds of the check.

RETURNED ITEMS / TRANSACTIONS – If we are notified that an item you cashed or deposited is being returned unpaid, we may attempt to reclear the item, place a hold on the funds in question (see "Funds Availability") or charge your account for the amount (and any interest earned on it), whether or not the return is proper or timely. This also applies to checks drawn on us which are not paid for any reason. We may assess a fee for each returned item and notify you of the return orally or in writing.

If we receive an affidavit or a declaration under penalty of perjury stating that an endorsement on an item deposited to your account is forged (or that the item contains an alteration), we may charge the item back against your account or place a hold on the funds pending an investigation, without prior notice to you. We may also charge your account if we receive a notice of reclamation from the Federal Reserve Bank regarding a U.S. Treasury check that was deposited to your account.

PREAUTHORIZED OR DEMAND DRAFTS – You may not deposit demand drafts (items not bearing the maker's signature, but purporting to be authorized by the maker) to an account with us without our prior, written consent. If you deposit demand drafts with us, you agree that we may withhold a portion of the proceeds of such drafts in a reserve account, in an amount that we reasonably believe may be needed to cover future chargebacks, returned items, and/or claims that such drafts were unauthorized.

You grant us a security interest in the reserve account. Unless we agree otherwise in writing with you, reserve funds shall not bear interest. Our right to charge your account for returned demand drafts will not be limited by the balance or existence of any reserve. Our rights with respect to the reserve, as well as the security interest granted to us, shall survive the termination of this agreement. We may discontinue accepting demand drafts at any time without cause or prior notice. You also agree that you will not deposit a preauthorized draft drawn on a person's bank account without that person's express, verifiable authorization, and that you will maintain a record of the express verifiable authorization for 24 months from the date of the authorization.

ACH PROVISIONAL CREDITS – Credit for an automated clearing house (“ACH”) transfer is provisional until the receiving financial institution obtains final settlement. If final settlement doesn't occur, the originator of the transfer is not deemed to have made payment to the beneficiary, and the beneficiary's bank is entitled to a refund of the provisional credit. If we give you provisional credit for an ACH transfer, but do not receive final payment, you become obligated to us for the full amount without prior notice or demand.

NOTICE OF INCOMING TRANSFER – We are not required to give you a separate notice of our receipt of an ACH transfer. If we accept ACH credits to your account, you will receive notice of the credit on your next regular periodic statement. Although we may send notice of a non-ACH incoming funds transfer (e.g., a wire), we assume no obligation to do so. Transfers to your account will be reflected on your regular periodic statement. You can also contact us during normal business hours to determine if a transfer has been credited to your account.

FOREIGN CURRENCY DEPOSITS – Actual credit for deposit of foreign currency will be at the exchange rate in effect on final collection in U.S. Dollars. We generally take items payable in foreign currency on a collection basis only.

DEPOSIT INSURANCE – Funds in your account with us are insured to the regulatory limits by the Federal Deposit Insurance Corporation (FDIC). The FDIC is an independent agency of the U.S. Government. The amount of insurance coverage you have depends on the number of accounts you have with us and the ownership of those accounts. **Please note that the Doctors Bank, a division of Beach Business Bank, and Beach Business Bank are the same FDIC-insured institution. Deposits held under each trade name are not separately insured, but are combined to determine whether a depositor has exceeded the federal deposit insurance limit** For further information, contact your branch. You may also contact the FDIC direct at:

FDIC, Division of Supervision and Consumer Protection
Attn: Deposit Insurance Outreach
550 17th Street, NW
Washington, CD 20429-9990
1-877-275-9942
www.fdic.gov

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION

These rules apply to your account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds. As used in this agreement, “party” means a person who, by the terms of the account, has a right, subject to request, to payment from a multiple-party account other than as an agent.

BUSINESS ACCOUNTS –If the Account is not owned by a natural person (e.g. a corporation, partnership, limited liability company, limited liability partnership, etc.), then the account holder must provide us with evidence to our satisfaction of the authority of individuals to act on behalf of the Business. We may require the governing body of the legal entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the legal entity.

ESTATE AND OTHER COURT-ORDERED ACCOUNTS – If you are appointed the Administrator or Executor of a decedent's estate, or the Guardian or Conservator of a minor or incompetent person, you may open an account in your name designating your capacity. We require a certified copy of the order appointing you. Your authority to give us instructions may be limited by that order, or the statute authorizing the issuance of that order. If we believe there is a conflict between your instructions to us and the requirements of that order or statute, we have the right to disregard your instructions.

If you have a Federal Taxpayer Identification Number for the estate, you must provide it to us; otherwise, we must have your Social Security Number. If you have any questions about how to characterize any earnings from this account in your tax returns, please consult your attorney or accountant regarding Fiduciary Returns.

SOLE PROPRIETORSHIP ACCOUNTS – An adult conducting a business or trade may open an account using his or her trade name. In addition to proper personal identification and an Employer's Tax Identification Number, we require a certified copy of a current fictitious business name statement (if necessary) at the opening of the account. We reserve the right to require updated copies of the fictitious business name statement when the current statement must be renewed.

You warrant that you have title to that name, and that in transacting business there under, you are the sole owner of such business and you have complied with all legal requirements for using or doing business under that name. We may accept for deposit any instrument payable to and endorsed in that name.

CONFLICTING DEMANDS OR DISPUTES – If conflicting demands over the ownership or control of an account arise or we are unable to determine any person's continuing authority to give instructions, we may, at our sole discretion: (a) freeze the account and withhold payment from all of you until we receive written proof (in form and substance satisfactory to us) of your right and authority over the account and its funds; (b) require the signatures of all of the authorized signers for the withdrawal of funds, the closing of an account, or any change in the account regardless of the number of authorized signers on the account; (c) request instructions from a court of competent jurisdiction regarding the ownership or control of the account; and/or (d) continue to honor checks and other instructions given to us by the individuals who appear as authorized signers according to our records. In no event will we be liable for any delay or refusal to follow instructions that occurs as a result of a dispute over the ownership or control of your account. We may return checks and other items, marked "Refer to Maker" (or similar language), in the event there is a dispute or uncertainty over an account's ownership or control.

FUNDS AVAILABILITY

This policy statement applies to all accounts except time deposits with a stated maturity date.

Our policy is generally to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit, and to make funds from your electronic direct deposits available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and we will use them to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider the next business day we are open to be the date of deposit.

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

Longer Delays May Apply. In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$200 of your deposits, however, will be available on the first business day after the day of deposit.

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

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

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

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

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

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 may be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

INTEREST ON DEPOSITS

INTEREST RATES – Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. Interest rates paid on our accounts are determined by our management, based on market conditions and other business factors. Except for certificates of deposit (which usually earn the same interest rate through maturity), the interest rate and Annual Percentage Yield on deposits can change as often as daily, at our discretion, without prior notice to you. Interest on tiered-rate accounts is determined by the interest tier into which the end-of-day balance falls. Different rates may apply to different tiers.

The Annual Percentage Yield stated for time deposits which earn simple interest (but which permit interest to be withdrawn prior to maturity) assumes that interest remains on deposit until maturity. A withdrawal of interest will reduce earnings.

INTEREST CALCULATIONS – Interest is calculated on an actual/365 day basis, except for certain public fund accounts where interest is calculated on an actual/360 day basis. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). For time deposits, interest begins to accrue from the date of deposit. We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

PAYMENT OF INTEREST – Depending on the account, interest may be credited to your account at the end of your monthly or quarterly statement cycle, at maturity, or when your account is closed. See the “Information on Your Business Account Including Fees and Charges” for details. Interest is paid to, but not including, the date of withdrawal. Interest may be lost on some accounts if the account is closed prior to the end of the statement period or the regular interest due date.

MATURED TIME DEPOSITS – Time deposits stop earning interest at maturity, unless our agreement with you provides otherwise. We reserve the right to change the rate of interest for automatically renewable accounts at each renewal period. If we elect not to permit the renewal of an automatically renewable time deposit, we will notify you in advance. Unless specifically stated otherwise, any bonus or special promotion we are offering will not apply to automatically renewing time deposits.

At maturity, certain CD accounts will automatically renew for a new term at the rate then in effect for accounts of the same type, amount and duration. Please refer to “Information on Your Business Account Including Fees and Charges” for details regarding interest and grace periods.

EARLY WITHDRAWALS FROM TIME DEPOSITS – Time deposit customers agree to keep funds on deposit for a fixed period of time. Unless otherwise provided, partial withdrawals and additional deposits are not permitted. If we permit an early withdrawal of principal from a time deposit, we may impose an early withdrawal penalty. Tax penalties also may apply to premature distributions from IRA’s. Please see your “Certificate of Deposit Receipt” for information regarding early withdrawal penalties.

TAXPAYER IDENTIFICATION NUMBERS AND INCOME TAXES – Federal tax law requires us to report interest payments we make to you of \$10 or more in a year, and to include your taxpayer identification number (TIN) on the report. Interest includes dividends, interest and bonus payments for purposes of this rule. Therefore, we require you to provide us with your TIN and to certify that it is correct. The TIN is either a social security number (SSN) or an employer identification number (EIN). If you don’t have a TIN or you don’t know your number, apply for one at the local office of the Social Security Administration or the IRS.

TIN Certifications - For most organization or business accounts other than sole proprietorships, the appropriate TIN is the EIN of the organization or business entity. For sole proprietorships, either the SSN or the EIN is appropriate. However, we must supply the IRS with both the individual owners name and the business name of the sole proprietorship. For most organization or business accounts other than sole proprietorships, the appropriate TIN is the EIN of the organization or business entity. For sole proprietorships, either the SSN or the EIN is appropriate, however we must supply the IRS with both the individual owners name and the business name of the sole proprietorship. The appropriate TINs for various other types of accounts are:

- Individual Account – SSN of the individual.
- Joint Account – SSN of the all owners named on the account.
- Uniform Gift/Transfer to Minor – SSN of the minor.
- Informal (Revocable) Trust – SSN of the owner.

Backup Withholding - In some circumstances, federal law requires us to withhold and pay to the IRS a percentage of the interest, determined by the rate legally in effect, that is earned on funds in your accounts. This is known as “backup withholding”. We will not have to withhold interest payments when you open your account if you certify your TIN and certify that you are not subject to backup withholding due to underreporting of interest. We may subsequently be required to begin backup withholding if the IRS informs us that you supplied an incorrect TIN or that you underreported your interest income. A non-resident alien or foreign entity not subject to information reporting must certify its exempt status by completing and appropriate IRS certification form (e.g., W-8BEN). Non-resident aliens must certify their exempt status every three years or earlier if a change in circumstances makes any information on the form incorrect (or on request) to avoid backup withholding. Funds withheld prior to receipt of the new certificate will not be reimbursed. If you are an exempt payee (receiver of interest payments), you do not need to certify your TIN, but you will

have to certify your exempt status and supply us with your TIN. The most common exempt payees are corporations, organizations exempt from tax under Section 501 (a), and an individual retirement plan or a custodial account under Section 403 (b) (7).

We may refuse to open, and we may close, any account for which you do not provide a certified TIN, even if you are exempt from backup withholding and information reporting.

WITHDRAWALS

AUTHORIZED SIGNERS – Your signature card reflects who is authorized to make withdrawals and give us instructions regarding your account. ***If you indicate on your signature card or other account documents that more than one signature is required for withdrawal, we will make an effort to abide by this request; however, it is not binding on us. We assume no duty to confirm that two or more (or any combination) of authorized signers have approved any transaction or instruction.*** Unless we agree in writing to the contrary, we may act upon the instructions of any one authorized signer. We may pay out funds from your account if the check, item or other withdrawal instruction bears a signature or endorsement (including a facsimile signature) resembling an authorized signature on file with us, or is approved by any one of the persons authorized to sign on your account. We are not liable to you if we do this.

We may honor checks drawn against your account by authorized signers, even if the checks are made payable to them, to cash, or for deposit to their personal accounts. We have no duty to investigate or question withdrawals or the application of funds.

You agree that signatures by your authorized agents (e.g., persons acting under a power of attorney) are valid, even if the principal-agent relationship is not indicated on the check or instruction.

CHECK PROCESSING AND SIGNATURE VERIFICATION – We may process items mechanically by relying on the information encoded along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and endorsed. Although we may review checks from time to time, you understand that reasonable commercial standards do not require us to do so. We may accept, pay or charge items in any order. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the time we receive the item and when we return the item or send a notice in lieu of return.

Payment Order of Items – The law permits us to pay items (such as checks, ACH debits, ATM transactions, POS transactions or drafts) drawn on your account in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items that you write. When processing items drawn on your account each day, our policy is to pay them in check number order with lower numbered checks posting before higher numbered checks. The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented in a given day. There is no policy that is favorable in every instance. If the smallest items are paid first, you may have fewer NSF or overdraft fees, but the largest and perhaps more important items (such as your rent or mortgage payments) might not be paid. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). The amounts of the overdraft and NSF fees are disclosed in the Important Information on Your Business Accounts Including Fees and Charges. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or drafts without sufficient funds and incurring the resulting fees.

WITHDRAWAL RULES AND LIMITATIONS – All checks drawn on your account must be in U.S. Dollars. We may (but are not obligated to) require suitable identification and/or presentation of account ownership records for any withdrawal or account closure. At our discretion, we may require all of your signatures for the withdrawal or account closure. We may impose a charge on non-customers who cash a check on your account, and require a fingerprint in addition to suitable identification. See the Funds Availability section of this document for information about when you can withdraw funds you deposit.

Available Funds - We do not have to allow you to make a withdrawal from your Account if you do not have sufficient available funds in the Account to cover the full amount of the withdrawal. If there are available funds to cover some, but not all, of the withdrawals or other debits (such as charges) to your Account we may post those withdrawals or other debits for which there are sufficient available funds in any order we may choose at our sole discretion.

Checks Cashed for Non-Customers – Before cashing a check drawn on your account for a non-customer of the bank, we may require two forms of identification from the payee and require that their fingerprint to be affixed to the check. We may also assess a charge for this service.

Large Cash Withdrawals - Withdrawals of large amounts of cash may be restricted due to the limited amount of currency available at our office. You should contact us in advance should you need to withdraw a large amount of cash.

Transaction Limitations - Savings and money market accounts are subject to transaction limitations. You may make up to six (6) transfers or withdrawals by means of a preauthorized, automatic, or telephonic transfer to another account of yours or to a third party during any calendar month (or statement cycle of at least four (4) weeks). A preauthorized transfer includes any arrangement with us to pay a third party from your account at (a) a predetermined time; (b) on a fixed schedule or (c) upon oral or written orders including orders received through the automated clearing house (ACH). If the transfer of withdrawal is initiated in person, by mail,

or at an ATM then there is no limit on the number of payments that may be made directly to you, directly to us for amounts you owe us, or transfers to other accounts you have with us. Withdrawals by phone are also unlimited if you are requesting that a check be mailed to you.

If you exceed these limitations, we may refuse to honor the excessive transactions, remove your transfer privileges, close the account without prior notice, convert it to another type of account, and/or impose a fee for exceeding the limits. We will use the date the transaction is posted to your account (as opposed to the date you initiate it) to apply the frequency limitations. This means that a check you write during one statement period may not be counted until a subsequent statement period.

Unless our written agreement with you says otherwise, you do not have a right to make partial withdrawals from, or additional deposits to, and existing time deposit. Please refer to our "Information on Your Business Account Including Fees and Charges" for information regarding penalties imposed on early withdrawals.

Overdraft Protection – Our Overdraft Protection is a service designed to give limited overdraft protection to individuals and businesses having a qualified Beach Business Bank checking account and a qualified Money Market, Savings, or Checking Account to be linked. After you have been approved for Overdraft Protection and your accounts have been linked, a check (or electronic transaction) for an amount greater than the balance in your checking account will be paid without creating an overdraft, provided that sufficient funds are available in the linked account to cover the overdraft and related service charge. We will automatically transfer funds from your linked account into your checking account in \$100 increments, up to the available balance in the linked account. A service charge per transfer will be charged to the checking account. The entire amount, including service fees must be available in the linked account in order for the transfer to take place.

Transfers from a Money Market or Savings account, including Overdraft Protection transfers, to another account you maintain with us by means of preauthorized or automatic transfer or telephone instruction, or to a third party by check, draft, debit card or similar order, are limited to a total of 6 per monthly statement cycle. For each transaction that exceeds these limitations, an excess transaction fee may be assessed against your account. In addition, if you exceed these limitations, we may close your Money market or Savings Account or convert it to a checking account.

CUTOFF TIME FOR RECEIPT OF ORDERS – Our cutoff time for receipt of a stop payment or postdating order, restraining order, writ of attachment or execution, levy, garnishment or similar notice relating to your account is 9:00 a.m. each business day. The cutoff time relates to our obligation to pay or return checks and other items. If we receive an order before this cutoff time, we may review items presented for payment against your account on the previous business day to determine whether we need to return any of them to comply with the order. If we receive the order after the cutoff time, we may not review items presented on the previous business day.

For example, if you give us a stop payment order after our cutoff time and the item you want to stop was presented for payment the previous business day, your order came too late to stop payment on the item. Or if we receive a levy before the cutoff time and you do not have enough funds in your account to cover both the levy and all items presented against your account the previous business day, we may return one or more items and apply the funds to the levy.

DEMAND DRAFTS – If you voluntarily give information about your account (such as the routing number and your account number) to a third party in order to charge your account by means of one or more demand drafts (i.e., items which do not bear your actual signature, but purport to be drawn with your authorization), you authorize us to pay such drafts, even though they do not contain your signature and may exceed the amount, timing or frequency you authorized. This provision shall not obligate us to honor demand drafts. We may refuse to honor demand drafts without cause or prior notice, even if we have honored similar items previously. You agree that you will not hold us responsible for any loss, damage or other problems resulting from your having used or authorized another to create a demand draft.

ELECTRONIC PRESENTMENT / POSTING – Any one account holder may authorize automated clearing house entries or stop them. We may charge your account on the day that a check or other transaction is presented (or returned) to us directly or electronically for payment. We may also charge your account or place a hold on funds at an earlier time if we receive notice that an item or transaction has been deposited for collection in another institution or is being processed against your account by a merchant (e.g., a debit card transaction). Please note: Some merchants may obtain authorizations in advance for debit card transactions in an amount greater than the final transaction amount. This could affect the balance available to cover other transactions.

POSTDATED CHECKS – We may charge your account for an item that is otherwise properly payable from the account even though this results in paying the check before the date on it, unless you give us a special "notice of postdated check". If you do not give us "notice of postdated check" you agree that if we pay the check, the check will be posted to your Account on the date we pay the check, even though the posting date is prior to the date of the check. You further agree that we are not responsible for any loss to you in doing so. You can give this special notice to us orally, but it must be received by us so as to give us a reasonable opportunity to act on it before final payment of the item. In placing your notice of postdated check, you must describe the check by giving the date the check becomes payable, the check number, the exact amount of the check and the name of the payee in order for us to return the item if it is presented for payment before the date on the check.

We require that you confirm any oral notice of postdated check in writing and deliver it to us within 14 days. We have a special form for this purpose. If you do not confirm your notice in writing, then your notice of postdated check will expire at the end of the 14-day period. If you confirm your notice in writing to us, then your notice of postdated check will remain in effect until the date on the check, or for a total of six months, whichever is less. If you want to continue your notice of postdated check for additional six-month periods, then you must renew your notice before the current notice expires. We may impose a fee for each notice of postdated check and each renewal.

We may pay the item as of its date, even if you have given us a notice of postdated check. If you do not want the item to be payable as of its date, you must give us a stop payment order. The notice of postdated check is not the same as a stop payment order. For a stop payment order to be effective, we must receive it in time for us to act on it before the date of the item, and the other requirements relating to stop payment, as described in the section below, must be followed by you.

STALE-DATED CHECKS – We are not obligated to, but may at our option, pay a check presented for payment more than six months after its date. If you do not want us to pay a stale-dated check, you must place a stop-payment order on the check in the manner we have described under Stop Payments below.

STOP PAYMENTS – Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts that you issue against your account. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any authorized signer, whether you signed the item or not. You must make any stop payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop payment cutoff time. Because stop payment orders are handled by computers, to be effective, your stop payment order must precisely identify the account number, check number, check or transaction date, exact amount of the item, and the payee. We will not be liable for paying a check or transaction over a stop payment order if the order is incomplete or incorrect. A release of the stop payment request may be made by the person who initiated the stop payment order.

There is a per-check charge for each stop payment order. Stop payment orders are effective for six months when it is given to us in writing. After that, the check may be paid and charged to your account unless you renew the stop payment order for an additional fee. We are not obligated to notify you when a stop payment order expires.

We are not required to accept oral stop payment orders. If we elect to act upon an oral stop payment order, however, you agree to promptly confirm the order in writing and deliver it to us. If you fail to do so within 14 calendar days, we may release the stop payment. Our records will be conclusive evidence of the existence, details of, and our decision regarding any oral stop payment order or its revocations.

You may not stop payment on electronic point-of-sale debit card transactions or checks or payments guaranteed by us. Please note that electronic stop payment requests (through our online banking system) may not be effective in stopping the payment of checks that have been posted to, but not finally paid from, your account on the preceding day. In order to ensure that those checks are not paid, you must contact one of our customer service representatives in person, by telephone or in writing no later than 11:00 a.m. on the next banking day after the banking day on which we post the item to your account. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash).

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 attorney's 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.

If we inadvertently pay the check when the stop payment should have been effective, we will reverse any service charges which result, including the stop payment fee. In addition, we will reimburse you for your losses, up to the amount of the check, as long as you are able to prove that you do not owe the money to the person to whom you wrote the check. We may also try to recover that amount from the party who received it. However, if you are unable to prove that you do not owe the money, we will not be obligated to reimburse you for the check amount.

SUBSTITUTE CHECKS – To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check. Some or all of the checks that you receive back from us may be substitute checks. As with original checks, you should contact us immediately upon learning of a problem in the payment of a check.

TELEPHONE TRANSFERS – A telephone transfer of funds from one account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings or money market

account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account transfer restrictions may be described elsewhere.

NOTICE OF WITHDRAWAL – We reserve the right to require not less than 7 days' notice in writing before each withdrawal from an interest bearing account other than a time deposit, or from any other savings account as defined by Regulation D. The law requires us to reserve this right. Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your "Information on Your Business Account Including Fees and Charges" for more detail.

EARLY WITHDRAWAL PENALTIES – We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your "Information on Your Business Account Including Fees and Charges" for additional information.

OVERDRAFTS ON JOINT ACCOUNTS – If your account is a joint account, any one of the account holders may, without notice to the other account holders, initiate withdrawals or close the account, and, in the case of checking accounts, write checks against the account or request stop payments.

Each joint account holder is jointly and severally liable to us for any and all overdrafts to the account. We are not obligated to honor any transaction that would result in an overdraft to the account. Our honoring of any transaction that results in an overdraft to the account does not obligate us to honor such transactions in the future, or obligate us to provide notice to you of your discontinuance of honoring such transactions.

FEES

Our "Important Information on Your Business Account Including Fees and Charges" describes the most frequently encountered fees associated with our accounts and services. Some services are negotiated separately and may be subject to other written agreements with us. Information on fees for services not covered by the "Important Information on Your Business Accounts Including Fees and Charges" document is available upon request. Certain fees may also change without specific notice to you. Account owners must promptly pay the fees and charges associated with their accounts and services, and are jointly and severally liable for such fees. We may deduct account fees automatically from your accounts.

ELECTRONIC FUND TRANSFERS

You are liable for all transactions conducted through the use of a VISA Check Card, VISA Check Card PIN, Online Banking User ID and/or Password, assigned to your company or any authorized employee thereof, whether or not authorized by you. For that reason, you should tell us AT ONCE if you believe your VISA Check Card, VISA Check Card PIN, Business Online Banking User ID and/or Password (referred to as "access devices") has been lost or stolen. Also, if your statement shows transfers that you did not make, you should contact us immediately, and must send us a written notice of the problem within a reasonable time, not to exceed 14 days from the date of discovery or your receipt of the first statement or notice reflecting the problem, whichever occurs first.

Special Rules for VISA Check Card Transactions: For VISA Check Card transactions, special lower liability limits apply. Visa's Zero Liability Policy has been devised to provide you with protection against unauthorized Visa Business check card transactions processed through the Visa network, i.e. for transactions where no PIN is used, including Internet and telephone purchases. If you suspect that your Visa Business check card or card number has been lost or stolen, you may not be responsible for any unauthorized purchases if you report the theft promptly.

Upon notification from you of unauthorized Visa transactions, we will limit your liability for those transactions to zero. We may require such notification to be received within 60 calendar days of the mailing date of the first statement showing any unauthorized Visa transactions. In evaluating your claim, we will consider whether gross negligence on your part has contributed to the transactions in question. We may increase this limit if, based on substantial evidence, it is reasonably determined that you were grossly negligent or fraudulent in the handling of the card or account. We define an "unauthorized transaction" to exclude both of the following: a) Any transaction by a business co-owner, a cardholder, or person authorized by a cardholder, or other person with an interest in or authority to transact business on the account; and b) Any transaction by a cardholder that exceeds the authority given by the Visa Business check card account owner.

We will provide you with provisional credit for unauthorized Visa transactions within five business days from receipt of notification. Additionally, we may require written confirmation of the unauthorized Visa transactions before providing provisional credit.

Contact in event of unauthorized transfer - If you believe your VISA Check Card or Personal Online Banking User ID/Password has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call **(310) 536-2260** or write to us at:

Beach Business Bank
Attn: Customer Service
1230 Rosecrans Ave. Suite 100
Manhattan Beach, CA 90266

You may also call **(800) 554-8969** to report your card lost or stolen. This number is available 24 hours per day, 7 days a week.

Under no circumstances will we be liable for any special or consequential damages involving such accounts.

Right to Stop Payment and Procedure for Doing So – If you have told us in advance to make regular payments out of your account, you can stop any of these payments. You may reach us by phone or mail using the contact information provided above. We must hear from you in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and deliver it to us within 14 days after you call. Otherwise, the oral request may be disregarded 14 days after it was made. Your request should specify the exact amount of the transfer you want to stop, the date of the transfer, and the identity of the payee. You should notify the designated payee in writing that you are stopping payment, as we generally will not do so. If you fail to give us your stop payment order at least three business days prior to a transfer, we may attempt at our sole discretion, to stop the payment. We assume no responsibility for our failure or refusal to do so, however, even if we accept the request for processing. We will charge you a fee for each stop payment order you give. Please refer to your “Important Information on Your Business Account Including Fees and Charges” for the applicable fee.

NOTE: You may not stop payment on an ATM or Visa Check Card transaction. Since your VISA Check Card is not a credit card, if you have a dispute with the merchant regarding the quality, price, warranty or otherwise of the goods or services you purchase with your card, you will have to settle your dispute with the merchant directly. We are not responsible for a merchant’s actions, including any misrepresentations by a merchant.

Foreign Transactions – The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date, plus 1 percent.

Please note: If federal recurring or other electronic payments are made into your account, the payments may be affected by a change in account status or transfer. If you plan to transfer your account or change its status, please speak with us in advance about the impact the change may have on your electronic fund transfer services.

WIRE AND OTHER FUNDS TRANSFERS

The terms and provisions in this section apply to payment orders governed by Division 11 of the California Uniform Commercial Code – Funds Transfers, which covers wire transfers, telephone transfers and ACH transactions involving business accounts. They do not apply to the transactions described in the “Electronic Fund Transfer” section of this document or to payments by check, draft or similar instrument. The error resolution and liability provisions of the Electronic Fund Transfer Act (Regulation E), as well as those on the back of periodic statements, do not apply to business or other non-personal accounts. This agreement is also subject to all clearing house association rules, rules of the Board of Governors of the Federal Reserve System and their operating circulars. If any part of this agreement is determined to be unenforceable, the rest of the agreement remains effective. If you have a separate agreement with us with respect to funds transfers, the terms of that agreement will supersede any conflicting terms in this agreement.

Funds Transfer – A funds transfer is the transaction or series of transactions that begin with the originator’s payment order, made for the purpose of making payment to the beneficiary of the order. A funds transfer is completed by the acceptance by the beneficiary’s bank of a payment order for the benefit of the beneficiary of the originator’s order. Generally, a funds transfer does not include any transaction if any part of the transfer is covered by the Electronic Fund Transfer Act of 1978 as amended from time to time. Your payment order cannot state any condition to payment to the beneficiary other than the time of payment.

Funds Transfer Request – A funds transfer request is an instruction to the Bank made in the name of the Customer (including any such request which has been amended by an effective Cancellation/Amendment Request) by use of telephonic, telegraphic, oral or written means, including a written request made by means of a facsimile machine and a request transmitted to the Bank by Internet e-mail, requesting that funds belonging to, or under the control of, the Customer be transferred (a) to any other specified Customer account(s), whether such account(s) are with Bank or with some other financial institution(s) or (b) any specified account(s) of a beneficiary, whether such beneficiary account(s) are with Bank or with some other financial institution.

Authorized Account – An authorized account is a deposit account you have with us that you have designated as a source of payment of payment orders you issue to us. If you have not designated an authorized account, any account you have with us is an authorized account to the extent that payment of the payment order is not inconsistent with the use of the account.

Acceptance of your payment order – We are not obligated to accept any payment order that you give us, although we normally will accept your payment order if you have available funds in an authorized account sufficient to cover the order. You agree not to initiate any Request which, if acted upon, would cause the balance in the applicable Account to be overdrawn. We reserve the

right to reject any payment order without cause or prior notice, and may notify you of the rejection orally, electronically or in writing. We may reject any Funds Transfer Request which exceeds the collected and available funds on deposit with us in the applicable Account. Funds are not available if we determine they are subject to any lien, security interest, claim, hold, dispute or legal process. If we, in our discretion, create an overdraft to complete a funds transfer, you agree to repay us immediately, without demand, the amount of the overdraft plus any overdraft charges imposed by us. We are not obligated to create an overdraft, even if we have done so previously. We may reject a request if we are unable to verify the request through the Security Procedure or even if we do verify the request, if we reasonably believe the request was not given by a Designated Representative. If we do not execute your payment order, but give you notice of our rejection of your payment order after the execution date, we are not liable to pay you as restitution any interest on a withdrawable credit in a non-interest-bearing account.

Payment of your order – If we accept a payment order you give us, we will act upon each Funds Transfer Request, subject to the terms contained in a separate Funds Transfer Service Agreement, by making applicable accounting entries or by transmitting payment instructions to the applicable bank or other third party no later than the stated value date in the Funds Transfer Request (if such date is not earlier than the day such Request is received), if such request is received prior to Bank's applicable cut-off deadline and the day of receipt is a Business Day. Bank may treat any Funds Transfer Request received by it after the applicable cut-off deadline as received on the next Business Day. We may receive payment by automatically deducting from any authorized account the amount of the payment order plus the amount of any expenses and charges for our services in execution of your payment order. We are entitled to payment on the payment or execution date. In acting on any Funds Transfer Request, Bank may utilize any means of transmission, funds transfer system or intermediary bank reasonably selected by Bank. Bank's selections may differ from instructions in Customer's Request.

Unless your payment order specifies otherwise, the payment or execution date is the funds transfer date we receive the payment order. The funds transfer is completed upon acceptance by the beneficiary's bank. Your obligation to pay your payment order is excused if the funds transfer is not completed, but you are still responsible to pay us any expenses and charges for our services. However, if you told us to route the funds transfer through an intermediate bank, and we are unable to obtain a refund because the intermediate bank that you designated has suspended payments, then you are still obligated to pay us for the payment order. You will not be entitled to interest on any refund you receive because the beneficiary's bank does not accept the payment order.

Foreign Currency Requests – If you request a funds transfer in United States Dollars to a foreign country, we may transfer payment in the currency of the country of the beneficiary's bank at the Bank's buying rate of exchange for United States Dollar transfers. If for any reason the transfer is returned, you agree to accept the refund in United States Dollars in the amount of the foreign money credit, based on the current buying rate of the bank converting the currency to United States Dollars on the date of the refund, less any charges and expenses incurred by the Bank, its correspondents and agents. In giving us your payment order, you agree not to violate the laws of the United States, including without limitation, the economic sanctions administered by the U.S. Treasury's Office of Foreign Asset Control.

Security procedure – As described more fully in a separate writing, the authenticity of a payment order or communication canceling or amending a payment order issued in your name as sender may be verified by a security procedure. You affirm that you have no circumstances which are relevant to the determination of a commercially reasonable security procedure unless those circumstances are expressly contained in a separate writing signed by us. You may choose from one or more security procedures that we have developed, or you may develop your own security procedure if it is acceptable to us. If you refuse a commercially reasonable security procedure that we have offered you, you agree that you will be bound by any payment order issued in your name, whether or not authorized, that we accept in good faith and in compliance with the security procedure you have chosen.

Duty to report unauthorized or erroneous payment – You must exercise ordinary care to determine that all payment orders or amendments to payment orders that we accept that are issued in your name are authorized, enforceable, in the correct amount, to the correct beneficiary, and not otherwise erroneous. If you discover (or with reasonable care should have discovered) an unauthorized, unenforceable, or erroneously executed payment order or amendment, you must exercise ordinary care to notify us of the relevant facts. The time you have to notify us will depend on the circumstances, but that time will not in any circumstance exceed 14 days from when you are notified of our acceptance or execution of the payment order or amendment or that your account was debited with respect to the order or amendment. If the date of receipt cannot be determined, it will be deemed to have been received five (5) business days after the information is mailed by first class mail unless you are located outside the United States, in which case receipt will be deemed ten (10) business days after mailing. If you fail to give us written notice, Bank will not be liable for any loss of interest and will not otherwise be required to compensate you, credit your account, or make any adjustment to your account. Customer will give Bank prompt notice by telephone, confirmed in writing, if it discovers, from any source other than a bank statement, the possibility of error or lack of authority in the transmission of a Request. You will not be entitled to interest on any refundable amount. If you failed to perform either of these duties with respect to an erroneous payment and we incur a loss as a result of the failure, you are liable to us for the amount of the loss not exceeding the amount of your order.

Duty to report unauthorized or erroneous payment – You must exercise ordinary care to determine that all payment orders or amendments to payment orders that we accept that are issued in your name are authorized, enforceable, in the correct amount, to the correct beneficiary, and not otherwise erroneous. If you discover (or with reasonable care should have discovered) an unauthorized, unenforceable, or erroneously executed payment order or amendment, you must exercise ordinary care to notify us of the relevant facts. The time you have to notify us will depend on the circumstances, but that time will not in any circumstance exceed 14 days from when you are notified of our acceptance or execution of the payment order or amendment or that your account was debited with respect to the order or amendment. You will not be entitled to interest on any refundable amount. If you

failed to perform either of these duties with respect to an erroneous payment and we incur a loss as a result of the failure, you are liable to us for the amount of the loss not exceeding the amount of your order.

Identifying number – You must accurately describe the beneficiary’s full name, address, and account number for your payment order and the beneficiary’s financial institution routing number and address. If you describe any beneficiary or institution inconsistently by name and account number, we and other institutions may process the order solely on the basis of the account number, even if the order identifies a person or entity different from the named beneficiary or institution. Neither Bank nor any beneficiary bank has any duty to detect any inconsistency in identification, and you will still be obligated to pay the amount of the Funds Transfer Request even if a different person or entity is paid. Similarly, Bank and any intermediary bank may rely solely on the routing number that identifies an intermediary bank or beneficiary bank in a Funds Transfer Request or in a payment order intended to carry out a Funds Transfer Request, even if such routing number identifies a bank different from the intermediary bank or beneficiary bank identified by name in the Funds Transfer Request or payment order. Neither Bank nor any intermediary bank has any duty to detect any inconsistency in identification, and you will still be obligated to pay the amount of the Funds Transfer Request even if a different Bank is paid.

We may also process incoming fund transfers based on the account number, rather than on any inconsistent name reflected in the payment order. If you give us a payment order that is erroneous in any way, you agree to pay the amount of the order whether or not the error could have been detected by any security procedure we employ.

Record of oral or telephone orders – You agree that we may, if we choose, record any oral or telephone payment order, callback for verification, or communication of amendment or cancellation. If Bank’s records concerning a Request are different from yours, the Bank’s records will govern. Bank’s records include both written records and any tape recordings about funds transfers.

Notice of credit – If we receive a payment order to credit an account you have with us, we are not required to provide you with any notice of the payment order or the credit.

Provisional credit – You agree to be bound by the automated clearing house operating rules that provide that payments made to you or originated by you by funds transfer through the automated clearing house system are provisional until final settlement is made through a Federal Reserve Bank or otherwise payment is made as provided in Section 11403(a) of the California Uniform Commercial Code.

Amendment of funds transfer agreement – From time to time we may amend any term of this agreement by giving you reasonable notice in writing. We may give notice to anyone who is authorized to send payment orders to us in your name, or to anyone who is authorized to accept service.

Cancellation or amendment of payment order – You may cancel or amend a payment order you give us only if we receive the communication of cancellation or amendment before our cutoff time and in time to have a reasonable opportunity to act on it before we execute the payment order. The communication of cancellation or amendment must be presented in conformity with the same security procedure that has been agreed to for payment orders. You agree to indemnify, defend, and hold us harmless from any loss, damage, claim, action, and liability that results, and any charges and costs we incur, in connection with any request by you to amend or cancel a payment order.

Intermediaries – We are not liable for the actions of any intermediary, regardless of whether or not we selected the intermediary. We are not responsible for acts of God, outside agencies, or non-salaried agents of the bank.

Limit on liability – You waive any claim you may have against us for consequential or special damages, including loss of profit arising out of a payment order of funds transfer, unless this waiver is prohibited by law. We are not responsible for attorney fees you might incur due to erroneous execution of a payment order.

Erroneous execution – If we receive an order to pay you, and we erroneously pay you more than the amount of the payment order, we are entitled to recover from you the amount in excess of the amount of the payment order, regardless of whether you may have some claim to the excess amount against the originator of the order.

Objection to payment – If we give you a notice that reasonably identifies a payment order issued in your name as sender that we have accepted and received payment for, you agree to notify us of your objection to the payment within 14 days of our notice to you. If you fail to notify us of any such objection within 14 days, you cannot claim that we are not entitled to retain the payment unless you notify us of your objection to the payment within 14 days of our notice to you.

ADDITIONAL TERMS AND CONDITIONS

ACCOUNT INFORMATION – You can obtain information about your account by calling 866-862-3878, your branch of account, or logging onto our Online Banking Website. The types of information provided, service hours and other features may change from time to time without notice. Please note that balance information may include funds that are not available for immediate withdrawal, and checks that have been presented and paid but are still subject to return. We assume no responsibility if our phone or online services are unavailable for any reason. You may also reach us as referenced in the “CONTACT INFORMATION” section at the beginning of this document.

ACCOUNT TRANSFERABILITY – Unless otherwise agreed by us in writing, all accounts are non-transferable and non-negotiable. You may not grant, transfer or assign any of your rights to an account without our prior written consent. We are not required to accept or recognize an attempted assignment of your account or any interest in it, including a notice of security interest.

If you attempt to transfer or assign all or part of your account, any rights of a transferee or assignee will be subject to our right of setoff or prior security interest. We have no obligation to notify you or any other person before disbursing any funds from your account in accordance with what we in good faith believe to be the terms of the transfer or assignment.

ATTORNEY-CLIENT TRUST ACCOUNTS – Attorneys may establish unsegregated client trust accounts, as required by law, for the purpose of receiving and disbursing client funds that are nominal in amount or on deposit for a short time. Interest on these “IOLTA” accounts, less service charges, is paid to the State Bar. The account must be designated as an “IOLTA” account on the signature card; otherwise we may assume that it is not an “IOLTA” account.

CASH TRANSACTION REPORTING – To assist law enforcement agencies in detecting illegal activities, the law requires all financial institutions to gather and report information on some types of cash transactions. If the information we need to complete the report is not provided, we are required to refuse to handle the transaction. If you have any questions regarding these rules, please contact your local Internal Revenue Service office.

CHANGING ACCOUNT PRODUCTS – We may change your account to another product offered by us at any time by giving you notice that your account will be changed to another product on a specified date. If your account is a time account, the change will not occur before the next maturity date of your account. If you do not close your account before the date specified in the notice, we may change your account to that other product on the date specified in the notice.

CHANGES IN ACCOUNT OWNERSHIP, ADDRESS AND AUTHORIZED SIGNERS – You are responsible for notifying us of any change in your name, address, business capacity, or the authorized signers on your account. We may require a new signature card before any change in ownership or authorized signers becomes effective. Unless we agree otherwise, notice of any change to your account must be made in writing and signed, and we may accept notification of changes from any one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

If the authorized persons on your account change, we may continue to honor items and instructions given earlier by any previously authorized person(s) until we receive specific notice from you in writing not to do so. You should note that a new or updated signature card, by itself, does not constitute notice to terminate any pre-existing payment or transfer plan. In some instances we may require you to close your account or provide us with stop payment orders in order to prevent transactions from occurring. There may be a delay in implementing a change in the authorized persons on our records, and you agree that we will be given a reasonable opportunity to make the changes necessary.

CHECKS – Check prices vary according to the types of checks you select. You can obtain information on the current price of checks by contacting us. Check charges may vary from time to time without specific notice to you. You are responsible for checking the accuracy of all information shown on your checks. If you find an error, please notify us immediately. We are not liable for losses resulting from incorrectly printed checks.

If you arrange for the printing of your own checks, the form, encoding and format of the checks must follow our check specification requirements and be approved by us in advance. If you do not purchase your checks through us, we may charge a fee for each check that rejects during processing due to poor print quality, or if it fails to meet our check-formatting requirements. We make checks available that include fraud prevention features. If you choose not to use these or other checks that include fraud prevention features, you agree to assume a heightened degree of responsibility for safeguarding your checks, and for reviewing all returned checks and statements as soon as you receive them.

RESTRICTIVE LEGENDS – You agree not to directly or indirectly present any checks or other items bearing restrictive notations such as “Void after 90 days” or “Void if over \$500.” You agree that if you directly or indirectly present such checks or other items, we will not be bound by the restrictive language and may pay the checks or other items without regard for the restrictions contained therein. In no event will we be liable for our refusal to honor your restrictions, whether or not we had previously honored or dishonored similar restrictions. You further agree to indemnify us and hold us harmless for any claims or losses arising out of our refusal to honor your restrictions.

CHECKS LOST OR STOLEN – You agree to safeguard your blank and canceled checks, and to take reasonable steps to prevent their unauthorized use. If you are a business, you should store them under dual control in a secure, locked location that is accessible only to authorized personnel. If your checks are lost or stolen, you agree to notify us immediately. For security reasons, we reserve the right to close your account and transfer the balance to a new account. If we do, all checks written but not yet paid may be returned to payees as “Account Closed” or “Refer to Maker”. You will be responsible for issuing any replacement checks.

CONSENT TO GATHER INFORMATION – Each of you authorizes us to obtain information from time to time regarding your credit history from credit reporting agencies and other third parties.

DEATH OR INCOMPETENCE – You, for yourself and on behalf of any Executors and Administrators of an estate, agree to notify us immediately of the death or court-declared incompetence of any owner, authorized signer or designated beneficiary on your account. We may continue to honor your checks, items, and instructions until: (a) we know of your death or incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay checks drawn on or before the date of death or legal incompetence for up to ten (10) days after your death or legal incompetence unless ordered to stop payment by someone claiming an interest in the account.

You agree that we may disregard any notice of incompetence unless the person in question has been declared incompetent by a court of appropriate jurisdiction and we receive written notice and instructions from the court regarding the account. We may also freeze, offset, refuse and/or reverse deposits and transactions (e.g., governmental or retirement benefit payments payable to the deceased) if an owner dies or is adjudicated incompetent.

Your signature card will indicate the owner(s) of the account and the manner in which ownership is held. See the section entitled “*OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION*” elsewhere in this document for a description of the rights of survivorship. If we have any question as to the ownership of funds or the amount of funds that belong to any person upon the death of an owner, we may freeze all or part of the account, pending receipt of proof (satisfactory to us) of each person’s right to the funds.

FACSIMILE SIGNATURES – We may refuse to accept or may pay items bearing facsimile signatures. You agree to assume full responsibility for any and all payments made by us in reliance upon signatures that resemble the actual or facsimile signature(s) that any of you provide to us in connection with your accounts or services. You agree to indemnify, defend and hold us harmless from any and all actions, claims, losses, damages, liabilities and expenses arising directly or indirectly from the misuse or the unlawful or unauthorized use or copying of facsimile signatures (whether affixed manually, by stamp, mechanically, electronically or otherwise).

FICTITIOUS BUSINESS NAME ACCOUNTS – If you hold an account under a fictitious name, each of you represents that one or more of you have the right to use that name and have fulfilled all the legal requirements for using the name and doing business under that name. “Fictitious business name” means, in the case of an individual, a name that does not include the surname (last name) of the individual or that suggest the existence of additional owners (e.g., “& Company”). In the case of a partnership, other than a limited partnership, a name that does not include the surname of each general partner or a name that suggests the existence of additional owners is a fictitious business name. In the case of a corporation, any name other than the corporate name stated in its articles of incorporation is a fictitious business name. In the case of a limited partnership or a limited liability company, any name other than the name of the limited partnership or limited liability company on file with the Secretary of State is a fictitious business name.

FRAUD PREVENTION – The following preventive measures are recommended to help you protect your account from fraud:

1. Reconcile your statements as you receive them, watching for out-of-sequence checks and checks made payable to cash, and reviewing your transaction activity for unexpected fluctuations. Business customers should consider assigning responsibilities for opening mail, reconciling bank statements, and issuing checks to different individuals.
2. Always be cautious about giving someone your account number. If you give your account number to a third person and authorize that third person to initiate one of more transactions on your account, you may be liable for all transactions initiated by the third person even if you did not intend to authorize a particular transaction.
3. Never leave unused checks out in the open or in an easily accessible location. Checks can be stolen and misused, so it is important for you to keep them locked in a safe place. When discarding checks, ensure they are properly destroyed by shredding or other means so that they cannot be copied or used. If unused checks disappear, either individually or a pad at a time, call us immediately. We may deny a claim due to forged, altered or unauthorized checks if you do not take reasonable measures to guard against improper access to your checks.

These are only suggestions of some measures you may take to help prevent fraud on your account, and following these suggestions is no guarantee of protection from fraud. The suggestions are by no means a complete list of preventive measures you may take; other or additional actions may be appropriate for your particular circumstances.

INACTIVE ACCOUNTS – Service charges for “inactive accounts” are the same as service charges for active accounts. Charges are not reimbursed for inactive accounts that are later reclassified as “active”. We may be required to turn over (escheat) account funds to the state if you fail to do one of the following within the time period specified by state law: make a deposit to or a withdrawal from the account; present the passbook or other similar evidence of the deposit for the crediting of interest; correspond in writing with us about the account; or otherwise indicate an interest in the account, as evidenced by a memorandum or other record on file with us. We may consider an account inactive even if you maintain another active account with us, and may escheat funds in the inactive account to the state. We may impose a fee for sending a dormant account notice to you prior to turning the

funds over to the state. If funds are remitted to the state, you may file a claim with the state to recover the funds. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds.

For security reasons, we may refuse a withdrawal or transfer from accounts we internally classify as dormant if we cannot reach you in a timely fashion to confirm the transaction's authorization.

INTERNET GAMBLING – You certify that you are not now engaged in, and during the life of this Agreement will not engage in, any activity or business that is unlawful under the Unlawful Internet Gambling Enforcement Act of 2006, 31 USC 5361, et seq (the "UIGEA"). You may not use your Account or any other service we offer to receive any funds, transfer, credit instrument or proceeds that arise out of a business that is unlawful under the UIGEA. You agree that if anyone asks us to process a transaction that we believe is restricted under the UIGEA, we may block the transaction and take any other action we deem reasonable under the UIGEA and this Agreement.

LEGAL ACTIONS AFFECTING YOUR ACCOUNT – If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action to the extent required by law or as advised by legal counsel. We may notify you of such process by telephone, or in writing, unless prohibited by law. We impose a processing fee for each legal process. Additionally, any fees or expenses we incur in responding to any legal action (including, without limitation, attorney's fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided in the Important Information on your Business Account Including Fees & Changes disclosure may specify additional fees that we may charge for certain legal actions.

You agree to indemnify, defend and hold us harmless from all actions, claims, liabilities, losses, costs, attorney's fees, and damages associated with our compliance with any process that we believe to be valid. Accounts opened with trust or fiduciary designations may be subject to levies and other legal process against your property unless our records clearly reflect the existence of an express written trust or court order.

We may not pay interest on any funds we hold or set aside in response to legal process. You agree that we may honor legal process that is served personally, by mail, or by facsimile transmission, even if the law requires personal delivery at the office where your account or records are maintained.

LOST, STOLEN, OR DESTROYED CASHIER'S OR OFFICIAL CHECKS – You do not have the right to stop payment on a Cashier's check or other official check issued by Beach Business Bank, even though you may have purchased the item. Under some circumstances you may be able to assert a claim for the amount of a lost, destroyed, or stolen cashier's or other official check. To assert the claim: (a) you must be the remitter or payee of the check, (b) we must receive notice from you describing the check with reasonable certainty and asking for payment of the amount of the check, (c) we must receive the notice in time for us to have a reasonable opportunity to act on it, and (d) you must give us a Declaration of Loss form describing the cashier's check and how it came to be lost, stolen or destroyed, and sign the declaration under penalty of perjury. You can ask us for a declaration form. If the cashier's check is presented during the first 90 days following the date of issue, we may pay the item to a person entitled to enforce the check. If this happens, we will not pay your claim. If the check is not presented within the first 90 days, and all the conditions listed above have been met, we will reimburse you for the face amount of the cashier's check.

At our option, we may pay you the amount of the check before your claim becomes enforceable. However, we will require you to agree to indemnify us for any losses we might suffer. This means that if the check is presented after we pay your claim, and we pay the check, you are responsible to cover our losses. We may require you to provide a surety bond to assure that you can pay us if we suffer a loss.

NEW ACCOUNT VERIFICATION – You expressly authorize us to: (a) use a third party service to verify and obtain information regarding the business, any authorized representatives and authorized signers, and your previous banking relationships, and (b) report the status and/or closure of your account to such third party services.

New accounts are subject to verification through Chex Systems and may be declined based on adverse information. Should you be denied the opportunity of opening an account because of negative information, you may request, in writing, a file copy through Chex Systems. Your request must contain your name, signature, social security number and taxpayer identification number and address. Send your request to:

Chex Systems
Attn: Consumer Relations
12005 Ford Road, Suite 600
Dallas, TX 75234-7253
(800)428-9623

PAYMENT OF PHOTOCOPIES – If a photocopy of a check or other item that appears to be drawn on your account is presented to us for payment in place of the original, we may pay the photocopy if it is accompanied by a representation from another financial institution that the original item has been lost or destroyed. We will not incur any liability in the event the original item is later presented to and paid by us, unless a stop payment order is in effect for the original item.

PLEDGES – Unless we agree otherwise in writing, each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective. For example, if an account has two owners and one of the owners pledges the account (i.e., uses it to secure a debt) and then dies, (a) the surviving owner's rights in this account do not take effect until the debt has been satisfied, and (b) the debt may be satisfied with the funds in this account.

POWER OF ATTORNEY – Any owner may provide us with a power of attorney. You should notify us in advance if you plan to create a power of attorney involving your account. Upon request, we may provide you with a power-of-attorney form for that purpose. We generally will accept a Uniform Statutory Form Power of Attorney that complies with California law. We may refuse to accept other forms of powers of attorney, however, with our without cause.

We may act on the instructions of an attorney-in-fact whether or not the attorney-in-fact relationship is noted in the instruction (e.g., on any checks signed by the attorney-in-fact). You can revoke your power of attorney by sending a written notice to us.

RELEASE OF ACCOUNT INFORMATION – In addition to information released to comply with the law or a court order, some information about your account may be disclosed to others. We may provide information about your account to verify information you may have given in a credit application, verify for a merchant a check you have written, or in response to request by our agents, such as independent auditors, consultants or attorneys. As required by law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

RIGHT OF SETOFF – We may (without prior notice and when permitted by law) set off funds in your account against any due and payable debt you owe us now or in the future, by any of you having the right of withdrawal, to the extent of such person's or legal entity's right to withdraw and regardless of the source of the funds. The amount of the setoff may be further limited by applicable law. If the debt arises from a note, "any due and payable debt" includes the total amount we are entitled to demand under the note at the time of our set off, including any balance due for which we properly accelerated the note and any collection costs and other expenses recoverable under the note.

This right of setoff does not apply to this account if: (a) it is an IRA or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against the account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

SECURITY – It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card we provide you for your account(s)). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give them full use of the money in your account. An account number can be used by thieves to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfer to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account. If you provide your account number in response to a telephone solicitation for the purpose of making a transfer (to purchase a service or merchandise, for example), payment can be made from your account even though you did not contact us directly and order the payment. You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us.

STATEMENTS, NOTICES AND CHECKS – Statements are a valuable tool to help prevent fraudulent or mistaken transfers. Each statement period the statement will be considered correct for all purposes and we will not be liable for any payment made and charged to your account unless you notify us in writing within 30 days after the statement is made available to you. Your statement will show all transactions that occurred in connection with your account during the statement period. Your canceled checks will not be returned to you with your statement. Instead you will receive a photocopy of the front and back of each check paid against your account. You agree that our retention of the original items does not alter or waive your responsibility to examine your statements or change the time limits for promptly notifying us of any errors. We will keep a copy of your checks for seven years. You can request a copy of a check by providing us with the following information: check number, amount, payee, and the date the item was paid. There is no charge for the first two items per month that we copy for you. After that, your account is charged a fee for each copy (including the front and back of the check). We will not be responsible for any special or consequential damages under any circumstances for our inability to provide copies of checks for any reason. Our liability, if any, will not exceed the face amount of the check in question.

In addition to the photocopies of checks, your account statement will include the following information with respect to each check paid against your account during the statement cycle, to the extent such information is magnetically encoded on the check: (a) the item number; (b) the amount of the check, and (c) the date of payment. You agree that this is sufficient information for you to reasonably identify the items paid and determine whether any payment was not authorized because of an alteration or unauthorized signature. You should keep record of each transaction as it is made so that when we give you the information in the statement, you will have a complete understanding of each transaction listed.

If you do not receive your statement, you should contact us. Statements and notices sent or made available to any of you are deemed to be received by all of you. If they are held by us at your request or because you fail to provide us with a current address, they will be deemed delivered to you when they are prepared (for hold statements), mailed (for returned mail) or otherwise made available to you. At our discretion, we may destroy mail that is returned to us or determined to be undeliverable.

TELEPHONIC/ELECTRONIC INSTRUCTIONS – We reserve the right to accept or reject telephonic instructions from you in connection with your account. Our understanding of instructions and our records shall be conclusive evidence of the actual instructions given. We are not required to accept instructions or permit withdrawals by telephone, and this does not constitute an agreement by us to do so. Telephone transactions involving certain accounts are also subject to transaction limitations.

We may, but are not required to act upon instructions received by fax transmission, voice mail, e-mail or other electronic means. We may not review your message until the banking day after it is received. As such, it may not be appropriate to use this service if you need to reach us with time-sensitive information, such as a stop payment order or information about an unauthorized transaction.

TELEPHONE MONITORING/RECORDING – We may monitor or record phone calls for security reasons and to ensure that you receive courteous and efficient service. You consent in advance to any such recording. We need not remind you of our recording before each phone conversation.

TERMINATION/CLOSING YOUR ACCOUNT – Any authorized signer may close your account at any time, with or without cause. We are not required to provide notice of such closure to the other authorized signers on the account. We may automatically close your account if the account balance is zero.

We may terminate your account relationship with us at any time, with or without cause, by giving oral or written notice to any of the authorized representatives. If we close your account for cause, we will report the closure to a third party service. If the funds are not withdrawn, we may send a check for the collected account balance to any of you at the last address we have on file for the account. Thereafter, the funds will stop earning interest (even if the check is returned or remains uncashed for any reason). We may impose a charge on certain accounts if they are closed within 90 days of opening.

We may dishonor any check, item or transaction presented for payment after an account is closed. At our sole discretion, we may honor checks, items and orders presented or occurring after an account is closed if the transaction is guaranteed by us to third parties (e.g., under a check guarantee or as part of an electronic fund transfer arrangement) or you fail to give us a timely stop payment order for any outstanding checks. You remain responsible for such items and transactions, which may be treated as overdrafts.

UNAUTHORIZED TRANSACTIONS – You are responsible to promptly examine your statement and report any irregularities to us with “reasonable promptness”. We will not be liable for any check that is altered, fraudulent, or any signature that is forged unless you notify us within thirty (30) calendar days after the statement is made available to you. Also, if you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you must bear the loss entirely yourself or share the loss with us. The loss you bear, in whole or part, could be not only with respect to items listed on the statement, but also subsequent items with unauthorized signatures or alterations by the same wrongdoer.

Claim of Loss – You agree that the time you have to examine your statement and report to us will depend on the circumstances, but you will not, in any circumstance, have a total of more than 30 days from when we first send or make the statement available to you. You further agree that if you fail to report any unauthorized signatures, alterations, or any other errors in your account within sixty (60) days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we exercised ordinary care. Also, we will not be liable for any subsequent items paid, in good faith, containing an unauthorized signature or alteration by the same wrongdoer unless you notify us within ten (10) calendar days after the statement were made available to you (except for transaction covered by the Electronic Funds Transfer Act.) The limitation in this paragraph is in addition to others contained in this section.

In the event you do assert a claim against us regarding unauthorized signatures, alterations, or other problems with the account, you agree to cooperate with us and assist us in seeking criminal and civil penalties against the person responsible. You must file reports and complaints with appropriate law enforcement authorities. If we ask, you must also give us a statement, under oath, about the facts and circumstances relating to your claim and provide such other proof as we may request. If you fail or refuse to do these things, we will consider your failure or refusal to be your ratification of the defect in the statement or item, unauthorized transaction, alteration, or other problem and your agreement that we can charge the full amount of your account. We will have a reasonable period of time to investigate the circumstances surrounding any claimed loss. During our investigation, we will have no obligation to provisionally credit your account.

Our maximum liability will never exceed the amount of actual damages proven by you. Our liability will be reduced: (a) by the amount of the loss that is attributed to your own negligence and lack of care; and (b) to the extent to which damages could not

have been avoided by our use of ordinary care. Any loss recovery you obtain from third parties will be apportioned in accordance with this provision. Unless otherwise required by law, we will not be liable for incidental, special or consequential damages, including loss of profits and/or opportunity or for attorney's fees incurred by you, even if we were aware of the possibility of such damages.

You agree to pursue all rights you may have under any insurance policy you maintain in connection with any loss associated with your account and to provide us with information regarding coverage. Our liability will be reduced by the amount of any insurance proceeds you receive or are entitled to receive in connection with the loss. If we reimburse you for a loss and the loss is covered by insurance, you agree to assign us your rights under the insurance policy to the extent of our reimbursement.

As a business, you agree not to entrust the writing of checks and the reconciliation and review of your account statements and notices to the same person without frequent monitoring. We may deny a claim for monetary loss due to forged, altered or unauthorized checks if you fail to follow these procedures.

UNCLAIMED PROPERTY – The law establishes procedures under which unclaimed property must be surrendered to the state. We may have our own rules regarding dormant or inactive accounts, and if we charge a fee for dormant accounts, it will be disclosed to you elsewhere. Generally, the funds in your account or property in our possession are considered unclaimed if you have not had any activity or communication with us regarding your account or property over a period of years. Ask us if you want further information about the period of time or type of activity that will prevent your account from being unclaimed. If your funds or property are surrendered to the state, you may be able to reclaim them, but your claim must be presented to the state. Once your funds or property are surrendered, we no longer have any liability or responsibility with respect to the funds.

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