



TERMS & CONDITIONS
EFFECTIVE JULY 1, 2018
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**FARMERS AND MERCHANTS BANK
OF LONG BEACH
TERMS & CONDITIONS
EFFECTIVE JULY 1, 2018**

INTRODUCTION

Welcome to Farmers and Merchants Bank of Long Beach.

This Terms & Conditions document is provided so that you may better understand the rules governing your Farmers and Merchants Bank of Long Beach account. This document and your Truth in Savings Disclosure, Deposit Product Brochures, Rate Sheet, Schedule of Fees and all disclosures and account brochures are incorporated by reference and form your agreement with the Bank. These are collectively referred to in this document as your "Agreement."

Note that this Agreement includes important consumer disclosures, including disclosures provided pursuant to the Electronic Fund Transfer Act and the Expedited Funds Availability Act. Further note the section below titled "Arbitration" for any dispute under this Agreement. Please read this Agreement carefully and keep it with your records for future reference.

As used in this Agreement, the words "you," "your" and "yours" and other similar terms mean each account owner and any agent appointed by or authorized to act on behalf of any account owner, including any and all persons authorized by you to sign on the account in a representative capacity. The words, "we," "our," "us," "Bank," "the Bank," "Farmers & Merchants Bank of Long Beach," "Farmers & Merchants Bank," "F&M Bank," "F&M Bank of Long Beach" and "F&M" mean Farmers and Merchants Bank of Long Beach. The word "Service" will refer to the subject service being made available by the Bank. The words "authorized signer(s)" refer to the person(s) authorized to transact on your account (including, but not limited to, signing checks drawn on your account) and/or give instructions regarding the account, including account owner(s), authorized signer(s), attorney(s)-in-fact and any other agent(s) of yours. However, this Agreement does not intend, and the term "you" and "yours" should not be interpreted, to expand an individual's responsibility for an organization's liability. If a corporation, partnership or other organization owns the account, the laws generally applicable to that type of organization determine individual liability. The phrase "signature card" includes any Account Agreement ("Signature Card") or new account application forms signed and/or completed by you and recorded on the records of the Bank.

For purposes of this Agreement, the word "item" means a check, draft, demand draft, preauthorized draft or other order or instruction for the payment, transfer or withdrawal of funds, including a withdrawal slip, deposit slip/adjustment, automatic transfers, electronic transactions and miscellaneous charges to your account. An "item" also means any other document created or authorized in your name that would be a check or draft but for the fact that it has not been signed.

If you sign your Signature Card, whether in writing or electronically, or continue to have an account with the Bank, you agree to the terms and conditions of this Agreement. This Agreement applies to all accounts you have with us. This Agreement supersedes any previous deposit account agreement and applicable disclosures with us.

Unless specifically stated otherwise in this Agreement, the terms and conditions in this Agreement apply to both personal account owners, who are also commonly referred to as consumers, and business account owners, who are commonly referred to as non-consumers. A personal account owner is an individual who has an account established primarily for personal, family or household purposes. A business account owner is a sole proprietor or any non-individual (including, but not limited to, a corporation, partnership, limited liability company, organization, lodge or unincorporated association) with accounts not primarily established for personal, family or household

purposes. If you are a business account owner, you agree not to use your account for personal, family or household purposes. In addition, this Agreement contains parts that disclose or discuss rights held by consumers (e.g., Truth in Savings Disclosures) under federal or state law. The disclosures applicable to personal accounts will not afford protections to business accounts, even if not specifically noted by the Bank.

You agree, for yourself and the person or entity you represent (if you sign as a representative of another), to the terms of this account, to pay any applicable fees, including all taxes, tariffs and assessments levied or imposed by any government agency in connection with your account or account-related services (excluding any income tax payable by us), and you give us the right to collect fees, as incurred by you, directly from your account. You also agree to pay such additional reasonable charges we may impose for services you request that are not contemplated by this Agreement.

If your account is a joint account, any one of the account owners may, without notice to the other account owners, enter separate service agreements that bind all account owners, initiate withdrawals or close the account, and, in the case of checking accounts, write items against the account or request stop payments (whether or not drawn by the requesting account owner). Each account owner is authorized to act for the other account owner(s), and we may accept orders and instructions regarding the account from any account owner. Each joint account owner is jointly and severally liable to us for any and all overdrafts to the account. This liability is due immediately and can be deducted directly from the account balance whenever 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.

You will be liable for our costs as well as for our reasonable attorney's fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or you and a third party that claims an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorney's fees can be deducted from your account when they are incurred, without notice to you.

This Agreement is subject to applicable federal laws, the laws of the state of California and other applicable rules, such as the operating letters of the Federal Reserve Banks and payment processing system rules (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:

- Summarize some laws that apply to common transactions;
- Establish rules to cover transactions or events which the law does not regulate;
- Establish rules for certain transactions or events that the law regulates but permits variation by agreement; and
- Give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular. If you need any additional information, please contact us at any one of our branch offices.

HEADING TERMS

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

FDIC INSURANCE

We are a member of the Federal Deposit Insurance Corporation ("FDIC"), a corporation organized by the government to insure deposits. At this time, the FDIC's standard

insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category. To find out more about FDIC deposit insurance coverage, please refer to the FDIC Deposit Insurance brochure available at our branch offices. You may contact the FDIC directly at 550 17th St., NW, Washington, DC 20429, Attn. Deposit Insurance Outreach, or by calling its toll-free consumer hotline at (877) 275-3342 (877-ASKFDIC) or visiting its website at www.FDIC.gov.

LARGE CASH TRANSACTION

Cash transactions are subject to availability of cash and the limitations of the branch office where the request is made. We are not responsible for providing for your security, or the security of your employees or agents, in such transactions. You agree that at our discretion, we may either partially or completely fulfill your cash withdrawal request or the cash withdrawal request of someone seeking to cash a check drawn on your account, by issuing a cashier's check or requiring that you or they go to a specific branch office to obtain the cash.

At our discretion, we reserve the right to require advance notification and may require that you or they provide additional security measures, such as an armored car service, and/or deliver the cash to a specific location. In addition, we reserve the right, but will not be required, not to disburse such cash until we have had the opportunity to first contact you to obtain confirmation that the person seeking to receive the cash is in fact authorized to do so and is the person to whom you intended to give the funds. We may, but will not be required to, also require reasonable identification, which may include, without limit, documentary identification and/or physical documentation (e.g., fingerprint, etc.).

CASH REPORTING REQUIREMENT

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

CUSTOMER IDENTIFICATION FOR OPENING A NEW ACCOUNT

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

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

We may further ask you for specific information regarding the nature of anticipated activity, the sources of your funds, the purposes of transactions, the relationship you have with persons to whom you send funds and persons who send funds to you, the anticipated frequency of such transactions, the ultimate beneficiaries of funds you send and receive, and other questions that may help us clarify the nature and purpose of transactions. We may close accounts if we are unable to understand the purpose of the account, the structure of the organization, the authority of the signers, the

documentation provided or the general risk associated with the establishment of the account. We may elect not to disclose the specific reason for our action.

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

PROVIDING PERSONAL AND FINANCIAL INFORMATION

You agree to provide true, accurate, current and complete personal and financial information about yourself and about your affiliates (as applicable) when requested. You agree not to misrepresent your identity.

CREDIT VERIFICATION

From time to time, we may obtain credit information about you from check or credit reporting agencies and/or other means. We may do so at the time you open an account or request a service, at any time while your account is open or the service is available, after your account or service is closed, or as otherwise permitted by law. We may also order a credit or background report on you or any other signer on the account. You agree that by requesting to open an account or acquire a service from us, or by becoming an authorized signer on an account at the Bank, you give the Bank permission to obtain credit information from a credit-reporting agency. For example, new accounts are subject to verification through ChexSystems® (the "Reporting Agency") and may be declined based in whole or in part on information obtained in a report from the Reporting Agency. You have a right under the Fair Credit Reporting Act to know the information contained in your credit file at ChexSystems®. If we decline to open an account or otherwise provide deposit services, the Reporting Agency will have played no part in our decision and would be unable to supply specific reasons why we would have denied the account or services. Accounts not maintained in a satisfactory manner at the Bank are subject to closure by the Bank and are reported to ChexSystems®.

ACCOUNT STRUCTURE

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

OWNERSHIP OF ACCOUNTS

You may choose one of several types of ownership when you open an account. The type of account ownership you select will determine how title is held and may determine how the property is passed on after the death of one or more of the account owners. We reserve the right to refuse some types of ownership on any or all accounts. You may wish to consult with an attorney and/or tax advisor before deciding which type of account ownership is best for you. The Bank does not provide or take responsibility for this type of advice. The following is a brief summary of the general types of account ownership available at Farmers & Merchants Bank of Long Beach:

INDIVIDUAL ACCOUNT

One individual is the owner of the account and has sole ownership interest in the account. When the owner dies, ownership of the funds in the account passes as part of the owner's estate to the successor through the owner's will or by applicable state law, if the owner does not have a will.

JOINT ACCOUNT

The account is owned by the named parties with right of survivorship. Upon the death of either of them, ownership passes to the survivor.

FIDUCIARY ACCOUNT

Under authorization from a court, executors, administrators, conservators and guardians may open accounts. Trustees under a written trust agreement may also open accounts. The Bank will require a copy of the court order and/or a Trustee Certification to verify that the person opening the account is the designated fiduciary, as well as to determine the powers of the fiduciary, provisions for succession and any other documents deemed necessary. We will not be responsible for monitoring a trustee's or other fiduciary's management of the account. We will not be obligated to monitor items deposited to, or drawn against, accounts held by a trustee or other fiduciary to determine whether a trustee or fiduciary is acting consistently with or in breach of any fiduciary duty.

PAYABLE ON DEATH ("POD") ACCOUNT

For an individual or joint account, you may choose to make your account payable on your death to one or more payable on death ("POD") beneficiaries. We may limit the number of beneficiaries per account. You can make your account a POD account by instructing us to list each POD beneficiary on the account and complying with the applicable state law. During your lifetime, a POD account belongs to you. When the account owner or last co-owner dies, we may pay any funds remaining in the account to the then-surviving (if any) POD beneficiary(ies), subject to our right to charge the account for any amount a deceased owner, co-owner or POD beneficiary owes us. We may distribute the account balance, subject to any bank claims, to such beneficiaries payable to one or all surviving beneficiaries jointly, or payable individually, in equal shares, to each surviving beneficiary. This account type is also known as a "Totten Trust," "In Trust For" or "As Trustee For" account.

DOCUMENTED TRUST ACCOUNT (FORMAL TRUST)

You agree to provide us with a written and notarized, validly executed Trust Certification, or any other document we may require, pertaining to the account. We will not be required to know, understand, interpret or enforce the terms of any trust documentation that may be provided to us.

UNIFORM TRANSFERS TO MINORS ACT ACCOUNT

A person holding money as a custodian under the applicable state Uniform Transfers to Minors Act ("UTMA") may open this account. The account is controlled by the custodian but is owned by the minor. The minor's tax identification number is used for the account. The custodian is solely responsible for managing these funds and disbursing them in accordance with the UTMA. If the custodian resigns, is removed or dies, we will recognize the designated successor custodian. The custodian can designate a person or entity as a successor custodian to act when the current custodian resigns, becomes legally incapacitated or dies. If no successor custodian is named, the California Probate Code will govern the determination of a successor custodian. The custodian and/or any person opening this account agree to indemnify, defend and hold us harmless from and against any and all claims, damages, liability or exposure, including reasonable attorney's fees, that we may suffer or incur arising out of any action or claim by any beneficiary or other custodian with respect to the authority, action or inaction taken by the custodian in handling or dealing with the account. When the minor reaches the age of majority or other age at which withdrawal is permitted, it is the legal obligation of the custodian to turn the funds over to the minor, but the Bank can also transfer the money to the beneficiary upon verification of his/her age. The Bank is not responsible to determine whether the use of the funds by the custodian is for the benefit of the minor. This account type can be opened only for the benefit of a person who is a minor at the time of opening.

BUSINESS ACCOUNT

For a business, such as a corporation, partnership, limited liability company, sole proprietorship or unincorporated association, etc., the business owner must provide the Bank with documentation sufficient to establish the legal existence and signing authority of the individuals authorized on behalf of the business entity. On any transaction involving the account, we may act on the instruction of the person(s) authorized in the resolution, banking agreement or certificate of authority to act on

behalf of the account owner. You agree to notify us in writing promptly of any changes in the business name or identity, or any change in the authorized signers on the account.

You agree to provide and certify all required information of any beneficiary owner with ownership interest of 25% or more of the business entity, and if deemed necessary, other beneficiary owners of smaller percentage, as well as required information of the individual with significant responsibility for managing the business entity, such as an executive officer or senior manager (e.g., chief executive officer, chief financial officer, chief operating officer, managing member, general partner, president) or other individual who regularly performs similar functions.

SOLE PROPRIETORSHIP ACCOUNT

If you open a business account as a "sole proprietor," your business may not be a corporation, partnership, association, or limited liability company. If a proprietorship account is permitted to be opened with multiple individuals as co-owners, the account will be treated as a joint account with right of survivorship held for a business purpose. We reserve the right to refuse to open an account, or allow it to be maintained, as a proprietorship account with multiple owners.

FICTITIOUS BUSINESS NAME ACCOUNT

If the account is under a fictitious business name held by an individual or a business entity, each account owner represents that one or more of the account owners has the right to use that name and has fulfilled all legal requirements for using and/or doing business under that name.

CORPORATION ACCOUNT

If you open a business account as a "corporation," your business must be properly incorporated. Upon our request, you agree to provide us with any documentation we may require pertaining to the account, including additional supporting documentation for "out-of-state" or "out-of-country" foreign entities.

LIMITED LIABILITY COMPANY ACCOUNT

If you open a business account as a "limited liability company," your business must be properly established as a limited liability company, and the account title must reflect this designation.

PARTNERSHIP ACCOUNT

If you open an account as a "partnership," any general partner can sign and have authority to bind the partnership unless you have specifically advised us, in writing; otherwise, furnishing a copy of the partnership agreement is not considered specific advice and we will not be responsible to know, understand, interpret or enforce the partnership agreement.

ATTORNEY-CLIENT TRUST ACCOUNT

If you want to open an Interest on Lawyers Trust Account ("IOLTA"), you must indicate that on your Signature Card. Otherwise, we may assume that it is not an IOLTA account.

POWER OF ATTORNEY

A power of attorney is a document you sign that authorizes someone else, herein called the agent, to act on your behalf. If you choose to add an agent to your account, you or your agent must provide us with a written power of attorney in a form acceptable to us, along with any other documents we may require. Any account owner may provide a power of attorney to us, and we are authorized to rely on it without notice to the other account owners. Unless prohibited by law, we may refuse to honor a power of attorney, or follow or refuse to follow the agent's instructions at any time, including if we suspect fraud or abuse on your account. We have no liability to you when we follow or refuse to follow any instructions from an agent. You or your agent must tell us of any changes involving the power of attorney. We will not be liable to you or anyone else if we, in good faith and without actual knowledge that the power of attorney is

deficient or has terminated for any reason, act on the instructions of your agent. You agree that a signature by your agent is valid, even if the principal agent relationship itself is not indicated on the check or instruction.

AUTHORIZED SIGNERS

An authorized signer is someone to whom you give all rights you have now or in the future to your account, including the authority to make withdrawals and deposits, to obtain ancillary services (for example, electronic fund transfer services, wire services and online banking access), and to otherwise transact on your account, receive account information and provide instructions to us regarding your account. Merely by designating an authorized signer, you do not give any ownership rights in the account. Any one of the authorized signers may sign checks or withdrawal orders and give us instructions regarding the account, including an instruction to close the account. However, if there is a conflict, we reserve the right to require all authorized signers to sign an item, withdrawal order or other instruction on the account.

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

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

TRANSFER OF OWNERSHIP

While checks drawn on your account are negotiable, the account itself and any certificate of deposit, passbook or other indication of ownership is not negotiable or transferable except on our books and records, unless the account document(s) for the account explicitly state(s) it is negotiable or transferable. We must approve any pledge of an account as security for a debt, and any pledge remains subject to our right of setoff and security interest.

GENERAL TERMS

SIGNATURE CARD AND AUTHORIZED SIGNERS

The account Signature Card gives important information about your account, such as ownership, identification and contact information. For your protection, please make sure the information provided on your Signature Card is accurate.

At our discretion, you agree to provide us with information and documentation, satisfactory to us, to identify all authorized signers and, if applicable, the organization or business. You may indicate the required number of authorized signers for an account on the Signature Card, and any of the authorized signers, without notice to the other authorized signers, may sign checks; make withdrawals; transfer funds; close the account; endorse checks for deposit to this account that are payable to any of you; authorize, amend or cancel automated clearing house entries and any other types of electronic fund transfers; initiate stop payment orders or give us instructions and/or changes regarding the account.

Although your Signature Card may indicate that more than one signature is required on checks and for the withdrawal or transfer of funds, that notation is for your own purposes. We do not assume a duty to support multiple signature requirements. As such, we assume no duty to confirm that two or more (or any combination) of the authorized signers have approved any transaction. Unless we enter into a separate written agreement to the contrary, we may act upon the instructions of any one signer. Although we may attempt on occasion to enforce the multiple signature requirements shown on your Signature Card (e.g., by refusing to permit a transaction authorized by less than the stated number of authorized signers), we may cease doing so at any time and without prior notice to you.

We have no duty to question withdrawals or the application of funds. We may, but are not obligated to, honor checks and other instructions where the authorized signer's name and/or signature is written in characters or otherwise not in English. If a dispute

or question arises (whether by you or a third party or us) over any person's authority to give us instructions concerning the account, we may choose to handle the situation according to the terms described in this Agreement.

You agree to notify us immediately, in writing, if you change your business's capacity (e.g., sole proprietor to corporation) or the authorized signers on your account. Unless you notify us in writing, we may continue to honor checks, withdrawals and instructions by previously authorized signers. A new or updated Signature Card, by itself, does not constitute such notice, nor does it constitute notice to terminate any pre-existing authorization, agreement, or payment and transfer plan.

BUSINESS ENTITY AND SIGNING AUTHORITY

If you are a corporation or limited liability company, the person signing the Signature Card on behalf of the corporation or limited liability company represents and warrants that he or she has full authority to do so and that this Agreement binds the corporation or limited liability company. If you are a partnership, the person signing the Signature Card for you represents and warrants that he or she is a general partner of the partnership, that he or she has full authority to sign for the partnership and that this Agreement binds the partnership and all general partners of the partnership. You shall give written notice to us of any general partner's withdrawal from the partnership.

CHOICE OF LAW

Except as stated herein or as otherwise may be required by applicable law, the provisions of this Agreement are governed by, as applicable, federal laws and regulations, the laws and regulations of the state of California (excluding choice of law rules) and applicable local clearinghouse rules, as amended from time to time. In addition, our rights under this Agreement may be limited by laws, rules or regulations; to the extent this is so, this Agreement is modified to the extent needed to prevent representing that a transaction confers or involves rights, remedies or obligations that we do not have or which are prohibited by law.

You agree that the exclusive venue for the resolution of any dispute between us, if arbitration is required, is arbitration within the County of Los Angeles, California. All litigation shall have an exclusive venue in either the Superior Court of the State of California for the County of Los Angeles or the United States District Court for the Central District of California in Los Angeles County, California. You agree that Los Angeles County, California, is the exclusive venue for resolution of disputes between us, and you agree not to file any lawsuit or arbitration proceeding in any other venue, and that if you violate this provision, the arbitrator or court in any other venue shall transfer the venue to Los Angeles County, California, at the Bank's request.

INTEREST ON DEPOSITED FUNDS

For deposits of checks or other items drawn on other financial institutions, if the account is interest bearing, interest begins to accrue on the business day you make the deposit.

BUSINESS DAYS

Every day is a business day except Saturdays, Sundays and federal holidays.

CUT-OFF TIME

A number of our services are subject to processing cut-off times. Communications received after the cut-off time or on a non-business day may, at our discretion, be deemed received as of the next business day. Alternatively, some services may require you to resubmit a communication when it is received after the cut-off time or on a non-business day.

DEPOSITS AND CREDITS TO ACCOUNTS

Deposits may be made to your account in person at any one of our branch offices, by mail, at a Farmers & Merchants Bank of Long Beach owned Automated Teller Machine ("ATM"), at an authorized night depository box or by using our approved electronic deposit services, such as remote deposit capture or mobile deposit. Some of these deposit options are subject to additional, separate terms and conditions. You agree

that we are not responsible for deposits initiated by mail, messenger or depository box until we actually receive them for credit to your account. A joint account owner authorizes the other account owner(s) to endorse items in that person's name and to cash the items or deposit them into the joint account, with or without an endorsement. You will be responsible for any loss because of your failure to identify your account properly by name and number on any deposit item. We may accept for deposit to your account all items made payable or endorsed by you as an individual payee or joint payee, regardless of whether those items bear your endorsement, subject to our verification and final inspection. You guarantee to us the payment of all such deposited items.

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

You agree that you will not deposit any item into your account which does not bear either a true original signature of the person on whose account the item is drawn or an authorized mechanical reproduction of that person's signature, without our prior express written consent, which may be withheld at our discretion. If we consent to deposit of such items, such consent may be withdrawn at any time without cause or prior notice.

If you make a deposit at one of our branch offices or ATMs on a business day and before the cut-off time, we will consider that day to be the day of your deposit. However, if you make a deposit after our cut-off time or on a day that is not a business day, we will consider the deposit as being made on the next business day. The cut-off time for deposits made at our branch offices directly to one of our employees may vary by location but will not be earlier than 4:00 pm PT. An authorized person should complete a deposit ticket for each deposit made. The cut-off time for deposits made at our ATMs is 4:30 pm PT. Deposits received by us without specific instructions as to how the deposits should be applied may be applied by us to reduce the balance of any loan you have with us, or may be deposited in any account that you maintain with us, or may be returned to the sender, all at our discretion. You authorize us to accept deposits to your account from any source and we need not question the authority of the person making the deposit. We may refuse the deposit if not made by the authorized person at our discretion. We are not responsible for a deposit until we receive and verify it.

We may choose to accept an item for deposit on a collection basis only. If an item is accepted on a collection basis, we may charge a fee for the collection and may not credit your account with the funds until we receive them from the payor financial institution. If we elect to credit your account before then, we may charge your account for the amount if we do not receive the payment for any reason. The institution upon which the item is drawn may also charge you a fee in connection with the collection. You waive any notice of nonpayment, dishonor or protest regarding any items purchased or received by us for credit to your account or for collection. An item or check accepted for collection will not be deemed accepted for deposit for purposes of Regulation CC and is not governed by the Bank's Funds Availability Policy.

We reserve the right to refuse to accept any item for deposit, including but not limited to items that bear more than one endorsement or the endorsement of individuals who are not known to us. On previously endorsed items, we reserve the right to refuse the item for deposit, to require the endorser to be present before we accept the item for deposit or to require that their financial institution guarantee their endorsement.

You warrant that all endorsements on items deposited to your account are genuine. In the event you fail to endorse an item deposited into your account, you agree that we may supply your missing endorsement by placing the Bank's stamp for credit to the account of the named payee. You also agree to reimburse us for any loss, cost or expense we have incurred because of your failure to endorse an item exactly as drawn. If we receive an affidavit stating that one or more endorsements on a check or other

item deposited into your account are forged, or that the check or other item is altered, we may place a hold on the amount or charge back the amount of the item to your account, without prior notice to you, even though you may have already used the funds.

Deposit receipts do not necessarily indicate the correct balance in the account or the amount deposited. All deposits are subject to later verification, adjustment and collection by us. Checks and other items received for deposit are subject to provisions under the California Uniform Code and the rules and regulations of the Bank. Funds deposited may not be available for immediate withdrawal. We are obligated to use ordinary care in collecting items on your behalf. We shall not be liable for the negligence of other financial institutions in the collection of checks and other items.

If we give provisional credit to you for an item, we reserve the right to charge back the amount of the item if we do not receive final payment from the paying financial institution or if we receive notice that the item or other charge will not be paid. We act as a collection agent for you when we receive an item for deposit or when we cash an item for you, and we are not responsible for the negligent actions or inactions of other financial institutions during the collection process. You assume all risk of loss of an item in transit. You authorize us to reverse any credit given and any interest accrued for an item that is lost in transit or otherwise not paid, and we may recover from any account you maintain with us the funds given to you for a cashed item that is lost in transit or otherwise not paid. You agree that we can notify you of the return as part of the account statement or other communication method (including electronic communication). We reserve the right to charge the applicable account if an item credited to the account is dishonored, returned or not paid, even if we have not sent you notice of the dishonor, return or nonpayment. We also reserve the right to charge a dishonored, returned or unpaid item or other charge against the applicable account even if the item or other charge is dishonored or returned late; the dishonor or return does not comply with applicable laws, rules or regulations (including any clearinghouse rules); or we could have made a claim for reimbursement on the item or other charge from the financial institution on which the item was drawn or from another financial institution. We may charge a dishonored, returned or unpaid item or other charge against the applicable account, even if the charge results in an overdraft. You authorize us to charge your account for the item and for any Chargeback Fee for each item returned unpaid, even if there is a delay in notifying you or in returning the unpaid item (or photocopy or other image) to you. Refer to Schedule of Fees.

You acknowledge that we may not return an item to you if we cannot recover its full amount from your account. We reserve the right to limit the amount of funds that may be maintained in an account by refusing to accept all or part of a deposit without prior notice to you.

DEPOSIT AND DISCREPANCY ADJUSTMENTS

We may make adjustments to an account from time to time as we deem that such correction or change is required. We may also make adjustments to the accrued interest (if applicable). Examples of errors that might require an adjustment include, but are not limited to, an incorrect amount on a deposit slip, an item lost in the clearing/collection process, a transaction posted to the wrong account or an encoding error. If there is an error on your account, whether initiated by you or us, which resulted in an overstated balance, you agree to reimburse us immediately for the overstated amount. If there are insufficient funds in your account to correct an error and we do not hear from you in a reasonable time, we may use all legal means necessary to reclaim our funds. Adjustments will be reflected on your periodic statement.

If there is any discrepancy in a check you have written between the amount in numbers and the amount in words or embossed numbers, we may utilize either amount in paying the item or may dishonor the item, without liability.

FEEES

A Schedule of Fees associated with our personal and business deposit accounts is provided in our new account disclosures. The schedule that applies to your account is part of the contract between you and us. You agree to pay the fees we charge, and you give us the right to collect any fees, as earned, directly from any of your account

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

FOREIGN TRANSACTIONS

Transactions must be in U.S. Dollars. The processing and collection of foreign instruments are not subject to United States laws and regulations. If you use an ATM or conduct a point-of-sale transaction, a point-of-purchase transaction or an electronic funds transfer in a foreign country, or if you write a check in foreign currency, we reserve the right to reject or accept the transaction. If we choose to process the transaction, your account will be charged at the foreign currency exchange rate imposed by the third-party processor, and we will charge an additional processing fee.

If you receive a credit or deposit to your account in foreign currency, we reserve the right to reject or accept the transaction and/or, at our discretion, process it on a collection basis. If accepted, your account will be credited at the foreign currency exchange rate imposed by the third-party processor or us. This exchange rate may be different from the exchange rate in effect on the day you initiated the transaction. An additional processing fee may apply. A foreign instrument may be returned unpaid much later (sometimes several months after we process the foreign instrument) than instruments that are drawn on financial institutions located in the United States. You bear all the risks of a late return. We may decide not to credit a foreign instrument to your account until we receive the proceeds in cleared funds from the paying financial institution. If we do provide credit, such credit is provisional and we may reverse the credit at any time if the foreign instrument is returned unpaid or is initially paid but then subsequently returned for fraud or any other reason. You understand that foreign instruments sent for collection are sent solely for you and at your risk and that we are not liable for any event in the collection process that is beyond our control, including a default by any financial institution or agent involved in the collection process or for loss of the foreign instrument in transit.

COLLECTION OF ITEMS

When you cash or deposit a check or other item with us, or when we receive an item for collection, we are acting only in the role of the depositor's agent, and we assume no responsibility beyond the exercise of ordinary care, nor will we be liable for the acts of other agents or subagents, nor for any casualty, in the course of collection. If that check or item is lost or destroyed in the process of collection, we may deduct from your account the credit we gave you for the item or charge your account for the cashed check item. The risk of loss of an item in the process of collection is on you. In no event shall we be liable to you if you cannot identify the maker and the amount of the lost item.

We reserve the right to reverse any credit given and any interest earned or accrued for any deposited items lost in transit, should they become lost while in the process of collection. All items credited are subject to our final payment and receipt of proceeds. You agree to do all things reasonably within your ability to assist us in finding, identifying, reconstructing, replacing and collecting lost items, including but not limited to maintaining a record of the maker of items delivered to us for deposit and collection. We also reserve the right to pursue collection of previously dishonored item(s), and in so doing permit the payor financial institution to hold an item beyond the midnight deadline.

FUNDS TRANSFERS (ACH AND WIRES)

Instructions for the transfer of funds into and out of an account by wire transfer or ACH will be governed by Article 4A of the Uniform Commercial Code ("UCC4A") as enacted in the state in which you have your account with us. If you have entered into a separate written agreement and to the extent there is a conflict between the separate agreement and UCC4A, UCC4A will control. If you instruct us to send a funds transfer, we and every other bank involved in the transfer may rely on the account number you provide to make payment. If the funds transfer instructions gives both an account number and a beneficiary name we and other banks that handle the funds transfer may rely

exclusively on the account number. We have no duty to detect any inconsistency between the account number and the beneficiary name.

You agree to be bound by automated clearing house association rules. Credit given by us to you with respect to an ACH entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to your account in connection with such entry, and the party (the originator of the entry) making payment to you will not be deemed to have paid you the amount of such entry. We are not required to give you next day notice of receipt of an ACH item, they will appear on the periodic statements we provide to you.

WITHDRAWALS

We may refuse to honor any transaction if the funds on deposit are insufficient or unavailable to cover the transaction or if there is a dispute or question as to the ownership of account funds. Withdrawals will first be made from collected funds, and we may, unless prohibited by law or our written policy, refuse any withdrawal request against uncollected funds, even if our general practice is to the contrary. We reserve the right to refuse any withdrawal or transfer request that is attempted by any method not specifically permitted; that is greater in number than the frequency permitted; that is for an amount less the amount permitted; or that will reduce the account below the required minimum balance. Even if we honor a non-conforming request, repeated abuse of the stated limitations (if any) may force us to close your account. We will use the date a transaction is posted by us (as opposed to the date you initiate it) to apply frequency limitations and may impose an excess activity fee.

At our discretion, withdrawals may be made only upon your written order or that of any of the authorized signer(s) (unless otherwise noted on the Signature Card). We may pay any check that bears a signature or endorsement (including a facsimile signature) resembling the authorized signature(s) on file for your account. We do not have to require a written order, however, if we are authorized to allow a withdrawal by other means (e.g., by telephone or at an ATM). We may, but are not obligated to, require proper identification for any withdrawal or account closure.

All checks written on your account must be in U.S. Dollars. 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. Checks or withdrawal requests without the required number of signatures or that bear signatures that, in our opinion, do not satisfactorily compare with the specimen signatures on file with us may be refused or returned unpaid.

Depending on your account type, withdrawals may occur upon presentation of a preprinted personalized check, a temporary check, a counter-check or another form of withdrawal, including a withdrawal order initiated by a third party drawing a draft on your account or initiating an electronic fund transfer if the third party is authorized to do so by you or any other authorized person on the account. In this respect, if you authorized a company to pay bills for you or to draw items against your account without your signature on them (for example, through a money management or similar software program or an automatic payment plan offered by someone from whom you have purchased goods or services or borrowed money), you understand and agree that because we will not be able to determine whether a given item is actually authorized by you, we are authorized to honor any items that are prepared by such company whether or not you have actually authorized the company to draw that item on your behalf and even though the item will not bear your signature or that of any person (if such items are written, they are usually "signed" signatures on file or words of similar effect; if they are presented through an automated clearing house ("ACH"), there may be no signature field). Moreover, if you voluntarily give your account number to a third party by telephone or other agreement, this act may be deemed by us to authorize the recipient of the information to initiate debits to your account, even though you may not have specifically authorized a particular transaction. In these situations, we may have no obligation to reimburse you for our payment of any item issued by this third party. Under certain conditions, we may also follow other forms of withdrawal instructions from you or others with signing authority over your

account, such as instructions given by letter, facsimile, electronically or over the telephone, at our discretion.

As required by federal law, we reserve the right to require seven (7) days' advance written notice of an intended transfer or withdrawal of funds from any account other than a demand deposit account.

ACCOUNT LIMITATIONS

DEPOSIT LIMITATIONS

In addition to all other limitations set forth in this Agreement, we may refuse to accept a deposit or an addition to an account, limit its size, or return all or part of it to you.

MARKET RATE MONEY MARKET AND SAVINGS ACCOUNTS

Federal law limits the number of certain types of withdrawals and transfers you can make each month from these account types. These limits do not apply to withdrawals and transfers you make in person, by mail or at an ATM.

During any monthly statement cycle (or each month if you have a quarterly statement cycle), you can make no more than a total of six (6) withdrawals or transfers of the following kinds:

- Preauthorized or automatic transfers;
- Telephone or other electronic transfers;
- Online banking, mobile banking and bill payment transfers; and
- Transfers by check, draft or Debit Card, if allowed.

We count a transaction on the date we post it to your account, not the date you authorize, transfer or write the transaction. Exceeding these limitations may result in the closure of your account or the transfer of all of your account funds to another qualified account type. If your account is converted, it may no longer earn interest. We may refuse transactions in excess of these limitations. We reserve the right to charge a fee to your account for any transaction in excess of these restrictions.

Given these limitations, we recommend you do not use one of these types of accounts as your bill payment account.

CERTIFICATE OF DEPOSIT/MARKET RATE CERTIFICATE OF DEPOSIT

With this type of account, you agree to maintain the funds in your Certificate of Deposit/Market Rate Certificate of Deposit account until the maturity date, and we agree to pay you interest at an agreed-upon rate for that period of time. If we consent to a withdrawal before maturity, you agree to pay an early withdrawal penalty. All of the features of this type of account will be disclosed to you at account opening.

ADDITIONAL TERMS AND CONDITIONS

CHECK CASHING

If you have a checking or savings account with us, you may cash a check that is drawn on another financial institution, but we are not required to perform this service. We may require that you deposit the item into your account; the deposited item is subject to the Funds Availability Policy of the Bank. We will allow you to withdraw cash from the deposited item subject to your account's current available balance.

If you issued a check from your account to another person, and the payee on the check does not have an account relationship with us, we may require proper identification before cashing the check for the payee. We can decide what identification is reasonable under the circumstances. Such identification may be documentary or physical, and may include collecting a thumbprint or fingerprint. If the payee fails to provide identification or fails to satisfy other requirement(s) that we deem necessary to identify the person, we may refuse to cash the check.

We may refuse to cash any checks for an individual when the check is made payable to a business name.

We may charge a fee for anyone who does not have an account with us who is cashing a check, draft or other instrument written on your account. You agree that we may refuse to honor payment for checks presented for payment in person by a non-account owner, if the person refuses to pay the fee or provide the identification requested by us. You agree that none of the foregoing will be deemed wrongful dishonor by us.

ENDORSEMENTS

You warrant that all endorsements on items deposited to your account are genuine and further warrant that you are authorized to negotiate and/or deposit any items that contain no endorsements. We are authorized to supply your endorsement to any item taken for collection, payment or deposit to your account. Also, we are authorized to collect any unendorsed item made payable to you without first supplying your endorsement, provided the item was deposited to your account, but may, at our option, require your personal endorsement prior to accepting an item for deposit. To the extent legally permitted, each co-owner of an account appoints the other co-owner as his or her attorney-in-fact with full power to endorse the name of any co-owner on any item for deposit, or to deposit without endorsement any such item, into the account or cash the item. Uniform endorsement standards require a check depositor to place his or her endorsement and required information within an area up to 1½ inches from the "trailing edge" of the check. The "trailing edge" is from the left side of the check when you look at it from the front. Endorsement must be made in blue or black ink, so that the image can be captured clearly. If you fail to comply with these standards, you are liable for checks returned late and unpaid. In addition, if you use carbon band checks or the information that you have preprinted on the back of your checks obscures other financial institution's endorsement(s), you are liable for checks returned late and unpaid.

THIRD-PARTY ENDORSEMENTS

We do not accept third-party checks or other items for deposit or encashment unless we agreed to do so specifically. If you are a payee on a multiple-payee check or other item, we may require that all third parties be present to endorse the check with proper ID for verification or to have their financial institution guarantee their endorsement. However, we reserve the right to refuse a multiple-payee check or a third-party-endorsed item for deposit or for encashment.

SAMPLE SIGNATURES

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

RESTRICTIVE LEGENDS FOR SIGNATURE OR ENDORSEMENTS

You agree not to print, or otherwise present, checks, withdrawal orders or other items with special limitations, including when drawn on your account. You agree that we are not required to honor any restrictive legend, endorsement, language or special instruction placed on checks you write, unless we have previously agreed to do so in writing. You agree that if you directly or indirectly present such checks or other items, we will not be bound by the restrictive languages and we are not responsible for any losses, claims, damages- or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive endorsement. You further agree to indemnify us and hold us harmless for any claims or losses arising out of our refusal to honor said restrictions. In no event will we be liable for our refusal to honor the special limitations, whether or not we previously honored them.

The authorized signatures for an account are noted on the Signature Card. Any one of the authorized signers may sign items or withdrawal orders and give us instructions regarding the account. We do not offer accounts on which two or more signatures are required for a withdrawal or other instruction on an item or other charge. The Signature Card or other account-related documents may contain language requiring

two or more signatures for withdrawal. Notwithstanding any such language, you agree that any such requirement is solely for personal/control purposes. The Bank will not be liable for paying an item that bears at least one authorized signature. We may act on the instruction or pay out funds from your account if the item or other charge is signed or authorized by (or otherwise authenticated as being the act of) any owner or by any authorized signer (including when acting alone). We have no liability to you if we do this. However, if there is a conflict, the Bank reserves the right to require all authorized signers to sign an item or withdrawal order.

FACSIMILE OR MECHANICAL SIGNATURES

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

BANK REVIEW OF CHECKS AND SIGNATURES

We have automated collection and payment procedures. These automated procedures rely primarily on information encoded on each check or item in magnetic ink. In paying or processing an item, we may rely on the information encoded on the check's magnetic ink character recognition ("MICR") line, according to general banking standards, whether or not that information is consistent with the other information on the check. You will reimburse us for any loss or expense we incur because you issue or deposit an item containing altered or extra information in the MICR line. You agree that automated check processing is reasonable and that you have responsibility for preventing and reporting forgeries, alterations and other unauthorized use of your account. We do not fail to exercise ordinary care by posting or paying checks without sight examination of checks.

When we take an item for processing by automated means, "ordinary care" does not require that we examine each item. "Ordinary care" requires only that we follow standards prevailing in the area in which we are located and that do not vary unreasonably from the general standards followed by similarly situated financial institutions. A mere clerical error or an honest mistake is not considered a failure of the Bank to perform any of our obligations. The Bank's own policies and procedures are used solely for our internal reasons and do not establish a higher standard of care for the Bank other than that which is provided by law or regulation.

DISCLOSING ACCOUNT INFORMATION

You authorize us to release information regarding the status and history of your account to others. We may release information: (1) where it is necessary or helpful to complete a transaction; (2) to verify the existence and condition of your account for a third party, such as a merchant, another financial institution or a credit bureau; (3) to comply with the law or a court order; (4) with your authorization; and (5) to an account verification services company (e.g., ChexSystems®). The account verification service may supply this information to others. This may adversely affect your ability to establish an account at another financial institution for up to five (5) years from the date of the report. Our disclosure of consumer information regarding your account(s) and/or transactions and your ability to limit the sharing of certain information is governed by our Privacy Policy.

CHECK ORDERS AND FORMS PRINTING

You agree to use the checks and forms as supplied by our authorized printer or us. You are responsible for ensuring the accuracy of all information shown on your checks. If you find an error, please notify us immediately. Our liability is limited to the replacement of the check order or the replacement cost of checks.

Check prices vary according to the types of checks you select. You can obtain the current price of checks by contacting any of our branch offices. Check charges may vary from time to time without specific notice to you. Additional deposit slips can be obtained at an additional cost. The fee for your order, including sales tax and delivery, is automatically deducted from your account and shown on your account statement.

If you arrange for the printing of your own checks, verification of the form, encoding, format and proper printing of the checks are your responsibility. Your checks must follow our check specification requirements. We make checks available that include fraud prevention features. If you choose not to use them, or use other checks that include different 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.

We reserve the right to return unprocessed any other check, form or order incompletely or defectively drawn.

DIRECT DEPOSIT/PREAUTHORIZED WITHDRAWALS

You may authorize others to access your account on a regular basis to make electronic deposits (credits) to your account, such as your employer electronically depositing your payroll into your account, Social Security payment, etc. If, in connection with a direct deposit plan, we deposit any amount in your account that should have been returned to the originator for any reason, you authorize us to deduct the amount of our liability to the originator from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may use other legal remedy to recover the amount of our liability.

You may authorize others to access your account on a recurring basis to make electronic transfers (debits) from your account, such as payment to an insurance company or mortgage loan payment. You may also authorize others to make electronic transfers (debits) on a non-recurring (single entry) basis. For example, merchants offer you the opportunity to use a check to initiate an electronic payment, and then return the check to you. These items are referred to as point-of-purchase ("POP") transactions.

PAYMENT FOR PHOTOCOPIES

You agree that we may charge you for photocopies of items you have written, deposited, cashed or otherwise negotiated to your account without your prior approval if they appear to be drawn on your account. We shall not be liable to you or anyone else if the original items are thereafter presented and paid against your account unless a stop payment had been placed on the items, according to the terms in this Agreement, prior to presentation of the photocopies. (Refer to "Stop Payment Orders" section in this Agreement.)

STOP PAYMENT ORDERS

If we have not already paid a check or other item that is drawn on your account, we may accept a written or oral stop payment order from any person who has a right to withdraw funds from the account. You must give us sufficient notice and information so that we have a reasonable opportunity both to verify that the item is unpaid and to act on your request. Rules for stopping payment of electronic fund transfers are covered under the Electronic Fund Transfer Disclosure section in this Agreement. There is a charge for each stop payment order and renewal order requested. Refer to Schedule of Fees.

To place a stop payment order on a check or other item, we need specific information to process the request, such as account number, the name of the party to whom the item was made payable, the item number and the exact amount. If you give us the wrong amount or the wrong item number, we may pay the item.

A stop payment order generally expires after six (6) months unless you request the order to be renewed. Each request for a renewal is treated as a new order. If the stop payment order was oral, your stop payment will lapse after fourteen (14) calendar days if you do not confirm your order in writing within that period. If you do not renew the stop payment order when it expires and the item is presented for payment, we may pay the item and charge it to your account.

If we pay a check or item subject to a valid and timely stop payment order, we may be liable to you if you had a legal right to stop payment and you establish that you suffered a loss because of the payment. Our liability, if any, is limited to the actual loss suffered, up to the amount of the item. You must prove the loss to our satisfaction. We are not liable to you for any special, incidental or consequential loss or damage of any kind.

Anyone holding the item may be entitled to enforce payment against you despite the stop payment order. If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to cooperate with us in any legal actions that we may take. You agree to indemnify, defend and hold us harmless from all costs (including attorneys' fees), actions, damages, claims and demands related to or arising from our action in stopping payment on the check.

LOST/STOLEN/DESTROYED CASHIER'S CHECKS

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

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

CHANGE OF ADDRESS, NAME OR AUTHORIZED SIGNERS

You agree to notify us immediately in writing of any change of address, including your email address (if provided), change of name or change of authorized signers, which will be effective after we have had a reasonable time to react. 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. (Note: A new or updated Signature Card, by itself, does not constitute notice to terminate any pre-existing payment or transfer plan.) In some instances, we may require you to close your account or provide us with stop payment orders in order to prevent transactions from occurring.

We may also change the mailing address of record we have for you if we receive an address change notice from the U.S. Postal Service. Each account owner is responsible

for submitting his or her own signed change of address request; however, we may act on a signed change of address request from any one joint account owner. We are only required to attempt to communicate with you using the address we have on file for you for your account. We may rely on our account records to determine ownership of an account. If sent statements or other documents sent by the Bank are returned indicating an incorrect address, and we are not notified of the new address after ninety (90) days, you authorize us, at our discretion, to block your account until we can verify your correct address. 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.

Your change request will apply to all accounts or services on which you are an owner, unless you specifically state otherwise. You agree to give us sufficient time to process the change request on our records. You authorize us to obtain information on your residence address from the Department of Motor Vehicles and waive your rights under California Vehicle Code 1808.21.

SAFEGUARDING CHECKS

You agree to safeguard your blank and canceled checks and to take reasonable steps to prevent unauthorized access to or use of your checks. This means that you will store them under proper control in a secured, locked location accessible only to authorized signers. You further agree to notify us immediately if one or more of your blank checks are lost or stolen. We may close your current account and may open a new account, of the same type and features, for you. If we close your account, all inclearing items will then be returned, unless you specifically request that a particular check be paid (to do so you must provide us with specific information regarding the item). Once you make such a request, you agree to indemnify and hold us harmless should the item be altered or forged. You will be responsible for issuing any replacement check. You agree to accept all responsibility for any failure to safeguard your blank checks.

If your account is closed and a new one opened, you will be responsible for notifying any outside agencies that make deposits to or withdrawals from your account (e.g., payroll, insurance, etc.) of your new account number as soon as possible. Failure to do so may lead to delays or non-processing of the transaction(s).

POST-DATED, STALE DATED AND OTHER CHECKS

Processing checks is a highly automated service, and we use commercially reasonable efforts to process them. You agree that we may pay checks drawn on an account even if one or more of the following are true: the check is post-dated; the check is dated after the date we pay it; the check is presented to us for payment more than six (6) months after the date on the check; a stop payment previously requested has expired; the check contains language that purports to make it void before the time it was paid; or the check contains other language that purports to establish conditions under which it may be paid.

PERIODIC STATEMENT AND NOTICE RESPONSIBILITIES

If we provide you with a statement and/or notice, electronically or otherwise, you agree to inspect your statement and check images and/or notices as soon as you receive them and to report any errors, irregularities or unauthorized transactions to us immediately. If you fail to do so, you may become responsible for the losses resulting from such failure. If we describe the paid items by item number, amount and date of payment, such information shall be treated as sufficient information for purposes of this Agreement. If items are not returned with your statement, upon your request, the Bank will make a reasonable effort to promptly provide you with a copy or image of any item in our possession. Unless otherwise agreed, you waive any right to receive any original item after it is paid.

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

We are not required to send statements on accounts that are "inactive," "dormant," "bad address" or in a "default" status.

DUTY TO REVIEW STATEMENTS; UNAUTHORIZED TRANSACTIONS

You assume full responsibility for monitoring and reviewing the activity of your account, including the work of your employees, agents and accountants. For non-consumers, you agree to use effective measures to prevent and detect unauthorized transactions, such as separating the functions of check issuing and check/statement reconciliation and reviewing these functions periodically to ensure that your accounts are being handled properly. If you are a business, you further agree to have at least two (2) persons review your statements, notices and check images, and agree not to entrust the writing of checks and the reconciliation and review of your account statements, check images 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 failed to follow these procedures. You agree to notify the Bank immediately if there is an error or an unauthorized transaction shown on your statement. If you do not, the Bank may assume that the statement is correct. If you fail to notify us promptly, but no later than sixty (60) days following the day we make the statement available to you, then you agree that you cannot assert any error, problem or unauthorized transaction or forged, altered or unauthorized item against us. You further agree that if you fail to notify us within thirty (30) days after the statement is made available to you, then you are precluded from asserting against us the error, problem, unauthorized transaction or forged, altered or unauthorized item and any subsequent forged, altered or unauthorized item from the same wrongdoer. This sixty (60) and thirty (30) day limitation is without regard to whether we did or did not use ordinary care and does not otherwise restrict any right we have under law or other agreements with you. For these purposes, statements will be deemed "made available" on the date they are mailed or made available to you. (This includes statements made available to you by electronic means and "hold mail" program statements made available to you for pickup.)

If your account is a personal account and you suspect a problem with an electronic fund transfer to or from your personal account, refer to the "Electronic Fund Transfer Disclosure" section in this Agreement for information on rights you may have with respect to these transfers. Personal account owners also refer to additional disclosures that apply to your duty to review periodic statements and otherwise notify us of unauthorized electronic fund transfers, under the "Consumer Liability" and "Errors or Questions" sections of the "Electronic Fund Transfer Disclosure" section in this Agreement.

You assume full responsibility for notices, vouchers, checks, items, statements and other documents which are lost, destroyed or stolen while in the mail or in transit to or from you or a third party. You agree to promptly return any checks or other items that do not belong to you or to the Bank.

The authorized signatures for an account are noted on the account Signature Card. Any one of the authorized signers may sign checks or withdrawal orders, and any owner or authorized signer may give the Bank instructions regarding the account. The Bank will have no responsibility for reviewing the number or combination of signatures on an item drawn against your account (except where the Bank has expressly agreed otherwise). This means that the Bank will have no liability to you if items are drawn against your account that are contrary to your signature requirements as long as one required signature appears on that item. If your negligence contributes to an item being altered, changed or forged, the Bank will not be responsible if the Bank pays the item in good faith and in accordance with the reasonable commercial standards of its business. If anyone disputes the payment of an item because it was altered, changed or forged; bore an unauthorized signature; or was otherwise improper, the Bank may not credit the amount to your account until the dispute has been resolved and/or the Bank may reverse any credit previously given. The Bank may do so without investigation of the underlying claim and is not liable if the claim is later determined to be unfounded or erroneous.

We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Any failure to cooperate in the Bank's investigation may result in our decision not to honor your claim. We may, although we are not required to do so, provisionally credit your account pending the outcome of the investigation. If we determine, at our sole discretion, that the debit to your account was not improper,

then we may reverse any provisional credit made to your account. Unless a law, rule or regulation provides otherwise, such a claim is deemed not to have been made until submitted in writing to the Bank. You agree to fully cooperate in the Bank's investigation of such a claim. Your cooperation may include, among other things, at the Bank's discretion: (1) a requirement that you submit a declaration under penalty of perjury describing your claim; (2) a report filed with the appropriate police and/or investigatory authority; (3) providing documentation in support of your claim within thirty (30) days from when the Bank requests it from you; and (4) if your claim arises from employee fraud or embezzlement, the Bank will require you to make a claim against any insurance coverage that you might carry for such a claim.

We will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorney's fees incurred by you to recover your loss against the person responsible, and you agree to indemnify and hold us harmless from any such losses. In the event that we reimburse your loss, you agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources, including insurance coverage. At our request, you will provide us with all reasonable information about your insurance coverage, including the name of your insurance carrier, policy number, policy limits and applicable deductibles.

DELIVERING/MAILING STATEMENTS AND NOTICES

We may send your statements and notices to any authorized person on your account by mailing or delivering the documents to the last address on file for the account. In some cases, statements and notices may be delivered through electronic communication, as agreed upon by you and us. Notice to any one of you is considered notice to all. Statements and notice sent or made available to any of you are deemed to be received by all of you. If we hold them 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 held statement), mailed (for returned mail) or otherwise made available to you.

If a statement and/or notices are returned to us by the Postal Service or other means, for any reason, we may hold subsequent statements and notices of any kind until we receive corrected address information from you. If statements held by us are not picked up within sixty (60) days, unless you have made prior arrangements with us, we may mail out the statement to the last address we have. At our discretion, we may destroy such documents if you do not claim them within three (3) months from the date of mailing.

We are not responsible for checks, notices, vouchers, items, statements and other documents that are lost while in the mail or in transit to or from you or a third party. You agree to promptly return any checks or other items that do not belong to you.

CUSTOMER RESPONSIBILITIES AND LIMITS ON TIME TO ASSERT CLAIMS

You agree to exercise reasonable control over all bank checks, unissued checks, certificates of time deposit, passbooks, Debit Cards, personal identification numbers (PINs) and any other item, instrument or card related to your account. It is your responsibility to keep any of the above safe and secure and to promptly discover if any of them are missing in time to prevent misuse. You agree to notify us immediately if any of these items may be lost, stolen or used without your authorization, or if you believe that there is an error in your periodic statement or that an unauthorized transaction has occurred or may occur on your account. You acknowledge that your account may have to be closed if any of these events occurs. (Refer to "Duty to Review Statements; Unauthorized Transactions" and "Protecting Your Account" sections in this Agreement). For the security and notification obligations that apply to Debit Cards and personal identification number(s) issued to consumer accounts, refer to "Electronic Funds Transfer Disclosure" section of this Agreement.

If you are an Online Banking customer, please be aware that we are not able to detect spyware or other viruses on your computer or determine if your Internet access is not secure, so it is your responsibility to ensure that you conduct your online banking transaction from a secure computer. Computer viruses may enter your computer without your knowledge and without your knowledge send to a third party information about your account gained from your computer, such as keystrokes of your account number and passwords. It is highly recommended that Online Banking customers use security programs to protect their computers and alert the user to any viruses, and that the user(s) regularly change their password(s).

RIGHT OF SETOFF AND SECURITY INTEREST

We may, without prior notice to you and if permitted by law, take or exercise our right of setoff against funds on deposit in any or all of your accounts with us to satisfy a debt you owe us now or in the future. Debts include overdrafts or fees you owe. Your accounts include both accounts you own individually and accounts you own jointly with others. We may use the funds in any of your accounts to pay all or part of the debt.

If we take or set off funds from a time deposit account, we may charge an early withdrawal penalty on the funds withdrawn.

You expressly agree that our rights extend to any electronically deposited federal or state benefit payments (including Social Security benefits). If any federal benefits or other payments are deposited to any of your accounts after you become ineligible to receive them, we may set off against any of your accounts to recover the payments if we are obligated to return funds.

If your account is a checking or money market account, and if we exercise our right of setoff, we may take or set off funds from any or all of your accounts with us before we pay checks or other items. Our duty to pay any items presented for payment on your account during the business day preceding the day on which the setoff occurs may be terminated, and you agree that we may return those items unpaid. If we do return items, we also may charge you an Insufficient Funds Fee for each item returned unpaid, even if the item that is returned does not create an overdraft in the account. (Refer to Schedule of Fees.) We will not be liable for the dishonor of any item or draft when the dishonor occurs, because we charge and deduct an amount you owe us from your account.

You hereby grant us a security interest in all accounts at Farmers & Merchants Bank of Long Beach and all property in our possession as collateral for all indebtedness and amounts owed by you to us from time to time, whether or not applicable loan or other documents refer to this security interest. The security interest provided under the Agreement is in addition to any other security interest we may have in your accounts or other assets. This security interest will survive termination of the Agreement.

RESOLVING ACCOUNT DISPUTES AND ADVERSE CLAIMS

If a dispute arises concerning your account, including but not limited to a dispute over who is an authorized signer or owner, or if we receive a claim by a third party to all or a portion of your account, or if we have concerns regarding your account or the use of your account, we have the right to hold any portion of the property in your account until the dispute, claim or concern is resolved to our satisfaction.

If the dispute, claim or concern remains unresolved, you agree that we may, at our option and without liability to you, deposit the property in your account with a court and ask the court to determine to whom the property belongs. We also may, at our option and without liability to you, close the account and distribute the account balance, subject to any Bank claims, payable individually or jointly to the account owners.

Without limiting the above, you agree that we can take any other action we believe to be reasonable under the circumstances, even if the action is not listed here. The existence of a right set forth above shall not impose on us a duty to assert such rights or to deny a transaction. In no event will we be liable for any delay or refusal to follow

instructions that occurs as a result of a dispute or uncertainty over the ownership or control of your account. You agree to assume all liability for, and you agree to indemnify, defend and hold us harmless from and against, any and all losses, damages, claims, costs and expenses (including attorneys' fees and costs) incurred by us as a result of any dispute that arises under this Section. Without limiting the foregoing, we will not be liable to you if the hold we place on your account leaves insufficient funds to cover outstanding items.

RETURNED ITEM TRANSACTIONS

If we are notified that an item you cashed or deposited is being returned unpaid, we may attempt to re-clear the item, place a hold on the funds in question or charge your account for the amount (and any interest earned on it), whether or not the return or notice of non-payment is proper or timely. This also applies to checks drawn on us which are not paid for any reason, and to checks that are returned to us in accordance with any law, regulation or rule (including a clearinghouse rule). We may assess a fee and charge it against your account.

If we receive an affidavit or similar document stating that an endorsement on an item deposited to your account is forged, that the item contains an alteration or that there has been a breach of warranty in connection with the item, we may charge the item back against your account or place a hold on the funds pending an investigation, without prior notice to you. In any event, you agree that we will have no obligation to investigate the accuracy or timeliness of such affidavit or similar document.

INSUFFICIENT FUNDS AND OVERDRAFTS

If you overdraw your account, our fees and charges can be expensive, so you should make sure not to overdraw your account. This section helps explain overdrafts and how they adversely affect you. Overdrafts are expensive, and we do not promise to pay or honor any item drawn on your account under our standard overdraft practices. There are ways to avoid overdrafts, including avoiding poor account management.

WHEN OVERDRAFT OCCURS

An insufficient balance and resulting overdraft can result from several events, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you; (3) the return of unpaid items deposited by you; (4) bank service charges; or (5) the deposit of items that, according to Bank's Funds Availability Policy, are treated as not yet available or finally paid.

When you conduct a transaction, make sure that you have enough available funds on deposit in your account (or under an overdraft plan) to cover the transaction and avoid the overdraft. Overdrafts can arise due to a number of factors, so bear in mind that:

- You should not assume or expect that you will be able to avoid an overdraft by making a covering deposit before your transaction settles with us. Your checks, for example, can clear very quickly – sometimes even on the same day as you deliver the check to a merchant or other payee.
- The order in which transactions are processed and cleared can affect the total amount of Overdraft Fees incurred by you. (Refer to the "Processing and Posting Orders" section in this Agreement.)
- When an overdraft fee is imposed, it operates to reduce the pre-determined amount that we have otherwise established for your overdrafts. You should consider this when you decide whether to engage in a transaction that would overdraw the account, since you might erroneously believe that a transaction may be covered when it would not because fees had eroded the limit available.
- If you use a Debit Card, sometimes a hold is placed on your account. The hold amount may be more than the actual transaction, based on system processing methods and the type of transaction and the merchant involved. A hold can result in an overdraft, since "held" funds are not available. You should therefore check to be sure your funds are not being "held" if you are concerned that another transaction might cause an overdraft.

- You can see an account balance online, via an ATM or by calling us. This account balance typically will not disclose the predetermined amount under the standard overdraft services.
- You may not be able to tell if a particular transaction will or may cause an overdraft. For example, a merchant point-of-sale terminal may not provide account balances, or a balance at an ATM may reflect yesterday's balance information. Your bank account balance is continually changing, so any balance you see may not reflect current transactions or may otherwise be out of date.
- The predetermined amount under the standard overdraft services may change at any time, increasing or decreasing. This is also true of our order of payment and processing. However, we do not manipulate on a daily basis, or on a customer-by-customer basis, in order to maximize customer fees.
- Our standard overdraft practices are not designed to help avoid your future financial challenges and should not be used by you in that way. Extensive use of overdrafts may be an indicator of poor account management and can result in significant expenses for you.

WHAT HAPPENS WHEN YOUR ACCOUNT HAS INSUFFICIENT FUNDS

The Bank is not obligated to pay any item presented for payment if your account does not contain sufficient available balance. If there are insufficient funds in your account to pay a check, a withdrawal, an automatic transfer, an ACH debit, a Debit Card transaction or another debit drawn on your account, it may be returned unpaid unless it is covered by available funds or by available overdraft protection, such as an overdraft protection line of credit or a plan to sweep funds from another account you have with us. (Refer to "Overdraft Protection Options (Personal Accounts)" section in this Agreement.) However, we may, at our sole discretion, create an overdraft by paying the item. In either case, there will be an "Insufficient Funds Item(s) Fee" or "Overdraft Item(s) Fee" for each item returned or paid. The Bank will assess no more than five (5) Overdraft Fees or \$150 maximum per day for personal accounts.

For personal accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time Debit Card transactions if you have not opted in to that service. You agree that we have no liability for returning unpaid transactions, even if the insufficiency of available funds in your account resulted from our assessing fees against your account.

You will be promptly notified of any insufficient funds items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. In addition to our other rights to terminate the account, for any account with excessive insufficient funds or overdraft activity, we may terminate the account without any notice. We may also report the account to a consumer credit agency such as ChexSystems®.

OUR STANDARD OVERDRAFT PRACTICES

Note that we do not promise to pay overdrafts under our standard overdraft practices. This includes overdrafts due to checks or automatic bill payments and overdrafts resulting from your request for us to authorize and pay ATM and everyday Debit Card transactions. We may, at our discretion, not authorize or pay any of these transactions. Ask us to learn about our overdraft protection plans, which can be less expensive and may be more effective to cover transactions that might otherwise cause an overdraft.

OVERDRAFT PROTECTION OPTIONS (PERSONAL ACCOUNTS)

We offer different options for overdraft protection for personal accounts, such as Sweep Transfer Services, Ready Cash Deposit ("RCD") and Bounce Protection™. If you are interested in any of our overdraft protection options, please contact us at (866) 437-0011 or visit any of our branch offices. You may also obtain information about the overdraft options on our website under "Services and Fees."

OVERDRAFT PROTECTION PRACTICES (BUSINESS ACCOUNTS)

The above discussion regarding overdrafts may not apply to business accounts. If you are interested in our overdraft practices as they apply to your business accounts, please contact us at (866) 437-0011.

ADDITIONAL INFORMATION CONCERNING OVERDRAFT PROGRAMS

Additional literature regarding overdraft programs may be obtained by visiting the FDIC's website, www.fdic.gov/consumers/overdraft, or the FDIC's Money Smart website, www.fdic.gov/moneysmart and the Consumer Financial Protection Bureau ("CFPB") website, <https://www.consumerfinance.gov/about-us/blog/understanding-overdraft-opt-choice/>, which provide supplementary financial education.

OVERDRAFT LIABILITY AND RELATED FEES

Unless we have expressly agreed with you in writing otherwise, any overdraft on your account is due and payable to us immediately. We have no liability to you for rejecting some checks or other charges and paying others or otherwise processing a transaction when your account is overdrawn, even if:

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

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

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

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

There is a fee associated with each transaction that we either pay, which results in an overdraft, or do not pay, which would have resulted in an overdraft had we paid it. You agree to cover any service charges and/or accrued interest that may result from a transaction that overdraws your account. Such a fee may apply to overdraft transactions created by check, ACH debit and certain other electronic means as permitted by law. We will not apply a fee to overdraft transactions created by one-time Debit Card transactions or ATM withdrawals regardless of whether we pay them or not, unless you elect to opt in to that service.

PROCESSING AND POSTING ORDERS

Posting transactions to your account impacts your account balance. A credit increases your balance while a debit or hold decreases your balance. Credits include, but are not limited to, teller, ATM, mobile and direct deposits as well as credits we make. Holds include deposit holds, Debit Card authorizations and holds related to cash withdrawals and electronic transfers. Debits include withdrawals, transfers, checks, one-time and recurring Debit Card transactions and fees. The posting order may result in multiple overdraft items during a single banking day for which you will be charged our Insufficient Funds or Overdraft Item Fee for each item that we returned or paid. (Refer to Schedule of Fees.)

We receive credits, debits and holds throughout the day. Regardless of when during the day we receive transactions for your account, you agree that we may treat them as if we received all transactions at the same time at the end of the business day.

During the day, before nightly processing, debits and credits are added to or deducted from your available balance throughout the day prior to posting to your account. These holds appear on your online banking history as pending items. Transactions shown as pending items have not been posted yet; the posting order for these transactions is determined during nightly processing.

Please note that we do not always post debits on the same day that you conduct the transaction. As an example, when you use your Debit Card to pay for a purchase at a merchant, we usually receive an authorization request from the merchant the same day; however, we might not receive the item for posting until several days later.

We generally post credits and debits to your account, and report them on your statement, in a different order in which you conduct or we receive them.

Some, but not all, of our categories are shown below. For each debit category, we list some common types of debits and summarize how we generally post them within the category.

- We add deposits and other credits to your balance.
- Then, we subtract from your balance in date and time order the types of debits listed in this paragraph, when our systems are able to identify date and time information. If we do not receive or are unable to identify date and time information, then we subtract the remaining debits in this category from your balance in order from the lowest to the highest dollar amount.

Common debits in this category include:

- One-time and recurring Debit Card transactions;
- Withdrawals made at our tellers and ATMs;
- Checks you wrote that are cashed at our tellers; and
- Wire transfers.
- Then, for other checks you wrote, we post them to your account in order from the lowest to the highest dollar amount and then in check number order.
- Then, we subtract from your balance fees for services and other account charges.

FAX/EMAIL/VOICEMAIL INSTRUCTIONS

We may, but are not required to, act upon instructions received by fax transmission, telephone voicemail or email. If, at our discretion, we act upon your instruction, you agree to accept any risk associated with your use of these means of communication. Email is not a secure method of transmitting financial information. You assume the risk of transmitting personal or account information using unencrypted methods, including by fax, telephone or email. The Bank accepts no liability for the content of the email or for the consequences of any actions taken based on the information provided.

TELEPHONE AND ELECTRONIC COMMUNICATION RECORDING AND MONITORING

You authorize us (but we are not obligated) to monitor, record electronically and retain telephone conversations and electronic communications between you (including your purported authorized representatives) and us. Accordingly, you agree on behalf of yourself and your employees and agents that we may monitor and record your telephone and electronic communications in connection with your account at any time. Unless required by applicable law, we may monitor and record these communications without further notice. You agree that we may produce the telephonic or electronic recordings or computer records as evidence in any proceedings brought in connection with this Agreement, and you hereby acknowledge the validity and enforceability of such telephonic or electronic recordings.

We will use any telephone numbers or email addresses that you have previously provided or that you may subsequently provide to us regardless of whether the number we use to contact you is assigned to a landline, a paging service or a wireless service for which you may be charged for the call. You further agree that we may contact you by voice, voicemail and text messaging, including the use of prerecorded or artificial voice messages and an automated dialing device. You may change or remove any of the telephone numbers or email addresses at any time using any reasonable means to notify us.

LIMITATION ON LIABILITY

Except as otherwise stated in this Agreement or as specified by applicable law, you agree that we have no liability to pay damages to you unless we have caused you damage arising from our intentional misconduct or gross negligence. Our policies and procedures are general internal guidelines for our use and do not establish a higher standard of care for us than is otherwise established by the laws governing your account. In the event you suffer damage as a result of our intentional misconduct or gross negligence, our liability is limited to your direct loss. We are not liable for consequential, indirect, incidental, punitive or special damages, or any combination thereof. In addition, we shall be excused from failing to accept, execute or settle with respect to a funds transfer request if to do so would result in the Bank having exceeded any limitation upon its intra-day net funds position established pursuant to a present or future risk control program of the Federal Reserve, or any rule or regulation of any other U.S. or state government regulatory authority.

Our liability will be reduced to the extent you can recover for the loss from any of your insurers. If we reimburse you for a loss and the loss is covered by insurance, you shall assign your rights under the insurance policy to us to the extent of our reimbursement. You waive all rights of subrogation against us with respect to any insurance policy or bond.

(Note: Different liability rules apply to certain electronic fund transfers. Refer to "Electronic Fund Transfer Disclosure" section in this Agreement.)

In addition to any other rights we may have under this Agreement or any related Agreement, or at law or in equity, and except as expressly limited by applicable law or regulation, you shall indemnify, defend and hold harmless the Bank and our directors, officers, shareholders, employees and agents, against any and all third-party suits, proceedings, claims, demands, causes of action, damages, expenses (including reasonable attorney fees, costs of litigation and expert witness fees), liabilities and other losses ("Indemnified Losses") that result from or arise out of:

- (1) the wrongful acts or omissions of you, or any person acting on your behalf (including without limitation your authorized processor, if any), in connection with your use of your accounts or services we offer to you, including, without limitation:
 - (i) your breach of any provision, representation or warranty;
 - (ii) the negligence or willful misconduct, whether by act or omission, of you, your customers, your authorized processor (if any) or any third party acting on your behalf;
 - (iii) any misuse of the account or services by you, any third party within your control or acting on your behalf; or
 - (iv) failure by you to comply with applicable state and federal laws and regulations;
- (2) any act or omission of ours that is in accordance with this Agreement or instructions from you;
- (3) actions by third parties, such as the introduction of a virus that delays, alters or corrupts the transmission of information to us; or
- (4) any loss or corruption of data in transit from you or your authorized processor to us.

We may select an attorney of our choice in the enforcement of this Indemnity Provision.

DORMANT ACCOUNTS AND ESCHEATMENT

The funds in your account may be transferred to the appropriate state or country if no activity occurs in the account within the time period specified by applicable law. Once the funds are remitted to the applicable state or country, the funds are no longer in our possession. The account will be closed and no interest will accrue. We will have no further liability to you for such funds and/or property.

You may reclaim the funds directly from the applicable state or country by presenting to them adequate proof of ownership and any other document as required by the applicable State Controller's Office or the applicable authority of the country.

We may, but are not obligated to, try to contact you before we classify the account as dormant. A dormant account will continue to be charged a normal monthly service charge. We may, but are not required to, hold statements on accounts that are in a dormant status until the account has been removed from dormant status. You authorize us to, at our discretion, refuse to permit withdrawals from an account that has become dormant until we are satisfied that we are dealing with the true owner or authorized signer of the account.

California residents' accounts will be governed by the law of the State of California – according to which, at the end of three (3) years, if we do not hear from you after we notify you of your account dormant status, we will remit the funds in your account to the State of California. The state law of residency and its escheatable period will govern any other state's resident. If permitted by state or country law, and to the extent allowable, we may charge your account for costs incurred in delivery of the funds and/or property to the state or country.

CLOSING OR SUSPENDING ACCOUNTS

We may, at any time and at our sole discretion, close or suspend your account or any service we are providing to you. We may do so for cause or without cause. We may deliver the balance after an account is closed by any means chosen by us, including mailing a check for the balance by U.S. Postal Service, sent postage prepaid, to your last address as shown on our records. We may remit the balance by check payable to the name on the account as shown on our records, even if contrary evidence of account ownership has been given to us. We will provide you with notice before or after taking this action, unless prior notice is required by law, in which case we will provide you with such notice as is required by law.

Except to the extent otherwise agreed with us, you may close your account at any time upon notice to us, unless your account has a scheduled maturity date, subject to any applicable early withdrawal penalty. You will remain liable for the payment of accrued fees on the account and for checks in the process of collection, as well as any other obligations relating to actions or inaction prior to account closure. If you close an account, it may be subject to accrued or prorated fees or charges. You agree to reimburse us immediately upon request for any overdrafts that arise after an account is closed, whether closed by you or by us.

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

Without limiting any of the foregoing, you authorize us, at our sole discretion, to "freeze" or place a hold on the balance in your accounts at the Bank if we suspect that there is uncertainty regarding the ownership of the funds; we suspect irregular, fraudulent or illegal activity; or we receive conflicting instructions involving your accounts. Should we place a "freeze" on your accounts to reasonably investigate our concerns, you agree that we shall not be liable to you for any claims you might have, including but not limited to claims of wrongful dishonor.

We may dishonor any check, withdrawal order, item or transaction presented for payment after an account is closed or frozen by you or by us. At our sole discretion, we may honor checks, withdrawal orders, items or transactions after an account is closed or frozen if the transaction was guaranteed by us under any check guarantee

program or was part of an electronic fund transfer system, if you fail to place a stop payment order for any outstanding checks or other items or if we otherwise elect to honor the transaction at our discretion. You shall remain responsible and liable for such checks, items and transactions. If an interest-bearing account is closed for any reason before accrued interest is actually paid, interest may not be paid for the last interest period.

We also reserve the right to (1) refuse to open another account; (2) refuse to accept further deposits to any existing account; (3) discontinue or limit the use of checks drawn on, or Debit Cards linked to, any checking or savings account; (4) terminate other account-related services, such as Online Banking and Bill Payment; and/or (5) report your name, address, tax identification number, driver's license number and date/reason we closed the account to an account verification service, such as ChexSystems®. The account verification service may supply this information to others. This may adversely affect your ability to establish an account at any financial institution for up to five (5) years from the date of the report. In any event, you will still be liable for the payment of the outstanding service fees on the account and for checks in the process of collection.

DOCUMENT RETENTION

We may store certain or all documents relating to your account in electronic form ("imaging") and may destroy the original thereof. You agree that documents imaged and stored in accordance with our standard procedures for storing such documents may be relied upon to the same extent as the originals and shall be admissible as evidence in any court, arbitration or other proceedings where such documents are relevant.

LEGAL PROCESS

Legal process includes a writ of attachment, execution, garnishment, levy, restraining order, subpoena, search warrant or other similar order. We may accept and comply with the legal process if served in person, by mail or by other means (such as electronic communication) or at locations other than the location where the account, property or records are held. If we receive any legal process we believe in good faith to be valid, you authorize us to comply with it.

We may hold and turn over funds or other property to the creditor or as directed by the legal process, subject to our right of setoff and any security interest we have in the funds or other property. You agree we may pay all amounts in the account in satisfaction of any legal process, even if it attaches to the interest of fewer than all the account owners. We do not pay interest on the funds during the period we hold them. If we use funds from a time deposit account, we may impose an early withdrawal penalty. If we hold or turn over funds, we may, without any liability to you, return checks and other items unpaid and refuse to permit withdrawals from your account.

Unless prohibited by law, we may notify you of such legal process by telephone, electronically or in writing. We will charge a legal process fee to your account regardless of whether the legal process is subsequently withdrawn or released; we may also charge any account you maintain with us or otherwise look to you for payment.

DEATH OR ADJUDICATION OF INCOMPETENCE

You agree to immediately notify us regarding the death or court-declared incompetence of any owner, authorized signer or designated beneficiary on your account. Until we receive such notice in writing, we may continue to honor items drawn on the account by the authorized signer(s). We may freeze, offset or refuse further deposits when an owner dies or is adjudicated incompetent. You also agree to give us reasonable opportunity to act on such notice.

Upon the death of any owner of the account, ownership of the deceased owner's share will pass based on the type of account ownership. Any power of attorney designated on the account(s) will automatically be revoked in accordance with the state law. Under certain circumstances, payment from the account may be made to the heirs or personal representative of the deceased party. We may require letters of testamentary or any

appropriate documentation, duly issued and received by us, to consider payment to such representative. (Refer to "Ownership of Accounts" section in this Agreement.)

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. Even with this knowledge, for ten (10) days after the date of death, we may pay checks drawn on or before that date, unless a stop payment is ordered or an adverse claim is made by a person claiming an interest in the account. Additionally, we may offset or refuse deposits and transactions, such as government or retirement benefit payments or Social Security and SSI payable to a deceased account owner, that are credited to the account after the deceased date; we may debit the account and return it to the payer.

TAXPAYER IDENTIFICATION NUMBER AND INFORMATION REPORTING

We are required to obtain a tax identification number ("TIN") for each account you open or maintain with us. The TIN for an individual is usually a Social Security number ("SSN"). The TIN for a business is usually an employer identification number ("EIN"). The TIN for a sole proprietorship may be either an SSN or an EIN. We must obtain this number even if you are not required to file tax returns. For individual accounts with more than one owner, we report tax information for the first person (primary owner) listed on the account. This number is included on reports we must file with state and federal tax authorities about interest we pay you.

U.S. persons, including resident aliens, may be required to complete a Form W-9 to certify their TIN and backup withholding status. To establish that you are not a U.S. citizen or other U.S. person (including a resident alien individual); we may require you to (among other things) complete a Form W-8. Under IRS Notice 2017-46, the IRS provides guidance regarding the requirement for banks to obtain a foreign TIN or a reasonable written explanation for the lack of one and to obtain date of birth ("DOB") information from nonresident alien depositors. Interest earned on accounts owned by a nonresident alien may be reportable on IRS form 1042-S. We may report interest in cases where it is not mandated for us to do so. We are not responsible for your action or inaction in selecting or completing a form, and no information in these matters that may be supplied by us to you should be relied upon by you. In all tax matters, you should consult your own tax advisor. You agree to notify us and submit a new Form W-9 or W-8, as applicable, within thirty (30) days if any certification made on the form becomes incorrect.

Unless you are exempt under applicable law, we are required to withhold a portion of a reportable payment made to you (this is called backup withholding) if: (1) you do not provide us with your correct TIN on the required certification; (2) you do not certify you are not subject to backup withholding; (3) the IRS notifies us that the TIN and/or legal name is incorrect and you do not provide us with the required certification when asked; or (4) the IRS instructs us to withhold. We forward amounts withheld to the IRS. If there are any fines, penalties or charges assessed upon us due to any incorrect name/TIN mismatch or error not caused by us, you agree to reimburse us for the fine, penalty or charge, and we may charge your account for the same.

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

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

You agree to comply with all laws, rules and regulations applicable to you, to your activities and to your use of our services. This includes your agreement to comply with (to the extent applicable to you and your actions) federal anti-money-laundering laws, sanctions laws administered by the Office of Foreign Assets Control, currency transaction or Bank Secrecy Act reporting and recordkeeping requirements, and any state counterpart of the same. You must inform us about and disclose to us the identity of all persons who have a beneficial interest in you (if you are a business entity or a non-natural person) and in your transactions.

You represent and warrant that you will not use, and agree not to use, your account or any service we provide to you for any unlawful purpose. For example, you represent, warrant and agree not to accept or make payments in connection with the participation of any person (including yourself) in unlawful Internet gambling. You acknowledge that "restricted transactions" (as defined in the Unlawful Internet Gambling Enforcement Act and its implementing regulations) are prohibited from being processed through your accounts or your relationships with us. We reserve the right to deny transactions or authorization from merchants apparently engaging in the Internet gambling business or identifying themselves through card transaction records or otherwise as engaged in that or any other illegal or improper business. Further, we reserve the right to block or close any account that we believe may be involved in any such restricted transactions.

You represent and warrant that you are not, and you agree to take no action that would result in your being deemed or treated as, a money service business under any applicable state or federal law, except to the extent that you have specifically and in writing previously informed us that you are a money service business.

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

NOTICES

Except as otherwise provided in this Agreement, all notices and other communications by you to us shall be in writing and addressed to:

Farmers & Merchants Bank of Long Beach, 302 Pine Ave., Long Beach, CA 90802 or at such other address as we may specify in writing.

Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive it in time to have a reasonable opportunity to act on it. If the notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the check or item number, amount, date and payee. Notwithstanding anything to the contrary herein, we may rely on all notices, instructions and other communications sent to us via facsimile or electronic transmission as though they are originals. Without limiting the foregoing, we are entitled to rely on any notice, instruction or other communication believed by us in good faith to be genuine or to have been signed or authorized by your authorized representative.

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

FUNDS AVAILABILITY POLICY

AVAILABILITY TO WITHDRAW FUNDS

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

For determining the availability of your deposits, every day is a business day, except Saturday, Sunday and federal holidays. If you make a deposit in person at one of our branch offices or a Farmers & Merchants Bank of Long Beach ATM on a business day and before the cut-off time, we will consider that day to be the day of your deposit. However, if you make a deposit after our cut-off time or on a day that is not a business day, we will consider the deposit as being made on the next business day.

The cut-off time for deposits made at our offices directly to one of our employees may vary by location but will not be earlier than 4:00 pm PT. The cut-off time for deposits made at our ATMs is 4:30 pm PT.

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 you deposit, funds may not be available until the second (2nd) business day after the day of your deposit. The first \$200 of your deposit, however, will be available on the first business day. If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will 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 would 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 (6) months.
- There is an emergency, such as failure of computer or communication 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 (7th) business day after the day of your deposit.

HOLDS ON OTHER FUNDS (OTHER ACCOUNTS)

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

HOLDS ON OTHER FUNDS (CHECK CASHING)

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new customer, the following special rules will apply during the first thirty (30) days your account is open.

Funds from electronic direct deposits 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 deposit of cashier's, certified, teller's, traveler's and federal, state and local government checks will be available on the first (1st) business day after the day of your deposit, if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the ninth (9th) 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 (2nd) business day after the day of your deposit. Funds from all other check deposits will be available on the seventh (7th) business day after the day of your deposit.

The foregoing rules do not apply to deposits of foreign items (items drawn on or payable through or at an office of a depository institution not located in the U.S.) or for deposit items in foreign currency.

TRUNCATION AND OTHER CHECK IMAGES

You agree not to deposit substitute checks, as described below, or checks bearing a substitute check legal equivalence statement ("This is a legal copy of your check. You can use it the same way you would use the original check.") to your account without our prior written consent. Unless we agree otherwise in writing, our acceptance of such checks shall not obligate us to accept such items later, and we may cease doing so without prior notice. If we approve the deposit of substitute checks, you agree to indemnify, defend and hold us harmless from all losses, costs, claims, actions, proceedings and attorney's fees that we incur as a result of such checks, including, without limitation, any indemnity or warranty claim that is made against us because: (1) the check fails to meet the requirements for legal equivalence; (2) a claimant makes a duplicate payment based on the original check, the substitute check or a paper or electronic copy of either; or (3) a loss is incurred due to the receipt of the substitute check rather than the original check. You agree to retain the original check in conformance with our internal policy for retaining original checks. Upon our request, you agree to provide us promptly with the original check or a copy that accurately reflects all of the information on the front and back of the original check when it was truncated. Furthermore, if you create a substitute check or another paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. We can refuse to accept substitute checks at our discretion, including those that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

REMOTELY CREATED CHECKS

Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner or a signature purported to be the signature of the account owner. In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

If you authorize another party to issue a remotely created check against your account or voluntarily give the information about your account (such as our routing number and your account number) to a party who is seeking to sell you goods or services, any remotely created check drawn on your account and negotiated by that party will be deemed authorized by you. You also agree that we may pay an electronically created

item even though the item was not created from an original paper check, whether presented in the form of a remotely created check or an electronic item. You authorize us to continue to honor items or debits from a payee previously authorized by you, until you instruct us to cease to do so. If you want us to stop honoring items from a payee previously authorized by you, you must tell us in writing. Until you notify us that such items are not authorized, we can continue to pay them and will not be liable to you even though the items are not in accordance with any authorization you may have given.

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

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

You further agree not to present remotely created checks for deposit, unless we have given prior express written approval. You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization and supply us the proof if we ask; and (3) if a check is returned, you owe us the amount of check regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

ELECTRONIC FUND TRANSFER DISCLOSURE

This "Electronic Fund Transfer Disclosure" section applies to electronic fund transfers governed by the Electronic Fund Transfer ("EFT") Act.

Please read this Electronic Fund Transfer Disclosure carefully. You should earmark this section for future reference.

DEBIT CARDS

Any Debit Cards we issue to you remain the property of the Bank and shall be surrendered by you upon our request. The Bank may terminate all EFT services and may withhold approval of any transaction at any time.

When you request a Debit Card at the time you open your checking account at one of our branch offices, you will be given an active card and you will choose a Personal Identification Number ("PIN") at that time. If you ever wish to change your PIN (or if you forget your PIN), you can call the automated system at (800) 781-3982, which is available 24/7, 365 days a year, or change it at one of our ATMs if your PIN is known.

USING YOUR DEBIT CARD AND PIN

You may:

- Withdraw cash from any linked account at a Farmers & Merchants Bank of Long Beach ATM;
- Make deposits to any linked account at a Farmers & Merchants Bank of Long Beach ATM;
- Transfer funds between your linked accounts;
- Pay for purchases at places that honor the Debit Card point-of-sale ["POS"] purchase;
- Obtain account balance information (The balance information may not reflect recent transactions and may include funds that are not available for

immediate withdrawal. Balance inquiries are not covered by the error resolution or liability section of this Agreement.); and

- Make withdrawals at other financial institutions' ATMs. Farmers & Merchants Bank of Long Beach ATMs are generally available twenty-four (24) hours a day, seven (7) days a week; however, they may occasionally close for routine maintenance.

Some of these services may not be available at all terminals. If you have more than one account with us, some of these services may not be available for each account. Deposits and payments are subject to verification by us.

ELECTRONIC CHECK CONVERSION

You may authorize a merchant or another payee to make a one (1)-time electronic payment from your checking account using information from your check to:

- Pay for purchases; or
- Pay bills.

Preauthorized electronic fund transfers may be made to your account from a third party (e.g., Social Security, pension fund or your employer) or from your account to a third party (e.g., recurring mortgage or insurance payment through the Automated Clearing House ("ACH").

If federal recurring or other electronic payments are made into your account, the payment may be affected by a change in account status or transfer (e.g., to another office). 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.

DEDUCTIONS FROM YOUR ACCOUNT

- ATM withdrawals: When you use your Debit Card in connection with an ATM withdrawal transaction, you are making an immediate withdrawal from your account. The Bank will deduct the amount of your transaction from the account you designate at the time of your transaction.
- Point-of-Sale purchases: You may use your Debit Card to pay for goods and services at retail locations displaying the symbols of the networks in which the Bank participates. When you make the purchase with the card, a hold will be placed on the primary account you designated as the authorization for the transaction. The hold may be for the transaction or for a pre-established amount in excess of individual transactions (for example, hotel or car rental reservation). The held funds will not be available for other transaction purposes, and the Bank has the right to return checks or other items drawn against your account to maintain sufficient funds to pay for any previously authorized POS transactions. The hold may continue even if there were no purchased goods or services for which authorization was obtained. The Bank will deduct the amount of your purchases from the primary account you designated.
- Automatic Account Updating Feature: If you arranged with your merchant to make recurring payments and your Debit Card expires or is lost or stolen and a new card is issued, participating merchants may electronically receive your updated card information (new card number, expiration date or account close status). You may opt out of this automatic account-updating feature at any time by calling (562) 344-2346. Opting out of the automatic account-updating feature will apply only to your Debit Card number identified in the opt-out request. Please allow two (2) business days for us to process your opt-out request upon receipt. We will respond to you with written confirmation that your request is complete.

HEALTH SAVINGS ACCOUNT AND MEDICAL EXPENSE TRANSACTIONS

When you use your Debit Card that is linked to a Health Savings Account ("HSA") in a POS transaction or POS cash transaction, a hold will be placed on your HSA account. We will not apply additional fees to the amount related to the transactions using this account. You acknowledge and agree that the Debit Card is exclusively for payment of

qualified medical expenses through your HSA. We are not required to determine if any withdrawal is for the payment or reimbursement of qualified medical expenses. You are responsible for substantiating that a withdrawal is for a qualified expense, including maintaining sufficient transaction records. All withdrawals made with the HSA Card will be reported to the IRS as normal distributions. If any of the terms of this Agreement conflict with your "HSA Health Savings Account Custodial Document," the terms of the "HSA Health Savings Account Custodial Document" will control.

DEBIT OR CREDIT PROMPTS AT TERMINALS

If a merchant asks "Debit or Credit" when you make a purchase, you have two choices. In both instances, your purchase will be subtracted from your primary account:

- If you select Debit, you must also enter your PIN.
- If you select Credit, you may have to provide a signature except for some smaller dollar amounts and when paying for sale-service fuel. Some gas stations will prompt you for another authentication method, such as ZIP code.

FOREIGN EXCHANGE TRANSACTIONS

If your Debit Card is used to conduct a transaction in a currency other than U.S. Dollars, then the merchant, network or card association that processes the transaction may convert any related debit or credit into U.S. Dollars in accordance with its then-current policies and may impose fees or charges as part of this transaction. Mastercard currently uses a conversion rate that is either: (1) selected from a range of rates available in the wholesale currency markets (note: the rate may be different from the rate the Mastercard receives); or (2) the government-mandated rate. Mastercard and others may impose fees or charges and add them to the price of the conversion. The conversion rate may be different from the rate in effect on the date of the transaction or date posted on the primary account.

REFUND ON PURCHASES

Cash refunds will not be made to you for purchases made with your Debit Card. If a merchant gives you a credit for merchandise returns or adjustments, it may do so by processing a credit adjustment, which we will apply as a credit to your account.

DISPUTE WITH MERCHANTS

If you have a dispute with the merchant regarding the quality, price or warranty, or otherwise regarding the goods or services you purchase with your Debit Card, you may have to settle your dispute with the merchant directly.

CUT-OFF TIME FOR ELECTRONIC TRANSACTIONS

Transactions processed after a cut-off time on a business day or on any day that is not a business day are treated as occurring on the next business day. For transactions processed as a signature or non-PIN transaction, the cut-off time is 3:00 pm PT. For PIN transactions, the cut-off time is 4:30 pm PT.

LIMITATIONS GENERALLY

We reserve the right to impose dollar, volume, activity, exposure or other limitations on Debit Card transactions and to change them at any time. You are obligated on Debit Card transactions, including those that do not comply with your internal policies or procedures, unless we specifically and in writing agree to implement a requested risk-control measure. We may increase dollar or other limitations for one or more Debit Cards or card transactions upon request by your contracting officer or a person who is an authorized signer on the linked account. You accept the risks associated with this possibility of higher-dollar or other limitations.

LIMITATION ON FREQUENCY AND TYPE OF TRANSFER

Subject to funds being available, there is no limit on the number of times you can withdraw funds from your account if you are using your Debit Card at an ATM (whether it is a Farmers & Merchants Bank of Long Beach ATM or non-Farmers & Merchants Bank of Long Beach ATM). There is also no limit to the number of POS transactions

when you access your primary account. If you use your Debit Card in a POS transaction to access a money market or savings account, it is subject to transaction limitation as described in this Agreement, and you agree not to initiate transaction in excess of the limitations established for your account. (Refer to "Account Limitations" section in this Agreement.) There may be other limitations that the Bank imposes on the number of transaction you may perform for security reasons.

We reserve the right to reject any Internet gaming, gambling, lottery or similar transaction. Without limiting the foregoing, we reserve the right to reject any transactions that we reasonably believe to be unlawful or connected with a transaction we believe to be unlawful.

LIMITATION ON DOLLAR AMOUNTS OF TRANSACTION

When you use your Debit Card, the Bank applies two limits to the amount you may withdraw from your accounts each day. These are a "cash limit" and a "purchase limit." Under your "cash limit," you may withdraw up to \$700 in cash from ATMs (surcharge applies except for the specific Debit Cards noted in the "Fee Charges (Including ATM Fees)" section), plus any cash back you may receive in STAR or Maestro cash transactions, each day using your Debit Card. Any POS cash transactions also count toward your cash limit.

Under your "purchase limit," you may purchase up to \$1,500 worth of goods or services each day using your Debit Card in POS transactions. Your purchase limit is in addition to your cash limit. If your card is a Gold Debit Card, your "purchase limit" will be up to \$2,000 worth of goods or services each day in POS transactions. If your card is a Platinum Debit Card, your purchase limit will be up to \$2,500 worth of goods or services each day in POS transactions. These limits are subject to change at our sole discretion. For any transaction, your account available balance (including any overdraft protection coverage) must be enough to cover the transaction.

Debit card access to your account will be suspended if the Bank considers your account and/or Debit Card to be inactive or dormant. The Bank can refuse to authorize any transaction when your Debit Card has been reported lost or stolen or when the Bank reasonably believes there is a potential fraudulent, suspicious or illegal activity on your account or card usage.

CARD AND PIN SECURITY

The PIN for your Debit Card is confidential and should not be disclosed to third parties or written on your Debit Card. You are responsible for safekeeping your Debit Card and PIN. You agree not to disclose or otherwise make your PIN or Debit Card available to anyone not authorized by you to use the PIN or Debit Card. If you authorize anyone to use your PIN or Debit Card, you will be liable for all of their transactions, and you cannot limit your liability to only specified transactions, unless and until you notify us that your authorization has been revoked (at which time we will cancel and/or substitute a new PIN and Debit Card).

FEE CHARGES (INCLUDING ATM FEES)

There is no charge when you use your Debit Card at any of our ATMs, but we charge an ATM Service Charge for every transaction, including a balance inquiry, in which you use your Debit Card at a non-Farmers & Merchants of Bank of Long Beach ATM (even if you do not complete a funds transfer) or use an international ATM. The Bank will reimburse you for the ATM Service Charge if you have Teen, College, Gold or Platinum accounts. (Refer to Schedule of Fees.) The reimbursement will appear on your account statement as an ATM Service Charge Reversal. The reversal will be credited to your account within forty-eight (48) hours after the original service charge posted. When you use your Debit Card for a purchase transaction, some merchants may impose a transaction fee. The Bank does not control the amount of these fees imposed by the merchants. The Bank will impose a 3% foreign transaction fee of the total amount of the transaction on Bronze, Health Savings Account (HSA), Teen, College, Silver, Senior, and Gold Accounts. These fees may be included in the total transaction amount that is withdrawn from your account and show on your account statement. You will be responsible for all fees associated with your use of any electronic funds transfer service offered by the Bank. Refer to our Schedule of Fees for all applicable electronic funds

transfer fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator (and you may be charged a fee for balance inquiry even if you do not complete a fund transfer).

TRANSACTION RECEIPT

You will always be able to get a receipt at the time you make a transfer to or from your account using our ATMs or when you make a purchase at an authorized point-of-sale terminal from a merchant. If mechanical malfunctions prevent the issuance of receipts, you may decline a receipt at some ATMs in order to complete a transaction.

PERIODIC STATEMENTS

You will get a monthly account statement reflecting electronic funds transfer and point-of-sale purchases, unless there is no transaction in a particular month. In any case, you will get the statement at least quarterly.

PREAUTHORIZED CREDITS

If you have arranged to have direct deposit made to your account at least once every sixty (60) days from the same company or person, you can contact us at the telephone number listed in this Agreement to find out whether or not the deposit has been made. (Refer to "How to Contact Us" section in this Agreement for phone number.)

PREAUTHORIZED PAYMENTS

You have the right to stop a payment if you have told us in advance to make regular payments out of your account. You can stop any of these payments by contacting us in the following manner:

Call (800) 253-6655, or write to us by postal mail at Farmers & Merchants Bank of Long Beach, ACH Department, P. O. Box 2400, Seal Beach, CA 90740-1400.

We must receive your request at least three (3) business days before the payment is scheduled to be made. If you fail to give us your request at least three (3) business days prior to a transfer, we may attempt, at our sole discretion, to stop the payment. If you call, the Bank may also require you to put your request in writing and get it to the Bank within fourteen (14) days after you call. The Bank will charge your account a Stop Payment Fee for each stop payment order you give. Refer to Schedule of Fees.

NOTICE OF VARYING AMOUNTS

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

Under the operating rules of the National Automated Clearing House Association ("NACHA"), which are applicable to ACH transactions involving your account, we are not required to give next-day notice to you of receipt of ACH items, and we will not do so. However, this information will be provided on your periodic account statement.

LIABILITY FOR FAILURE TO STOP PAYMENT OF PREAUTHORIZATION TRANSFER

If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled and we do not do so, we will be liable for your losses or damages.

STOP PAYMENT ON THIRD-PARTY ELECTRONICALLY PRESENTED PAYMENTS

When you have authorized a third party to originate automated clearing ACH transfer(s) or other electronically presented payment(s), to or from your account with us, your stop payment request to us does not cancel your authorization to the originator of the transfer. You are responsible for notify the originator in writing with your request to cancel your authorization. Unless you notify us otherwise, we will treat your stop payment order as a request to stop only one payment. If you want all future payments to a particular party stopped, you must revoke authorization in writing to the originator and you must specifically advise the Bank in writing of that intention. (The

originator is the organization, financial institution or person you authorized to make payments from your account.)

OUR LIABILITY

If the Bank does not complete an electronic fund transfer to or from your account on time or in the correct amount according to our agreement with you, the Bank will be liable for your losses and damages. However, there are some exceptions. The Bank will not be liable, for instance:

- If, through no fault of ours, you do not have enough available funds in your account to make the transfer;
- If the transfer would exceed the credit limit on your overdraft line (if any);
- If the ATM where you are making the transfer does not have enough cash;
- If the ATM, POS terminal or system was not working properly and you knew about the breakdown when you started the transfer;
- If transfer or payment information supplied to us by you is incorrect, incomplete, ambiguous or untimely;
- If your account is closed or frozen;
- If a third party refuses to honor your Debit Card;
- If you do not follow the instructions provided (if any) for initiating the transfer;
- If we have reason to believe the transaction may not be authorized by you;
- If a court order or legal process prevents the Bank from making a transfer; or
- If circumstances beyond our control (such as fire, flood, water damages, power failure, strike, labor dispute, computer breakdown or telephone line disruption) or a rolling blackout prevent or delay the transfer, despite reasonable precautions taken by us.

There may be other exceptions stated in our agreement with you.

CONTACT IN THE EVENT OF UNAUTHORIZED TRANSFER

If you believe that your Debit Card, PIN or any part of your online banking security codes, including your password, has been lost or stolen, call (562) 344-2346 locally or, if you are outside of California, (866) 437-0011. You may also write to us by postal mail to:

Farmers & Merchants Bank of Long Beach
Debit Card Department
P.O. Box 2400
Seal Beach, CA 90740-1400

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

CONSUMER LIABILITY

Tell us AT ONCE if you believe your Debit Card, PIN or any part of your online banking security codes, including your password, has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using the information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account, plus your maximum overdraft line of credit (if you have one). If you tell the Bank within two (2) business days after you learn of the loss or theft of your Debit Card or PIN, or any part of your online banking security codes, you can lose no more than \$50 if someone used your Card, PIN or any part of your security codes without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your Card, PIN or security codes and we can prove that we could have stopped someone from using your Card, PIN or security codes without your permission if you had told us, you could lose as much as \$500. For unauthorized Debit Card transactions of individual California

resident cardholders, your liability will continue to be limited to \$50, provided you comply with the sixty (60) day notification period described in the following paragraph.

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

MASTERCARD ZERO LIABILITY POLICY

You will not be liable for any unauthorized transactions using your Mastercard Debit Card if: (1) you have exercised reasonable care in safeguarding your card from the risk of loss or theft, and (2) upon becoming aware of a loss or theft, you promptly reported the loss or theft to us. If these conditions are not met, the Mastercard zero liability policy will not apply, and you may be liable as provided under the "Consumer Liability" section above.

ERRORS OR QUESTIONS

In case of errors or questions about your electronic transfers, contact us at (562) 344-2346 or write to us at P.O. Box 2400, Seal Beach, CA 90740-1400 as soon as you can. If you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt, we must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared. Tell us the following:

- Your name and account number (if any);
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information; and
- The dollar amount of the suspected error.

If you tell us orally, we may require you to send us your complaint or question in writing within ten (10) business days. We will determine if an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days to investigate your complaint or question. If we decide to do this, we will credit your account provisionally within ten (10) business days for the amount you think is in error so that you will have the use of the money during the time that it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account. For errors involving new accounts, point-of-sale or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error.

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

You may direct calls and letters to:

Farmers & Merchants Bank of Long Beach
Debit Card Department
P. O. Box 2400
Seal Beach, CA 90740-1400
Telephone (562) 344-2346

CHANGES IN TERMS/TERMINATION OF SERVICE

We may change the terms or terminate your use of our electronic funds transfer services at any time, with or without cause. We may immediately terminate your electronic funds transfer service if any of you breach this or any other agreement with us; we have reason to believe that there has been or may be an unauthorized use of

your account, Debit Card, PIN or Online Banking password; there are conflicting claims to the funds in your account; or any of you requests that we do so. You will remain liable for subsequent transactions performed by you or any authorized user.

In the event that either party brings a legal action to enforce this Agreement or collect amounts owing as a result of any account transaction, the prevailing party shall be entitled to reasonable attorney's fees and costs, including fees on any appeal, subject to any limits under applicable law.

BUSINESS DEBIT CARDS

DEDUCTIONS FROM COMPANY'S ACCOUNT – ATM AND POS TRANSACTIONS

When Business Debit Card(s) are used, an immediate withdrawal and hold from the primary account is made. For ATM transactions, the Bank will deduct the amount of the transaction from the account designated at the time of the transaction. For POS transactions, the Bank will deduct the amount of the transaction from the primary account. In addition, the Bank will deduct the amount of any charges imposed or added by the merchant (in a POS transaction) or by the Bank and/or the ATM owner/operator (in a non-Bank ATM transaction).

BUSINESS DEBIT CARD LIMITATIONS ON DOLLAR AMOUNTS OF TRANSFERS

When a Business Debit Card is used, the Bank applies certain limits to the amount that may be withdrawn from the affected account each day. A Cardholder may withdraw a maximum of \$2,500 from an ATM (including surcharges) or make a maximum of \$3,000 in POS transactions (with a PIN and/or signature) each day per card (including cash back).

Business Debit Cards may be used at any place that displays the STAR, Cirrus or Mastercard logo. For any transaction, the available account balance in the primary account or other designated account must be enough to cover the transaction.

COMPANY'S REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to the Bank as follows:

- The Company has all requisite power and authority to enter into this Agreement. The entering of the Agreement and execution of the corresponding Application, incorporating the same, has been duly and validly authorized by all necessary action. Further, the individual(s) who execute the Application for the services contemplated under this Agreement on the Company's behalf is, or are each, duly authorized by the Company to do so;
- Any transaction contemplated hereby will not be in violation of state or federal law;
- All formalities will be followed with respect to each transfer of funds, including but not limited to proper authorization of individual transactions and recordkeeping requirements;
- All accounts linked to the cards have been established for a purpose other than personal, family or household use;
- The Company acknowledges that use of a PIN provides the Company with a commercially reasonable degree of protection in light of the Company's particular needs and circumstances. The Company represents that each PIN shall be afforded the highest level of security and shall be known only to those persons who are on a "need to know" basis; and
- The Company will not ask for a Business Debit Card to be issued to anyone who is not an authorized signer on the Company's business checking account.

COMPANY'S LIABILITY

Rules for All Card Transactions. Use of a Business Debit Card by a cardholder is controlled by the Company. The Bank has no obligation or responsibility to limit Business Debit Card use to individuals specified as "authorized signers" on a Signature

Card or Application for any Company account(s) that are linked to the Business Debit Card or to other individuals specifically identified by the Company as authorized to use a Business Debit Card.

Except as provided otherwise in this Agreement, Company is responsible for all uses of a Business Debit Card. The Company is also responsible for all transaction data received by the Bank that identify a Business Debit Card as a Company Card, whether or not the particular transaction was authorized by the Company or any cardholder. The Company agrees to pay the Bank for all transactions that the Company is responsible for under this Agreement and authorizes the Bank to charge any account of the Company at the Bank for the same. The Company will be responsible regardless of whether the transactions were conducted: (1) by or on behalf of any authorized individual, or for any authorized purpose, or by an unauthorized person or in conflict with any usage limitation established by the Company; (2) using a valid PIN; or (3) in accordance with any rules or regulations of Mastercard, STAR, Cirrus, the Bank or any merchant.

All use of a Business Debit Card bearing the Company's name to obtain services will be and will be deemed an act of and the responsibility of the Company, whether or not the Business Debit Card is or is not a valid Business Debit Card. If the Company's liability cannot be limited as described in this Agreement, then the Company will be liable for all transactions made using a Business Debit Card. Issuance of Business Debit Card(s) creates an inherent risk of unauthorized use. Authorization for use of Business Debit Cards is not dependent upon or limited to those individuals specified on the Signature Card for the primary account or other individuals specifically authorized by the Company to use a Business Debit Card. The Company assumes the risk of loss associated with unauthorized use of the Business Debit Cards including, but not limited to, theft and embezzlement of valid Business Debit Cards and the creation or forgery of invalid Business Debit Cards.

The Company's liability will continue until the later of the time that all Business Debit Cards are returned to the Bank or the Company instructs the Bank to cancel all Business Debit Cards and the Bank has had a reasonable opportunity to cancel all Business Debit Cards. The Company understands that loss or theft of a Business Debit Card, or any unauthorized use of a Business Debit Card, is no basis for the Company to avoid liability for a Business Debit Card transaction as described in this Agreement, whether before or after the Company informs the Bank of loss or theft of the Business Debit Card. The Bank may from time to time require closure of a primary account or other account and reissuance of one or more Business Debit Cards as a means of preventing further losses. The Company agrees to bear all costs associated with the closure of such accounts.

Limited Liability (Mastercard Transaction). If a Business Debit Card is used in a Mastercard transaction, then the Mastercard Zero Liability Policy will apply unless specifically excluded. A "Mastercard transaction" is a transaction where the Business Debit Card is used to buy goods or services in a transaction through the Mastercard system and did not require the use of a PIN. The Bank's liability under a Mastercard transaction is limited to reimbursing the Company for the face amount of any unauthorized Mastercard transaction. The Bank will not be responsible for any claims of special, indirect or consequential damages. The Company is not responsible for any use of the Business Debit Card by a person (other than the Company) who does not have actual, implied or apparent authority for such use and from which the Company receives no benefit ("unauthorized use"). Unauthorized use excludes any transaction not otherwise subject to the Mastercard Zero Liability Policy, as set forth in the Mastercard Bylaws and Rules and as amended from time to time.

However, the Mastercard Zero Liability Policy for unauthorized use also may not apply if:

- The Company or Business Debit Cardholder did not exercise reasonable care in safeguarding such Business Debit Card from risk of loss or theft;
- The Company or Business Debit Cardholder had reported two or more incidents of unauthorized use to Bank in the immediately preceding twelve (12)-month period; or

- The Company's account to which transactions initiated with such Business Debit Card are posted is not in good standing.

In the event that the Mastercard Zero Liability Policy does not apply to the unauthorized use due to one or more of the three bulleted paragraphs identified above, then the Company's liability may be the lesser of \$50 or the amount of the money, property, labor or services obtained by the unauthorized use before notification is given to the Bank. Notice to the Bank for this purpose is given when steps have been taken as may be reasonably required in the ordinary course of business to provide the Bank with pertinent information about the loss, theft or possible unauthorized use of the card. Notice may be given in person, by telephone or in writing. Notification in writing is considered given at the time of receipt or, whether or not received, at the expiration of the time ordinarily required for transmission, whichever is earlier. In order for notice to be provided within a reasonable time, it must be received by the Bank within 24 hours of discovering that the card was lost or stolen.

DEBIT CARD ALERTS

ALERTS MANAGEMENT

Your Debit Card, including Business Debit Card, has been automatically enrolled in the Fraud Alert service ("Fraud Alerts"). Fraud Alerts offer telephone notification of potential fraud based on transactions associated with your registered Debit Card. The Active Alerts service ("Active Alerts") is another feature you can choose to activate. Active Alerts offer telephone notification when your Debit Card is used for, among other options, online, phone or mail charges; international purchases; purchases made with certain merchants; and transactions made outside of a specific time of day and to alert you about a declined transaction when you elected to block all activity on your Debit Card using the Active Controls option. You can opt in to receive Active Alerts via text message and email by enrolling online and providing a number for your wireless access device ("Wireless Access Device") and an email address.

Another feature you can activate through Alert Management is the "Active Controls" option. The Active Controls option is a feature that allows you to freeze your Debit Card, blocking all activity on your Debit Card. You can also use Active Controls to unfreeze the Debit Card, which allows transactions to be completed. You agree that Farmers & Merchants Bank of Long Beach will automatically decline transactions when a freeze has been placed on your Debit Card, and you will not have the opportunity to authorize the transactions. To receive notifications whenever the Active Controls option has been activated for your Debit Card, select "Decline Due to Control Selections" in the Active Alerts section under Alerts Management.

Important: *The act of freezing your Debit Card does not constitute notification under Regulation E (the Electronic Funds Transfer Act) and does not eliminate your responsibility to immediately notify Farmers & Merchants Bank of Long Beach in the event that your Debit Card is lost or stolen or you believe there may be fraud on your account.*

You can receive Active Alerts via email and/or text message by providing up to five (5) destinations, either email addresses and/or numbers for your Wireless Access Devices. If you opt in to receive Active Alerts by text messaging, you acknowledge that such messages will be automatically sent via text message to your Wireless Access Device. You assume all responsibility for the receipt of the text messages and acknowledge that these Alerts Services are not sent through a secure channel and may be intercepted or read by others.

If you have more than one Debit Card that you would like to receive Active Alerts, you must enroll each Debit Card separately.

YOUR INFORMATION

You are responsible to ensure that all information is accurate when enrolling in the Active Alerts. The Active Alerts do not replace standard communications you receive from us concerning your accounts. In addition, communications exchanged under the Active Alerts do not replace your duty to review communications from us, including monthly statements, and to notify us in the time and manner provided in our other

agreements with you. It is your responsibility to notify us and/or update your Active Alerts profile with changes to your destinations, email address(es), telephone number(s) and/or number(s) for your Wireless Access Device(s).

FRAUD NOTIFICATION

Once a notification of potential fraud has been sent, if a response is not received confirming authorization for suspected fraud transactions, we will attempt to contact you to verify the suspected transactions based on the available information we have on file. We reserve the right to reject transactions and block access to your Debit Card until confirmation is obtained from you. You may opt out of this program at any time, as provided below.

STOP, MODIFY AND RE-ENROLL

To stop receiving text and/or email Active Alerts, the following options are available:

- To stop receiving text Fraud and Active Alerts: Text the word "STOP" to 42831 and an opt-out confirmation of your request will be sent via text message. Thereafter, no future text alerts will be sent to your Wireless Access Device(s).
- To stop receiving email and/or text alerts, contact us at (562) 344-2346, Monday through Saturday between 7:00 am PT and 9:00 pm PT or Sundays between 8:00 am PT and 5:00 pm PT.

To create, modify or deactivate your Active Alerts and Active Controls option: Log in to the Debit Card Alerts website at www.fmb.com/alerts. Click on "Register/Manage," answer the authentication questions and make sure the nickname for the account you want to change is in the Nickname field. Update your Alert or Control selection under the section "Active Alerts" and/or "Active Controls." You can edit or delete individual alerts.

We will continue to notify you via telephone if we detect any unusual activity that we have determined to be fraudulent, even if you had requested to stop receiving text and email Active Alerts.

You may re-enroll for Active Alerts at any time at www.fmb.com/alerts or contact us at (562) 344-2346, Monday through Saturday between 7:00 am PT and 9:00 pm PT or Sundays between 8:00 am PT and 5:00 pm PT.

Generally, you agree to terminate the Active Alerts or disable your requested Wireless Access Device from the Active Alerts immediately in the event your registered device becomes lost or stolen or is no longer in use by you.

FEES FOR "ALERTS"

At this time, we do not charge for Active Alerts. However, your Wireless Access Device carrier(s) may charge you fees related to this service. We do reserve the right to charge fees for the Active Alerts at a future time, and you agree to pay for the Active Alerts in accordance with our then-current Schedule of Fees as amended from time to time. You authorize us to automatically charge any one of your accounts for all such fees incurred in connection with the Active Alerts.

COMPATIBILITY

At this time, the Active Alerts text messages are specific to U.S. carriers only and do not include international service. Additional U.S. carriers may be added, and existing U.S. carriers may be deleted at any time without notice.

TEXT MESSAGE SECURITY

Alert notifications are not encrypted. However, we will never include your passcode or full account number. Active Alerts may include the name and some information about the account associated with your Debit Card. You assume all responsibility for the secure receipt of the text messages and acknowledge that these Active Alerts are not sent through a secure channel and may be intercepted or read by others.

LIMITATIONS FOR ALERTS

The availability, timeliness and proper functioning of the Active Alerts depend on many factors, including your Wireless Access Device location, wireless network availability and signal strength, and the proper functioning and configuration of hardware, software and your Wireless Access Devices. As a result, receipt of Active Alerts may be delayed or prevented by factor(s) affecting your Internet service provider(s), phone operator(s) and other relevant entities. We guarantee neither the delivery nor the accuracy of the contents of any Active Alerts. We will not be liable for losses or damages arising from: (1) non-delivery, delayed delivery or wrong delivery of any Active Alerts; (2) inaccurate content in Active Alerts; or (3) your use or reliance on the contents of any Active Alerts for any purposes. You acknowledge that urgent Active Alerts may not be received timely and that neither your wireless carrier nor the Bank guarantees that alerts will be delivered. We reserve the right to terminate any request from you, for any Active Alerts, at any time.

Text messages may be sent only via participating U.S. carriers and will only be receivable while the Wireless Access Device is in the U.S. Neither the Bank nor any of our service providers warrants that the Active Alerts will operate without interruption, and neither the Bank nor our service providers shall be liable for any loss or damage caused by any unavailability of the Active Alerts, including service interruptions, delays or loss of personalized settings. Neither the Bank nor any of our service providers assumes responsibility for the operation, security, functionality or availability of any Wireless Access Device or network that you utilize to access the Active Alerts.

RELATIONSHIP TO THIRD PARTIES

You agree that, when you use Active Alerts, you remain subject to the terms and conditions of your existing agreements with any unaffiliated service providers, including but not limited to your Internet and/or mobile service providers. You understand that those agreements may provide for fees, limitations and restrictions that might affect your use of the Active Alerts (such as data usage or text messaging charges imposed on you), and you agree to be solely responsible for all such fees, limitations and restrictions. You also agree that only your Internet and/or mobile service provider is responsible for its products and services. Accordingly, you agree to resolve any problems pertaining to your Wireless Access Device, Internet or mobile services with your providers directly.

THIRD-PARTY PRIVACY

We may arrange for the Active Alerts, including applicable software, to be performed and provided by a third party ("Provider"). The Provider may have privacy and security policies and procedures that are different from ours.

The Active Alerts will never ask you to text your account number, personal identification (such as your Social Security number or date of birth) or other personal information.

QUESTIONS

You can contact us at (562) 344-2346, Monday through Saturday, between 7:00 am PT and 9:00 pm PT and on Sundays between 8:00 am PT and 5:00 pm PT or by texting "HELP" to 42831 from your Wireless Access Device.

MASTERCARD ID THEFT PROTECTION™

All Farmers & Merchants Bank of Long Beach Debit Cardholders are eligible for complimentary access to identity protection and fraud detection available through Mastercard ID Theft Protection™.

- **What is Mastercard ID Theft Protection™?** This benefit provides ID theft alerts, expert resolution assistance and emergency "wallet" replacement to Farmers & Merchants Bank of Long Beach Debit Cardholders.
- **Who is eligible for this coverage?** To be eligible for this coverage, you must be a valid cardholder of a Mastercard issued by a U.S. financial institution.

- **How can I access these services?** To register for the service and to learn more, visit mastercard.us/idtheftprotection.com or call 1-866-566-3601.
- **Is there a charge for this benefit?** No, we provide this benefit at no extra cost.
- **What are the services provided by Mastercard ID Theft Protection™?**
 - ID Theft Alerts – Utilizing advanced Internet monitoring for malicious sites, if any personal information is sold or bought online, cardholders will receive proactive alerts, which offer real-time detection of any potential fraud and enhanced protection regardless of the threat's origin.
 - Expert Resolution Assistance – When an ID theft occurs, an Identity Theft Restoration Specialist will identify and cancel all missing cards/documents and initiate restoration forms, fraud affidavits and police reports. The specialist will also help access credit reports and provide tips on how to manage credit health.
 - Emergency Wallet Replacement – With the specialist's step-by-step help, "wallet" contents (including driver's licenses, passports and insurance cards) can be restored, and assistance is available to protect against future attacks.
- **When is the service available?** The service is available immediately after enrollment and 24 hours a day, 365 days a year thereafter.

The benefit is not available when it is determined that cardholder committed any act that is dishonest, criminal, malicious or fraudulent; when we investigated the event and deemed the cardholder responsible for the charge or event; or when any theft on unauthorized use of an account by a person to whom the account has been entrusted has been committed. Certain terms, conditions and exclusions apply.

ATM AND NIGHT DEPOSIT SAFETY TIPS

As issuers of ATM access devices, we have provided for your information a list of safety precautions regarding the use of ATMs. California issuers of ATM access devices are required to provide clients with safety precautions regarding use of ATMs. Please read the following safety tips:

- Prepare for your transactions at home to minimize your time at the ATM or night deposit facility.
- Mark each transaction in your account record but not while at the ATM or night deposit facility.
- Do not leave your ATM receipts at the ATM, because they may contain important account information.
- Compare your records with the account statements you receive.
- Do not lend your Debit Card to anyone.
- Do not leave your Debit Card at the ATM.
- Do not tell anyone your PIN. Do not write or keep your PIN on your Debit Card or in your wallet or purse where it can be discovered.
- Prevent others from seeing you enter your PIN by using your body to shield their view.
- If you lose your Debit Card or it is stolen, promptly notify the Bank at (562) 344-2346, Monday through Saturday, between 7:00 am PT and 9:00 pm PT and on Sundays between 8:00 am PT and 5:00 pm PT.
- Be aware of your surroundings. Look out for suspicious activity near the ATM, particularly if it is after sunset.
- Be sure that the facility (including the parking area and walkways) is well lit.
- Consider having someone accompany you when you use an ATM, especially after sunset.
- If you observe any problem, go to another ATM.
- Do not accept assistance from anyone you do not know when using an ATM.

- If you notice anything suspicious after you have begun an ATM transaction, cancel the transaction, pocket your Debit Card and leave.
- Do not display your cash. Pocket it and count the cash in the safety of your own car, home or other secure surrounding.
- At a drive-up facility, lock all the car doors and roll up all but the driver's window. Keep the engine running.

Please tell the Bank if you know of any problem with a facility, such as when a light is not working or a facility is damaged. Report any suspicious activity or crimes to both the operator of the ATM and the local law enforcement officials immediately.

OTHER AGREEMENTS

You may have another agreement with us that, by its terms, supersedes this Agreement in whole or in part. For example, if you are a business customer or a government unit, certain provisions of your other agreements with us (such as an Online Banking agreement or Courier agreement) may supersede some of the terms of this Agreement, to the extent that they are inconsistent.

PRIVACY AND CONFIDENTIALITY

All information gathered from you in connection with using the services will be governed by the provisions of our consumer privacy policy (applicable to consumer accounts only), as well as our Internet privacy policy, which you agree to review by accessing our home page at www.fmb.com. For example, we will disclose information to third parties about your account or the transfers you make where it is necessary for completing transfers; in order to verify the existence and condition of your account for a third party, such as credit bureaus or merchants; in order to comply with government agency or court orders; or if you give us your written permission.

The Online Banking site is not intended for use by any child under the age of thirteen (13). Any information we knowingly receive on a child under the age of thirteen (13) will be removed from the Online Banking System.

ARBITRATION

This provision contains the terms of how a dispute between you and the Bank will be resolved. Please read it carefully.

Any dispute involving a claim for \$5,000.00 or more in damages between you and the Bank will be resolved through binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association (AAA) or its successor.

Arbitration is a means of having an independent third party resolve a dispute without using the court system. With arbitration, there is no right to appeal the decision of the arbitrator as there normally is in the court system.

BY THIS AGREEMENT, YOU UNDERSTAND THAT EACH OF US IS WAIVING THE RIGHT TO A JURY TRIAL OR A TRIAL BEFORE A JUDGE IN A PUBLIC COURT.

Judgment upon the award of the arbitrator may be entered in any court having jurisdiction. California law, except as it pertains to the statutes of limitations and

appeals, is applicable to the arbitration proceeding, including, without limitation, the rules of evidence.

The dispute shall be resolved by a single arbitrator who is a member of the State Bar of California or a retired judge of the Superior Court of the State of California, with expertise in the substantive laws applicable to the subject of the dispute. To the extent there is any variance between the Commercial Arbitration Rules of the American Arbitration Association and this Agreement, this Agreement shall control.

Nothing in this provision limits the right of the Bank to exercise self-help remedies, foreclose against collateral and obtain provisional remedies. The arbitrator shall also determine all issues relating to applicability, interpretation and enforceability of this paragraph.

An arbitration proceeding brought by you against the Bank must be brought within one (1) year after the cause of action occurred, irrespective of any other statute of limitation set forth in California law.

The arbitrator may not award punitive damages against any party. Each party shall bear its own attorney's fees, cost and expert witness fees in connection with the arbitration. The arbitrator's fees shall be divided equally between the parties to the arbitration, subject to reallocation by the arbitrator.

WARRANTY DISCLAIMER

We make no warranty of any kind, express or implied, including any implied warranty, merchantability or fitness for a particular purpose, in connection with services provided to you under this Agreement. We do not and cannot warrant that services will operate without errors or that any or all services will be available and operational at all times. Due to the possibility of human and mechanical errors, as well as other factors, the website system is not error-free, and all information is provided "as is" without warranty of any kind. We make no representation and specifically disclaim any express or implied warranties to users of any third parties, including but not limited to warranties as to accuracy, timeliness, completeness, merchantability or fitness for any particular purpose.

UPLOADED CONTENT, LINKED SITES AND ADVERTISEMENTS

From our website, you may be able to access uploaded content provided or operated by third parties. Unless we tell you otherwise in writing, we do not operate or control any such content or any of the information, products or services on such linked websites. You acknowledge and agree that (1) you access such content and linked sites at your own risk; (2) we make no representation or warranty, and assume no responsibility for, content on our website and any linked site or the actions or omissions of its/their owners, operators or providers; (3) we make no representation of, and assume no responsibility for, content uploaded to our website or goods or

services offered on or advertising on or by any other website; (4) by using other websites and services, you may be exposed to content that is offensive, indecent or objectionable; and (5) although we may have a contractual or other relationship with the operators of a linked website or the providers of content, we will not be responsible for the content, accuracy, integrity, availability, timeliness or operation of their website or content. You agree to hold us harmless in connection with all of the foregoing.

We reserve the right, but shall have no obligation, to reject, move or delete content that we, at our sole discretion, believe violates this Agreement or contains content, including viruses, that may interfere with the operation of our website. We may, but have no obligation to, monitor and/or retain copies indefinitely of uploaded content, message boards, chat rooms or other forums or review content, or messages posted at such locations, to confirm their compliance with these guidelines. We shall have the right, but not the obligation, to disclose content to any third party if required by law or if we believe it reasonably necessary to comply with legal process, enforce this Agreement or respond to claims that any content violates rights of third parties or to protect our rights, or personal safety or those third parties.

THIRD-PARTY CONTENT

We may receive, process and make available to you content that we receive from you and others. In this regard, we are merely a passive conduit for such content, although we reserve the right to block or remove any content that we believe violates this Agreement. We assume no responsibility for determining the accuracy, reliability, timeliness, ownership, legality, appropriateness or completeness of any information that you or others provide to us, nor for any mistakes, defamation, slander, libel, omission, falsehoods, obscenity, pornography or profanity on such sites. We will not have a duty to interpret or evaluate any content transmitted to us or through our website or services, except to the limited extent, if any, set forth in this Agreement. We will not be required (by means of any security procedure or otherwise) to detect errors or illegality in the transmission of any content we receive from you or third parties. We will not have a duty to notify you about any inaccuracy, unreliability, ownership, incompleteness or other problem that may be associated with third-party content on our website, even if we have reason to know of its existence. Use of any content you obtain from our website is at your own risk.

INTELLECTUAL PROPERTY

You acknowledge and agree that the software and content used by us in the operation of our website and provision of the services contemplated under this Agreement, and the copyright, patent, trademark, trade secret and all other rights in and to the technology, software, content, designs, graphics and trademarks included by us on our website and as part of the services and our name and product names and the website's URL (collectively, the "Intellectual Property"), are owned by us and our licensors. As such, you will not gain any ownership or other right, title or interest in or to such Intellectual Property by reason of this Agreement or otherwise.

You may not distribute, use, reproduce, copy, publish, sell or otherwise transfer any portion or element of the services or the Intellectual Property or use of or access to our website, services or Intellectual Property. Further, absent our express consent, you may not (1) create derivative works of any portion or element of our website, service or Intellectual Property; (2) reverse engineer, modify, decompile or disassemble any of the Intellectual Property; (3) deactivate or disable any password protection or other protection, security or reliability technology we incorporate in our website or services; (4) modify or erase any copyright or trademark notice we place on our website; (5) engage in the practice known as "screen scraping" or otherwise attempt to, or actually, obtain copies of content provided at the site or list of our content or site users, or use computer programs (sometimes known as "scraper," "spiders," "robots" or "bots") to systematically access and download data; (6) access the services by any means other than via our website; (7) frame our website or any Intellectual Property; or (8) use any circumvention tools, meta tags or any other "hidden text" utilizing our name, trademark, URL, product name or Intellectual Property. You agree to comply with the terms of any license agreement we make available to you with any software.

USER SUBMISSION AND CONDUCT

If you submit any materials or other information to any public areas of our website (such as bulletin boards, guest books, forums, wish lists and chat rooms), you hereby grant us a nonexclusive, worldwide, royalty-free, fully paid-up, perpetual, sub-licensable, assignable, transferable, irrevocable license under copyright and patent. This includes the unrestricted right to use, self-reproduce, distribute, transmit, create derivative works of, publicly display and publicly perform any such materials and other information (including, without limitation, ideas contained therein for new or improved products and services) by all means and in any media now known or hereafter developed or commercialized. In addition, you represent and warrant to us that you have the right to grant to us the foregoing license.

You agree not to use any service contemplated under this Agreement or the content or information in any way that would (1) infringe any third-party copyright, patent, trademark, trade secret or other proprietary rights or rights of publicity or privacy; (2) be fraudulent or involve the sale of counterfeit or stolen items, including, but not limited to, use of the services to impersonate another person or entity; (3) violate any law, statute, ordinance or regulation, including, but not limited to, control protection, unfair competition, antidiscrimination, false advertising or illegal Internet gambling; (4) be false, misleading or inaccurate; (5) create liability for us or our affiliates or service providers or cause us to lose (in whole or in part) the services of any of our service providers; (6) be defamatory, libelous, unlawful, threatening or unlawfully harassing; (7) potentially be perceived as illegal, offensive or objectionable; (8) interfere with or disrupt computer networks connected to the services; or (9) use the service in such a manner as to gain unauthorized entry or access to the computer systems of others.

You agree that the services contemplated under this Agreement are only for the use of the individuals authorized to access your account information with us. You agree not to make any commercial use of the services for resell, lease or rent or to otherwise redistribute access to the service.

THIRD-PARTY ARRANGEMENT

You acknowledge and agree that we may arrange to provide software, if required, and/or may arrange for the services covered by the Agreement to be performed or provided by third parties, including our affiliates. You further agree that any such party is a third-party beneficiary of the Agreement and as such is entitled to rely on, and avail itself of, the provisions of the Agreement as if it were we, including, without limitation, the limitations on liability and the indemnities described in the Agreement. Our ability to provide certain services may be dependent upon our ability to obtain or provide access to third-party networks. In the event any third-party network is unavailable or we determine, at our sole discretion, that we cannot continue providing any third-party network access, we may discontinue the related service or may provide the service through an alternate third-party network. In such situations, we will have no liability for the unavailability or delay of access.

Notwithstanding the limitations described above pertaining to third parties, if you authorize a third party to access the services on your behalf, you will be solely responsible and liable for all actions and inactions of said third party. You expressly assume the risks associated with providing service access rights to your agents or third-party vendors, including but not limited to the risk of unauthorized or erroneous transactions. We will not be responsible nor have any liability whatsoever for any services you receive from your agents or third-party vendors. We reserve the right to require you to agree to additional terms and conditions as a condition precedent to your use of any agent or third-party vendor in connection with your access to the services.

SEVERABILITY

If any of the provisions of this Agreement are determined to be void or unenforceable, the remainder of this Agreement shall remain in full force and effect. No provision of this Agreement shall be deemed to deny (and any term to the contrary is modified so as not to deny) protections, rights or privileges that under state or federal law are required to be made available to consumers or to consumer accounts, except that any

modification of your protections, rights and privileges under this Agreement will be effective to the extent (but only to the extent) that the relevant state or federal law allows us and you to agree to modify them.

FORCE MAJEURE

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

NON-ASSIGNABILITY; NON-TRANSFERABILITY

This Agreement is made exclusively for your and our benefit, and you may not assign this Agreement without our written consent. Except as expressly agreed to by the Bank, no other person shall have any right against you or us hereunder. In addition, your account may not be negotiated, transferred or assigned without our prior written consent.

WAIVER

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

AMENDMENTS

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

HOW TO CONTACT US

Questions: 1-866-437-0011 Monday through
Friday
7am – 9pm

Saturday
8am – 9pm

Sunday
8am – 8pm

(All times listed in PT)

Automated Telephone Banking: 1-855-416-5747

If you believe your debit or credit card has been lost or stolen: 1-800-556-5678

Website: www.FMB.com

