

Deposit Account Agreement & Disclosure



Effective: March 22, 2019

Important Information Regarding New Account Opening Procedures

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

INTRODUCTION

This Deposit Account Agreement and Disclosure contains the terms and conditions governing your deposit accounts with us. In this document, the following terms are used: each and all of the depositors on your deposit accounts are referred to as "you," "your," or "account holder"; the Financial Institution is referred to as "we," "our," and "us"; the term "Agreement" means this document, the signature card, a rate and fee schedule (which may be in the form of a Rate and Fee Schedule, Miscellaneous Fee Schedule, Time Certificate of Deposit, or Confirmation of Time Deposit, hereinafter called the "Schedules"), Funds Availability Policy Disclosure, and an Electronic Funds Transfer Agreement and Disclosure, if applicable. Each of you signing the signature card for a deposit account acknowledges receipt of this Agreement, and agrees to the terms set forth in the Agreement, as amended from time to time. You agree that we may waive, in our sole discretion, any fee, charge, term, or condition set forth in this Agreement at the time the account is opened or at any time thereafter, on a one-time basis or for any period or duration, without changing the terms of the Agreement or your obligation to be bound by the Agreement, and we are not obligated to provide similar waivers in the future or waive our rights to enforce the terms of this Agreement.

This Deposit Account Agreement replaces and supersedes any previous agreement that you may have had regarding your account(s) with us, including the "Rules and Regulations Governing Deposit Accounts at Central Pacific Bank and Other Account Information," as amended from time to time. Any references in other agreements you may have with us referring to your deposit account agreement or account rules and regulations shall mean, in all circumstances, this Deposit Account Agreement, as the same may be amended from time to time.

ACCOUNT OWNERSHIP

Individual Accounts

An Individual Account is an account in the name of one depositor only. Only that person may write checks against the account or withdraw money, regardless of who actually owns the funds.

Joint Ownership Accounts

An account with two or more account holders is a Joint Account. Joint account holders are joint tenants with right of survivorship. Each joint account holder, without the consent of any other account holder, may, and is authorized by every other joint account holder, to make any transaction permitted under the Agreement, including without limitation: to withdraw all or any part of the account funds; to pledge the account funds as collateral to us for any obligation, whether that obligation is of one or more account holders or of a third party; to endorse and deposit checks and other items payable to any joint account holder; to give stop payment orders on any check or item, whether drawn by that account holder or not; and, to close the account. Each joint account holder is authorized to act for the other account holder(s) and we may accept orders and instructions regarding the account from any joint account holder. If we believe there to be a dispute between joint account holders or we receive inconsistent instructions from the account holders, we may suspend or close the account, require a court order to act, and/or require that all joint account holders agree in writing to any transaction concerning the account. Your obligations under the Agreement are joint and several. This means that each joint account holder is fully and personally obligated under the terms of the Agreement, including liability for overdrafts, regardless of which joint account holder benefited from the withdrawal. If you establish a joint account without the signature of the other joint account holder(s), you agree to hold us harmless for our reliance upon your designation of the other joint account holder(s) listed on our documents.

Agency Account

An Agency Account is an account to which funds may be deposited and withdrawals made by an Agent designated by the owner of the funds. An Agent has full authority with regard to the account but does not have an ownership interest in the account. An Agency designation may be combined with one of the other forms of account ownership.

Informal Trust Account

An Informal Trust Account does not require a written trust agreement, and the account is owned by the trustee. The beneficiaries have no right to any funds in the account during the trustee's lifetime. As the owner of the account, the trustee may withdraw money from the account and may, by written direction to us, change the beneficiary for the account. When the trustee dies, the funds in the account are owned by the named beneficiary or beneficiaries. If the Trust Account is held by more than one trustee, the trustees will be subject to the rules pertaining to joint account ownership. If there is no surviving beneficiary upon the death of the last trustee, state law will determine ownership of the funds in the account.

Formal Trust Account

A Formal Trust Account is an account held by one or more trustees for the benefit of one or more beneficiaries according to a written trust agreement. Upon our request, the trustee(s) will provide to us a copy of any trust agreement covering the account. We act only as custodian of the trust funds and are under no obligation to act as a trustee or to inquire as to the powers or duties of the trustee(s). The trustee(s) and/or any person opening the account, in their individual capacity and jointly and severally, agree to indemnify and hold us harmless from and against any and all loss, costs, damage, liability, or exposure, including reasonable attorney's fees, we may suffer or incur arising out of any action, or claim, by any beneficiary or other trustee with respect to the authority or actions taken by the trustee(s) in handling or dealing with the account.

Uniform Transfer to Minors

If you have established the account as a custodian for a minor under our state version of the Uniform Transfers to Minors Act, your rights and duties are governed by the Act. You will not be allowed to pledge the account as collateral for any loan to you. Deposits in the account will be held for the exclusive right and benefit of the minor. The custodian and/or any person opening the account, in their individual capacity, agree to indemnify and hold us harmless from and against any and all loss, costs, damage, liability, or exposure, including reasonable attorney's fees, we may suffer or incur arising out of any action or claim by the minor or other custodian with respect to the authority or actions taken by the custodian in handling or dealing with the account.

Business Accounts

If the Business Account is not owned by a natural person (such as a corporation, partnership, limited liability company, unincorporated association, etc.), then the account holder must provide us with evidence to our satisfaction of the authority of the individuals who sign the signature card to act on behalf of the account holder. On any transactions involving the account, we may act on the instructions of the person(s) authorized in the resolutions, banking agreement, or certificate of authority to act on behalf of the account holder. You agree to notify us in writing of any changes in the person(s) authorized or the form of ownership. If we receive conflicting instructions or a dispute arises as to authorization with regard to the handling of the account, you agree that we may place a hold on the account until such conflict or dispute is resolved to our satisfaction, and we will not be liable for dishonored items as a result of such hold.

Fiduciary Accounts

With respect to all Fiduciary Accounts, including but not limited to Estate Accounts, Guardianship Accounts, Conservatorship Accounts, and any Formal Trust Account, Uniform Transfers to Minors Act Account, or Agency Account, we reserve the right to require such documents and authorizations as we may deem necessary or appropriate to satisfy that the person(s) requesting or directing the withdrawal of funds held in the account has the authority to withdraw such funds. This applies at the time of account opening and at all times thereafter.

Attorney Client Trust

Subject to applicable law, an Attorney Client Trust, or Interest on Lawyers Trust Account (IOLTA) Trust Account, is an account set up by an attorney or law firm to hold client or third party funds in trust, separate from the attorney's or law firm's funds. Upon our request, the authorized signers for an Attorney Client Trust, or IOLTA Trust Account, will provide documentation required by applicable state law and applicable bar association or similar entity rules. We act only as custodian of the trust funds and are under no obligation to act as a trustee or to inquire as to the powers or duties of the attorney or law firm as trustee(s). The attorney, law firm, or any authorized individual on the account agrees to indemnify, defend and hold us harmless from and against any and all loss, costs, damage, liability, or exposure, including reasonable attorney's fees, we may suffer or incur arising out of any action or claim by any client or third party with respect to the authority, actions, or inaction taken by the trustee(s) or authorized individuals in handling or dealing with the account. Additional account terms may be governed by a separate agreement. If this is an IOLTA Trust Account, we will not permit the lawyer or law firm to receive the interest. IOLTA Trust Accounts are used to hold an attorney's or law firm's client funds that are nominal in amount or held for short periods of time.

Other Client Trust Accounts

Subject to applicable law, other client trust accounts may be opened to hold client or third party funds in trust, separate from the account owner's funds. We act only as custodian of the funds. We are under no obligation to act as a trustee or to inquire as to the powers or duties of the account owner or other authorized signer(s) as trustee(s). The account owner and any authorized individual on the account in their individual capacity and jointly and severally, agree to indemnify and hold us harmless from and against any and all loss, costs, damage, liability, or exposure, including reasonable attorney's fees, we may suffer or incur arising out of any action or claim by any client or third party with respect to the authority, actions or inaction taken by the account owner or authorized signer(s) in handling or dealing with the account. Upon our request, the authorized signer(s) for this type of account will provide to us any documents required by applicable law.

Government/Municipal/Public Funds Accounts

For accounts owned by a government or public entity, you agree to provide us with authorization document(s) in a form acceptable to us stating that we are designated as a depository for the funds of the government or public entity and such documentation shall state the individual(s) authorized to act on behalf of the government or public entity and the extent of their authority. We may rely upon such documentation until we receive written notice of a change and new authorization documents. We are not responsible for any transaction conducted by a previously authorized individual until we actually receive written notice that the authorized individual's authority has been revoked. Unless specifically stated otherwise in the authorization document(s), we can rely on one authorization for all accounts owned by the government or public entity. If required by law, you agree to enter into a collateral security agreement regarding this type of account.

ACCOUNT STATEMENTS

You are responsible for promptly examining your statements and reporting any irregularities to us. The periodic statement will be considered correct for all purposes and we will not be liable for any payment made and charged to your account unless you notify us within certain time limits after the statement is made available to you. We will not be liable for any check that is altered or any signature that is forged unless you notify us within 30 calendar days after the statement and the altered or forged item(s) are made available to you. Except for transactions covered by the Electronic Fund Transfer Act, you must also report any other account problem within 60 calendar days or lose your right to assert the problem against us. You understand that your original checks will not be returned to you with your statement. You agree that this does not alter or waive your responsibility to examine your statements nor change the time limits for notifying us of any errors.

Note: For time deposit accounts, you will get a year-end statement unless you have a Smart Saver CD, in which case you will get a monthly statement.

ACCOUNT TERMINATION

Any authorized signer may close an account at any time, with cause or without cause. We are not obligated to provide notice of such closure to any other authorized signers on the account. If the account balance is zero, we may automatically close your account and you will receive a final statement showing that your account is closed. You agree that we may terminate your account relationship with us at any time without prior notice, with or without cause, by giving verbal, electronic, or written notice to you or by giving notice to other authorized signers. We may also terminate your account without prior notice if you or any authorized signers breach any agreement with us or we have reason to suspect fraudulent activity on your account. If account funds are not withdrawn at the time of termination, we may send a check for the account balance to any of you at the last address we have on file for the account. The funds will at that time stop earning interest, if applicable. We may dishonor any check, item or transaction presented for payment after an account is closed. At our sole discretion, we may honor checks, items and orders presented or occurring after an account is closed if the transaction is guaranteed by us to third parties (e.g., as part of an electronic fund transfer arrangement or under a check guarantee) or you fail to give us a timely stop payment order for any outstanding checks. You will remain responsible for such items and transactions, which may be treated as overdrafts.

ADJUSTMENTS

We may make adjustments to your account whenever a correction or change is required. Adjustments might occur, for example, if deposits are recorded in the wrong amount or items you deposit are returned unpaid. We may elect, at our discretion, not to make an adjustment to your account to correct an error which you or a third party (e.g., another financial institution) cause if the adjustment is less than \$10 or our cost to make the adjustment is greater than the amount in question.

CHECK NEGOTIABILITY

Conditional Checks. We may disregard information on any check or item other than the signature of the drawer, the identification of the drawee financial institution and payee, the amount, the endorsements, and any other information that appears on the MICR line. In addition, we are not responsible to take action on, or for failure to notify you of restrictive language placed on checks or other items, including but not limited to terms such as, "Void after 90 Days," "Paid in Full," "Two Signatures Required," "Void Over \$100" or similar statements. In accordance with reasonable banking standards, most checks and other items are processed through automated processing and, except in limited circumstances and in our discretion, most items are not individually examined. You agree that we act within reasonable banking standards by processing most checks and other items through automated processing systems. We may agree to adhere to extraneous legends if you notify us of such legends and we have agreed in writing to honor such legends.

Stale-Dated Checks. We reserve the right to pay or dishonor a check that is dated more than six months ago without prior notice to you. If you do not want a stale dated check paid from your account, you should place a stop payment on the item.

Returned Items. If we are notified that an item you cashed or deposited is being returned unpaid, we may attempt to reprocess the item, place a hold on the funds in question (see Funds Availability Disclosure) or charge your account for the amount (and any interest earned on it), whether or not the return is proper or timely. This also applies to checks drawn on us which are not paid for any reason. We may assess a fee for each returned item and notify you of the return verbally, electronically, or in writing. We are authorized to pursue collection of previously dishonored items, and in so doing we may permit the drawee bank to hold an item beyond our deadline. If we receive an affidavit or a declaration under penalty of perjury stating that an endorsement on an item deposited to your account is forged (or that the item contains an alteration), we may charge the item back against your account or place a hold on the funds pending an investigation, without prior notice to you. If a merchant electronically re-presents a check that was returned to the merchant due to insufficient or uncollected funds, that transaction is not covered by the Electronic Fund Transfer Act. You may authorize a merchant to electronically collect a fee associated with the re-presentation of a check. If a merchant electronically collects a fee associated with the re-presentation of a check, the fee transaction is covered by the Electronic Fund Transfer Act and subject to the Electronic Fund Transfer Agreement and Disclosure if the fee is debited as an electronic fund transfer from a consumer account. A description of the transaction will appear on your statement. Items and transactions (such as, for example, checks and electronic transactions/payments) returned unpaid due to insufficient/non-sufficient funds ("NSF") in your account, may be resubmitted one or more times for payment, and a returned item/transaction fee will be imposed on you each time an item and transaction resubmitted for payment is returned due to insufficient/non-sufficient funds.

Postdated or Undated Items. You agree that when you write a check, you will not date the check in the future. If you do and the check is presented for payment before the date of the check, we may pay it or return it unpaid. You agree that if we pay the check, the check will be posted to your account on the date we pay the check, even though the posting date is prior to the date of the check. You further agree that we are not responsible for any loss to you in doing so. We will not honor a postdated check if you place a stop payment on the check. You agree that we may return a postdated check to the presenter. We reserve the right to pay or dishonor a check that is undated.

CLAIMS

Any and all claims of yours or Central Pacific Bank's ("CPB") connected with and/or arising from and/or related to your accounts with CPB and transactions regarding your accounts, shall (except where prohibited by law or to the extent limited by law) be subject to mediation and if mediation is unsuccessful then arbitration conducted in Honolulu, Hawaii, by Dispute Prevention & Resolution Inc. or similar dispute resolution agency, and subject to such agency's rules. EACH PARTY WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.

Any and all claims of yours or CPB's connected with and/or arising from and/or related to your accounts with CPB and transactions regarding your accounts, must be brought by you to CPB's attention (or in the case of CPB's claims against you, by CPB to your attention) within one year from the earlier of either the date of the subject transaction(s) or when the cause of action has accrued, except where CPB has set a shorter period for claims to be made for certain transaction(s). Any such claims which are not brought within the aforementioned one-year period or such shorter period shall be deemed to be expired and unenforceable, and you agree to waive any statute of limitations to the contrary.

DEATH OR INCOMPETENCE

You agree to notify us immediately of the death or court-declared incompetence of any owner, authorized signer or designated beneficiary on your account. We may freeze, offset, refuse and/or reverse deposits and transactions (e.g., governmental or retirement benefit payments payable to the deceased) if an owner dies or is adjudicated. For joint accounts, upon the death of any owner, the deceased owner's share passes automatically to the surviving owner(s). Accounts that are held in an informal trust for the benefit of others pass automatically (and in equal shares unless otherwise indicated in our records) to the named beneficiaries who survive the last surviving owner. 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. You agree that we may pay checks drawn on or before the date of death or legal incompetence for up to ten days after the account holder's death or legal incompetence unless ordered to stop payment by someone claiming an interest in the account.

DEPOSIT ACCOUNTS

Each deposit account is subject to the general terms in this Agreement and conditions and any specific terms and conditions relating to that type of account that may be set forth in Schedules. If you open multiple accounts, you may receive Schedules for each account, but this Agreement will cover all of your accounts with us. For accounts held by more than one owner, each of you will be jointly and severally liable to us for overdrafts and account charges and jointly and severally promise to pay, upon demand, any and all fees and charges, and our reasonable attorneys' fees and costs and expenses of collection, including but not limited to those incurred at trial and on any appeal.

Checking Accounts. If your account is a checking account, the following terms may apply. If we offer NOW accounts, the account must consist solely of funds in which the entire beneficial interest is held by one or more individuals in an individual capacity, a sole proprietor, or a governmental unit, but not professional corporations or business partnerships. A NOW account may also be held by a for-profit organization serving in a fiduciary or trustee capacity for an entity that is itself permitted to hold a NOW account. Otherwise, an organization may hold a NOW account only if it is operated primarily for religious, philanthropic, charitable, educational, or other similar purpose.

Checking Sub-Accounts. For accounting purposes, checking accounts are structured with a checking sub-account and a savings sub-account. These sub-accounts will be transparent to you. The sub-accounts do not affect your account balance, interest earned, FDIC insurance coverage, account statement information or other features of your checking account. We may make periodic transfers between these sub-accounts. On the sixth transfer during the month from your savings sub-account to your checking sub-account, all funds in the savings sub-account will be transferred to the checking sub-account. If your checking account earns interest, the interest calculation for your checking account will remain the same; otherwise, the savings sub-account does not earn interest. The savings sub-account will be governed by the rules for our savings accounts.

Savings Accounts. If your account is an interest bearing account and is not a NOW account or time deposit, the following terms may apply.

Transfers and Withdrawals. If your account is a savings or money market deposit account, federal law requires that an account holder may make no more than six transfers and/or withdrawals during any one calendar month or statement cycle (the period from one statement to the next) or similar period of at least four weeks, to another of your accounts with us or to a third party by means of a preauthorized or automatic transfer, or telephonic (including data transmission) or online banking agreement, order or instruction, or by check, draft, debit card, or similar order made by you and payable to third parties (such as through our online bill payment service). A "preauthorized transfer" includes any written or oral arrangement to pay a third party from your account at a predetermined time or on a fixed schedule. **Excess Transactions.** In accordance with federal law, if you have more than the allowable number of preauthorized transfers or preauthorized checks or drafts (for money market accounts)

in any one month or statement period, your account may be subject to closure by us and the funds placed in another account that you are eligible to maintain, or we may take away the transfer and draft capabilities of the account. In addition to the above preauthorized transfers, you may make unlimited withdrawals (payments directly to you or transfers of funds from your account to any of your other deposit accounts or loan accounts with us), either in person at our locations, by mail, messenger, telephone (via check mailed to you), or ATM. **Notice Requirements.** Federal regulations require us to retain the right to require you to give at least seven days' notice in writing prior to any intended withdrawal from an account other than a demand deposit account (e.g., non-interest bearing checking account) or a time deposit. Although we usually pay withdrawals or checks without notice on these accounts, doing so does not mean that we give up this right.

Time Deposits. If your account is a time deposit, you have agreed to keep the funds on deposit until the maturity date of your account. If your account has not matured, any withdrawal of all or part of the funds from your account may result in an early withdrawal penalty. We will consider requests for early withdrawal and, if granted, the penalty provided in the Schedule will apply. **Penalty.** The early withdrawal penalty is calculated as a forfeiture of part of the interest that has or would be earned on the account. If your account has not yet earned enough interest so that the penalty can be deducted from earned interest, or if the interest already has been paid, the difference will be deducted from the principal amount of your account. **Exceptions.** We may let you withdraw money from your account before the maturity date without an early withdrawal penalty: (1)

when one or more of you dies or is determined legally incompetent by a court or other administrative body of competent jurisdiction; or (2) when the account is an Individual Retirement Account (IRA) established in accordance with 26 USC 408 and the money is paid within seven days after the account is opened; or (3) when the account is a Keogh Plan (Keogh), if you forfeit at least the interest earned on the withdrawn funds; or (4) if the time deposit is an IRA or Keogh Plan established pursuant to 26 USC 408 or 26 USC 401, when you reach age 59-1/2 or become disabled; or (5) within an applicable grace period (if any).

DEPOSIT RULES

The following terms apply to deposits made to your account: **Final Payment.** All non-cash items (for example, checks) deposited to your account are posted subject to our receipt of final payment from the drawee bank. Upon receipt of final payment, the item becomes a collected item. If final payment is not received or if any item you have deposited or cashed is charged back to us for any reason, you authorize us to charge any of your accounts, without prior notice and at any time, for the amount of the returned item, our returned item fee, any interest paid on that item, and any other fee we pay or incur. If an item to be charged back is lost in the process of collection or is unavailable for return, we may rely upon a photocopy of the item or upon any other generally accepted notification of return of the item to charge you or any of your accounts for the amount of the returned item. **Crediting of Deposits.** We reserve the right to refuse any item for deposit into your account. The Funds Availability Policy Disclosure provided to you reflects our policies relating to the availability of deposited funds. **Substitute Checks and Other Check Images.** The Check 21 Act permits the use of digital images when processing checks instead of processing the paper checks. The Check 21 Act also authorizes the use of substitute checks. A substitute check is a special paper copy of the front and back of an original check with a slightly different size than the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may receive a substitute check in some instances, such as when we return an unpaid deposited item to you. If you are a consumer, you may have certain rights and protections related to the receipt of a substitute check. You will receive a disclosure about those rights and protections when you receive a substitute check from us. Unless specifically stated in a separate agreement between you and us, we can refuse to accept substitute checks created by non-bank entities, such as individuals, companies, governmental units, trusts or organizations.

DORMANT ACCOUNTS

If you have not made any transactions to or from your checking account for 18 consecutive months, or to or from your savings account for 30 consecutive months, we will classify your account as dormant. We will mail a notice to you at the last address shown on our records in advance of your account being classified as dormant. Monthly minimum balance service charges applicable to your account will not be charged, however, we will impose a monthly dormant account fee on the account for as long as it remains dormant. Not all accounts may incur dormant fees. In accordance with state law, funds in abandoned accounts will be remitted to the custody of the applicable state agency, and we will have no further liability to you for such funds. We reserve the right not to send statements on accounts we consider dormant.

ENDORSEMENTS AND SIGNATURES

Endorsements. You authorize us to accept transfers, checks, and other items for deposit to your account if they are made payable to the order of any one or more of you, whether or not they are endorsed by you. You authorize us to supply missing endorsements, and you warrant that all endorsements are genuine. All endorsements must appear on the back of the check or other item within the first 1-1/2 inches from the left side of the item when looking at it from the front. Endorsements should be in black ink. While we may accept non-conforming endorsements, you will be responsible for any loss incurred by us due to the delay in processing or returning the item for payment. **Signatures.** You recognize that we have adopted automated collection and payment procedures so that we can process the greatest volume of items at the lowest possible cost to our customers. In light of this, you agree that we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for the sight examination of items with a face amount below an amount specified by us from time to time. You authorize us to store and use Signature Card information in any reasonable form we deem necessary, including any digitized signature capture process. **Reproduction of Authorized Signature.** We may refuse to accept or pay items containing a reproduction of an authorized signature, also known as a "facsimile signature." If we agree to honor items containing a reproduction of an authorized signature, and the reproduced signature matches the signature contained in our records, you agree that we are authorized to complete the transaction as if the reproduced signature were an original signature. You agree to assume responsibility for payments made by us when we rely on reproduced signatures that resemble the actual signatures provided to us in connection with your account. You agree to notify us at once if you believe that your reproduced signature is being misused. **Multiple Signatures.** You agree that we will not assume any responsibility to confirm that two or more (or any combination of) authorized signers have approved any check, item or transaction.

FEES & CHARGES

Subject to applicable law, you agree to pay us the fees and charges shown in the Schedules as are applicable to your account or for other services performed by us. You agree the fees and charges may be changed by us from time to time and authorize us to charge your account for their payment whether or not each charge results in an overdraft of your account. We will notify you of the changes, to the extent required by law. **Multiple NSF Fees.** Items and transactions (such as, for example, checks and electronic transactions/payments) returned unpaid due to insufficient/non-sufficient funds ("NSF") in your account, may be resubmitted one or more times for payment, and a returned item/transaction fee will be imposed on you each time an item and transaction resubmitted for payment is returned due to insufficient/non-sufficient funds.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with all applicable federal laws and all applicable substantive laws of the state in which we are located and where you opened your account. In addition, we are subject to certain federal and state regulations and local clearing house rules governing the subject matter of the Agreement. You understand that we must comply with these laws, regulations, and rules. You

agree that if there is any inconsistency between the terms of the Agreement and any applicable law, regulation, or rule, the terms of the Agreement will prevail to the extent any such law, regulation, or rule may be modified by agreement.

INTEREST

If your account earns interest, the following information applies: **Payment of Interest.** We will pay interest at the annual interest rate specified on the applicable Schedule. The Schedule also sets forth the frequency of interest payments, the frequency of any compounding and crediting, the interest accrual basis, the balance on which interest will be paid, and any minimum balance requirements. Interest is paid only when the interest amount accrued is \$0.01 or more. **Minimum Balance Requirements.** The Schedules may specify a minimum balance that you are required to maintain in your account. If the minimum balance is not maintained during a specified period, we, at our option, may not pay interest on your account and/or may charge a fee for that period. You should review any minimum balance requirements on the applicable Schedule. **Initial Interest Rate.** The initial interest rate is the interest rate in effect on the day the account is opened and is disclosed in the applicable Schedules for your account. **Interest Compounding and Crediting.** The applicable Schedule will indicate the interest compounding and crediting frequency for your account, if any. Compounding generally means that interest is being accrued on earned interest. Interest may be compounded more frequently than interest is credited to your account. **Interest Accrual.** We may accrue interest on your account more frequently than we pay or credit interest. The interest that has been calculated, but not paid to the account, is called accrued unpaid interest. **Changes.** We have the right to change the interest rates and fees in accordance with the terms of the Schedules.

MISCELLANEOUS PROVISIONS

Legal Process. We may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant or any other legal process which we believe to be valid and binding. You agree to relieve us of any liability from any and all actions, claims, and damages associated with our compliance with any legal process that we believe to be valid and binding. We may notify you of any legal process by telephone or by written notice mailed to the last address on file for your account.

Freezing of Accounts. We may suspend or freeze your account if we believe your account is involved in or affected by legal proceedings or if there is a dispute as to ownership of your account, until the matter is resolved to our satisfaction. We will not be liable for suspending your account so long as we acted in good faith and in accordance with the law.

Conflicting Claims. If we believe conflicting claims have been made to the funds in your account, we may deposit the balance of the account, less amounts due to us, with an appropriate court and ask the court to resolve the conflicting claims. We are entitled to recover the cost of taking this action, including attorneys' fees, from you.

NON-ASSIGNABILITY

The account established under this Agreement cannot be assigned or transferred except with our consent. We must approve any pledge of the account and any such pledge remains subject to any right we have under the Agreement and applicable state and federal law. If ownership is proposed to be transferred, we may require the account be closed and a new account opened in the name of the transferee or pledgee.

NON-LIABILITY (FINANCIAL INSTITUTION)

You agree that if we do not properly complete a transaction according to the Agreement, we will not be liable in any event for losses or damages in excess of the amount of the transaction or for consequential damages, unless required by law, and we will not be liable if circumstances beyond our control prevent the transaction, or the funds in your account are or may be subject to legal process or other claim. In receiving items from you for withdrawal or deposit, we act only as your agent. You are responsible for the condition of a check or item when you issue it. If a check or item is returned or payment is delayed as a result of any writing or marking that you or a prior endorser placed on the front or back of the check or item, you will be responsible for any cost and liabilities associated with such return or delay. We reserve the right to refuse any item for deposit or to reverse the credit for any deposited items or to charge your account for items should they become lost in the collection process.

NOTICES

The following terms apply to notices relating to your account. **Notice of Amendments.** You agree that the terms and conditions of the Agreement, including without limitation all rates, fees, and charges, may be amended by us from time to time. We will give you reasonable notice in writing at the most recent address shown on your records or by any other methods you agree to. Only one notice will be given in the case of joint account holders. **Account Changes.** You agree to notify us immediately in writing of any change in your name, address or the authorized signers on your account. We may require a new signature card before any change in ownership or authorized signers becomes effective. 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. There may be a delay in implementing a change in the authorized persons on our records, and you agree that we will be given a reasonable opportunity to make the changes necessary.

OVERDRAFT POLICY

Unless we have agreed to a separate overdraft protection agreement with you, the following rules apply. We are not obligated to pay any overdraft. We may assess a fee for each transaction that results in an overdraft, whether we pay the transaction or not. If we pay the transaction, you agree, immediately upon notice from us, to deposit funds sufficient to cover the overdraft plus any fees we impose. If you do not deposit enough money to make your account balance positive within 45 days after your account becomes overdrawn, your account will be closed. If we close your account because you did not repay your overdraft, we may report negative information about your account to a consumer reporting agency. We may also refer your account to a collection agency to recover the amount you owe us.

Overdrafts, Available Balance, and Current Balance. An overdraft occurs when the dollar amount of the items we receive for payment is more than your Available Balance. Your Available Balance may be less than your Current Balance. Your Current Balance is the amount of money in your account at the beginning of a business day and does not include any pending deposits, withdrawals or holds. Your Available Balance is your Current Balance minus any holds and any pending debit card purchases, automatic drafts, processing checks or other debits from your account. The Available Balance also takes any pending deposits into consideration. You can spend up to the amount of your Available Balance (after accounting for holds and pending or outstanding transactions) without incurring an overdraft or insufficient funds transaction.

POWER OF ATTORNEY

The person executing a power of attorney will be referred to as the principal and the person acting for the principal as the agent. We may refuse to comply with a power of attorney for reasonable cause, or until we receive an affidavit from the agent stating that the Power of Attorney presented is a true copy and that, to the best of the agent's knowledge, the principal is alive and that the relevant powers of the agent have not been altered or terminated.

RIGHT OF SETOFF

Subject to applicable law, we may exercise our right of setoff or security interest against any and all of your accounts without notice, for any liability or debt of any of you, whether joint or individual, whether direct or contingent, whether now or hereafter existing, and whether arising from overdrafts, endorsements, guarantees, loans, attachments, garnishments, levies, attorneys' fees, or other obligations. If the account is a joint or multiple-party account, each joint or multiple-party account holder authorizes us to exercise our right of setoff against any and all accounts of each account holder.

STOP PAYMENT ORDERS

Subject to certain limitations, you may order us to stop payment on any check, automated clearing house/pre-authorized electronic funds transfer ("ACH/EFT"), or other item payable from your account, whether drawn or authorized by you or any other account holder, as follows:

Stop Payment Against Point of Sale Transactions. You may not stop payment on point-of-sale debit card transactions.

Stop Payment Against a Check. A stop payment order against a check payable from your account will be effective if we receive the order at such time and in such manner as to afford us a reasonable opportunity to act upon the order. A stop payment order against a check or other item payable from your account is effective until such time as you provide written instructions to cancel the stop payment order. If you do not provide us with written instructions to cancel the stop payment order, the stop payment order will continue for six months. You may cancel or rescind a stop payment order only in written instructions signed by you. You may not stop payment on a check that was used by the merchant at the point of purchase to create a one-time electronic fund transfer. If you are a consumer, you may have other rights for resolving errors or disputes for checks that have been converted electronically. See the Electronic Fund Transfer Agreement and Disclosure for more information.

Stop Payment Against an ACH/EFT Item. A stop payment order against an electronic funds transfer (EFT) (such as those processed through an automated clearinghouse or ACH) will be effective if received at least three business days before the scheduled date of the transfer. In our sole discretion, we may also honor a stop payment order against an ACH/EFT received on or within three business days of the scheduled transfer, but we are under no obligation to do so. If we do honor a stop payment order against an ACH/EFT received on or within three business days of the scheduled transfer, we do so without any liability or responsibility to anyone having an interest in the transfer. For consumer accounts, a stop payment order against an ACH/EFT is effective until the earlier of the following events or dates: (a) you withdraw the stop payment order or (b) the debit entry is returned or, where a stop payment order is applied to more than one debit entry under a specific authorization involving a specific party, all such debit entries are returned. For non-consumer accounts, a stop payment order against an ACH/EFT is effective until the earlier of the following events or dates: (a) you withdraw the stop payment order or (b) the debit entry is returned or (c) six months from the date of the stop payment order unless it is renewed in writing. Additionally, if you ask us to stop all future payments pursuant to a specific ACH/EFT authorization involving a particular party, we may require you to confirm in writing that you have revoked such authorization. All stop payment orders will require you to provide the date, the amount, and the number of the item or authorization, together with the name of the payee. If you give us incorrect information, we will not be liable for failing to stop payment on the item or authorization. Our acceptance of a stop payment order will not constitute a representation that the item or authorization has not already been paid or that we have a reasonable opportunity to act upon the order. You may not stop payment on an official, certified, cashier's, or teller's check issued by us, nor may you request us to stop payment if we have otherwise become accountable for the item or authorization. Further you may not stop payment on an item or authorization after acceptance of the same by us.

Notice of Stop Payment, Legal Process, or Setoff. For each stop payment order you agree to pay our service charge in the amount shown in your current disclosure of fees and charges and authorize us to charge this service charge to any of your accounts. We will send you a written confirmation of an oral stop payment order, and you agree that this communication will be sufficient confirmation of the stop payment order for all purposes. You must bring to our attention any incorrect information in the written confirmation within three days of receipt, and your failure to do so in time for us to correct the information will relieve us of any responsibility for the incorrect information. You further agree to indemnify and defend us and hold us harmless against all costs, including attorney fees, for any and all actions, damages, or claims related to or arising from our action in refusing payment of any check or ACH/EFT subject to your stop payment order, including without limitation claims of any joint depositor, payee, or any other party having an interest in your account, the check, or the ACH/EFT, or in failing to stop payment of any check or ACH/EFT as a result of any incorrect information that you provide to us. A check received by us before the close of the banking day may be subject to any stop payment order received, legal process served upon, or setoff exercised by us. Additional limitations regarding stop payment orders, the right of setoff, or other legal process may be found elsewhere in this Agreement.

SYSTEMS AND SOFTWARE

We shall not be responsible to you for any loss or damages you suffer as a result of the failure of systems and software you use to interface with our systems or systems to initiate or process banking transactions whether such transactions are initiated or processed directly with our systems or through a third party service provider. You acknowledge that you are solely responsible for the adequacy of systems and software you utilize to process banking transactions and the ability of such systems and software to do so accurately.

TRANSACTION POSTING ORDER

The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items that overdraw your account or are returned unpaid, and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items. We reserve the right to change the order in which we pay items at any time at our discretion. Our current policy is to process items in the following order: First, deposits and other credits are added to your balance. Then, ATM withdrawals, debit card transactions, and withdrawals done at one of our branches are deducted. We then process electronically processed transfers (such as ACH items, preauthorized automatic transfers, and telephone transfers). Then, we process checks cashed at one of our branches or deposited into a CPB account, in check number order. We then process all other checks, in check number order. Finally, any remaining items are processed.

If a check, item or transaction (other than an ATM or everyday debit card transaction) is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item for insufficient funds (NSF). The amounts of the overdraft and NSF fees are disclosed in the Schedules, as are your rights to opt in to overdraft services for ATM and everyday debit card transactions, if applicable. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees.

UNLAWFUL INTERNET GAMBLING TRANSACTIONS PROHIBITED

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

WIRE AND ACH TRANSACTIONS

Provisional Payment. Any credit we give you with respect to an automated clearinghouse or wire transfer entry is provisional until we receive final settlement for the entry. If we do not receive final settlement, you understand and agree that we may charge your account for the amount, and that the party making payment to you (i.e., the originator of the transfer) shall not be deemed to have paid you the amount of the transfer.

Notice of Receipt. We will notify you of the receipt of payments in the periodic account statements we provide to you. You acknowledge that we will not give next day notice to you of receipt of an ACH or wire transfer item. You may call us at the telephone number listed at the bottom of this page to find out whether or not a credit has been made.

WITHDRAWAL RULES

The following terms apply to withdrawals from your account: **Manner of Withdrawal.** You may make withdrawals from your account in any manner that is permitted by us for the type of account that you have opened. Withdrawals by mail will be posted to your account as of the day we process the transaction. We may refuse to accept any check other than standard checks provided by us, or approved by us in advance. Withdrawals and transfers from your account may be restricted as provided in the Agreement, or in the Schedules, or by applicable law.

Withdrawal Restrictions and Overdrafts. We do not have to allow you to make a withdrawal from your account if you don't have sufficient funds available in the account to cover the full amount of the withdrawal. If there are available funds to cover some, but not all, of the withdrawals or other debits to your account on a single business day, we will post the items according to our transaction posting order disclosed elsewhere in this Agreement. If there are insufficient funds available in your account to cover a withdrawal or debit presented against your account, this is called an "overdraft." We will handle each overdraft in accordance with our Overdraft Policy (described elsewhere in this Agreement) or in accordance with any other agreement you may have with us, such as an overdraft protection agreement. Even if we choose to pay one or more overdrafts, we are not obligated to cover any future overdrafts. When we determine whether payment of an item will create an overdraft, we may determine the balance of your account at any time between the time we receive the item and the deadline for us to take action on the item. We are not required to determine your account balance more than one time during this period. **Preauthorized Drafts.** If you voluntarily give 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, and you do not physically deliver a check to the party, any debit to your account initiated by the party to whom you gave the information is deemed authorized by you.

Electronic Check Conversion. You may authorize a merchant to use your check as a source of account information to initiate an electronic withdrawal from your account. The merchant uses the check information, along with the transaction amount, to initiate an ACH debit transaction. The transaction is electronically transferred through the ACH system and the funds will be debited directly from your account and transferred to the merchant's account. After the information is gathered from the check, the merchant should mark it void and return it to you. You should receive and sign a receipt documenting the transaction. This type of transaction generally results in funds being removed from your account faster than a normal check transaction. A description of the transaction will appear on your statement from us. Checks used in these types of transactions will not be returned with your statement, nor will an image of the checks be provided. This type of electronic funds transfer from a consumer account is governed by the Electronic Fund Transfer Act and subject to the Electronic Fund Transfer Agreement and Disclosure. **Non-Customer Check Cashing Fee and Identification.** If a person who is not a deposit customer of ours presents a check drawn against one of your accounts for payment over the counter, we may require identification that meets our standards including a thumbprint or fingerprint from the person and we may, subject to applicable law, charge the person a service charge for cashing the check. You agree that if the person refuses to comply with our identification standards and/or refuses to pay the service charge, we may dishonor the check and we have no liability to you for refusing to cash the check.



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