Treasury Management Business Terms and Conditions

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IMPORTANT LEGAL INFORMATION AND DISCLOSURES

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Member FDIC

Welcome to our Treasury Management Products and Services

Avidbank values the opportunity to support your organization's financial operations, and we are committed to providing solutions that help you manage liquidity, optimize cash flow, and operate with confidence. These Terms and Conditions are designed to give you a clear understanding of the features, responsibilities, and safeguards that accompany our treasury offerings.

Our goal is to foster a strong, transparent partnership—one built on reliability, efficiency, and mutual trust. By outlining the standards that guide our products and services, we aim to ensure that your business receives consistent, secure, and high-quality support across every interaction. We encourage you to review this information thoroughly so you can take full advantage of the tools and capabilities available to you.

Terms and Acknowledgements

These Treasury Management Business Terms and Conditions ("T&Cs") govern treasury management business products and services at Avidbank (collectively, "Services") and constitute an agreement by and between the entity ("Client," "you," or "your") that has established one or more Accounts (as defined below) at Avidbank ("Bank," "we" or "our" or "us"). By opening an Account, and either signing the signature card for the Account or using the Account, enrolling and/or using any product and service in any way, you agree to these T&Cs. When we say "We may" or "Avidbank may" do something, that means you authorize us and agree to such actions.

These T&Cs, together with any applications for the Services that you filled out, Business Deposit Account Agreement, Business Fee Schedule, confirmations you received from us approving your use of the Services, addenda, schedules, attachments, setup forms, User Guides, and other documents incorporated by reference form the entire agreement (collectively, "Banking Agreements") between you and us regarding the use of the Services. These T&Cs supersede any prior or contemporaneous oral or written agreements or understandings regarding the Services. These T&Cs may be updated by us from time to time, and you agree to be bound by those updates.

By using any Service, you consent to be bound by these T&Cs as updated from time to time. To the extent the terms of these T&Cs are inconsistent with the terms of other Banking Agreements, the terms of these T&Cs will prevail with respect to the Services.

Questions? We are here for you

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Product-Specific Terms and Conditions

The terms and conditions below apply only to the specific service discussed in the section. If there is any conflict here with a product-specific term and the more general terms in the first part of this guide, the product-specific terms in the following sections will take precedence.

Analyzed Accounts

Analyzed Accounts ("Analyzed Accounts") are designed for businesses who need more complex, and flexible cash management services. Fees are billed through account analysis ("Account Analysis").

Billing relationship

A group of analyzed business checking Accounts that can be linked together for billing purposes, upon your request, which will appear together on the Account Analysis statement. It can include multiple analyzed business checking Account types. One Account in the billing relationship is identified as the billing Account and will be debited or invoiced for analysis fees.

Statements

Analyzed Accounts receive two (2) statements per month:

1) An Account Statement detailing your Account activity within a time period, and
2) An Analysis Statement will provide a breakdown of services provided during a calendar month.

Statement period

The dates of your statement period are located on your Account Statement, which provides you a record of all transactions posted during that period. For Analyzed Accounts, the statement period from your Analysis Statement is used for billing purposes and is based on the calendar month. Only transactions that are posted through the last business day of the month will count towards that statement period. If your Account allows for a certain number of no-charge transactions each statement period, we will only charge for those transactions after the number has been met within the statement period.

Earnings Credit

If separately agreed between you and us, some Fees may be reduced by an earnings credit amount, which is determined through the analysis process and is based on the positive collected balances in the Designated Account(s). The total Fees and Charges for a Service(s) during the month are reduced by the earnings credit amount. Fees that are not reduced by an earnings credit amount will be charged against the Designated Account or paid as set forth above. Unused earnings credit will be forfeited, and will not carry into the next monthly cycle.

Earnings Credit Calculation (ECR) Method

Analyzed Account types are eligible to receive an earnings credit allowance to offset some or all 'analysis-based' service fees. Fee-based service fees are not eligible to be offset by earnings credit dollars. Our earnings credit eligible checking Accounts have a variable earnings credit rate (ECR) that may change at any time without notice. Unless otherwise stated, Avidbank calculates the earnings credit amount by multiplying the Average Investable Balance by the Earnings Credit Rate times thirty (30) days divided by 365 days. The Investable Balance is the Average Positive Collected Balance for the month less any Reserve Requirement (if applicable).

Online and Mobile Banking

We offer the use of an Online Banking web portal and a Mobile Banking app (collectively, "Digital Banking Services") to make transacting business easier and at the touch of your fingertips.

Representations, Warranties and Covenants

You represent, warrant and covenant to Bank that:

- You are an authorized user of the Account(s) accessed through your Service profile;
- All information you provide us or the Service Providers during, or in relation to, your use of the Service is true, correct, accurate and complete;
- You will maintain a valid, active email address and a mobile device that can receive text messages and phone calls. You agree to promptly notify us of any change in your email, phone number, or postal address by submitting the change through the Service or by contacting us; and
- You authorize and permit us and the Service Providers to access your products and services.

You make to us all representations, warranties and covenants that we must make or are deemed to make to any party pursuant to law, regulation or clearinghouse rule. You agree that any files and images transmitted to us contain no viruses or any other disabling features that may have an adverse impact on our network, data or related systems.

Mobile Banking App

The Mobile Banking App is available on iPhone and Android devices. Not all Mobile Banking App features are available on all devices. Not all Online Banking features will be available in the Mobile Banking App. Data connection is required to use the Mobile Banking App. Messaging and data rates apply.

Online and Mobile Banking Continued

Biometric Authentication

If the Mobile Banking App allows you to log in with your face, fingerprint, or other biometric data, and you enable these features to log in, you understand and agree that any images, fingerprints, or other biometric data stored on your device can be used to access your Online Banking account.

Account Linking

You may authorize the linking of Accounts for access via Digital Banking Services. Users who are authorized to access any Account, once linked, will have access to all Accounts in the linked relationship. Administrator Users will need to restrict or entitle user access once the linking has been set up. Such access includes, without limitation, the ability to view, transact, withdrawal, transfer money, user services, and generally perform all types of electronic transactions to and from each linked Account.

How to Access Digital Banking Services

To access the Online Banking Platform and the Mobile Platform ("Digital Banking Services"), you must have an Internet-connected computer or mobile device. You are responsible for any data or other charges imposed on you by your online or mobile carrier as a result of your use of the Digital Banking Services. You are responsible for the installation, maintenance and operation of your computer or mobile device. Ensure your device or computer hardware/software is up to date for the best experience on our Digital Banking Services.

Security Procedures and User Guides

We may provide you with one or more identification numbers, tokens, passwords and/or other means of identification and authentication (collectively, "Password") to access the Service. We also may provide you with online instructions, quick reference and other guides (collectively, "User Guides"). You will:

- review and refer to any User Guides that we make available to you;
- take reasonable steps to safeguard the confidentiality and security of your Password;
- assign only one User per Password and not share any Password or access credentials among your personnel;
- closely and regularly monitor the activities of employees who access the Service;
- notify us immediately if you have any reason to believe the security or confidentiality required by this provision has been or may be compromised;
- immediately change your Password if you know or suspect that the confidentiality of the Password has been compromised in any way; and
- not assign one individual multiple user logins to bypass security requirements for services that require dual authorization.

You will change any temporary Password we give you promptly after you are given access to the Service for the first time and whenever anyone who has had access to any Password is no longer employed or authorized by you to use the Service. For security reasons, you are required to change your Passwords every 365 days. However, we may require you to update your Password at any time.

As an alternative or in addition to verifying transactions by means of a Password, we may elect to verify the authenticity or content of any transaction or instruction by placing a call to any authorized signer on your Account, or any other person designated by you for that purpose, but we are not required to do so.

You agree to be bound by any transfer, instruction or payment order we receive through the Digital Banking Services, even if it is not authorized by you, if it includes your Password or is otherwise processed by us in accordance with our security procedures. We may deny access to the Digital Banking Services to any Users without prior notice if we are unable to confirm to our satisfaction any person's authority to access the Digital Banking Services or if we believe such action is necessary for any reason.

Client Administrator

You agree to appoint one or more individuals ("Administrator") with the authority to determine who will be authorized to use the Service(s) on your behalf (each such individual is a "User"). Your Administrator will establish separate Passwords for you and each User, and can entitle Users with certain authorities ("Entitlements"), including but not limited to view-only access to your Account(s), making transfers between your designated Accounts, making mobile check deposits into your designated Accounts, initiating payments from your designated Accounts, and other features that may become available in the future. You or your Administrator will need to designate which Accounts will be utilized for Service activities, and you can limit each User's authority to access information, set transaction limitations and establish internal controls for the use of the Service. You are solely responsible for setting equivalent, or lower, transaction limits for your Users other than the defaults that are established by us. Designating a User does not change ownership or provide authorization to the User to transact on your behalf in any other manner. Entitlements may be granted individually or in combination. You may add, delete or change Entitlements for a User at your election. By granting Entitlements to Users, you agree to the following terms:

- You and your Administrator(s) have sole authority and control over entitling authorities for Users, including managing and disabling access for respective authorities. You accept responsibility for any unauthorized access to the Services and action taken through Digital Banking Services. We will not be held liable for individual User actions;

Online and Mobile Banking Continued

Client Administrator continued

- We (and any third-party service providers of Bank) will consider any access to Digital Banking Services through User credentials to be duly authorized by you. You authorize us to treat any such instructions as having been made to us in writing and signed by duly authorized agents, and to act on any instructions initiated under the credentials of an authenticated User, just as if it were initiated under your credentials;
- You agree to hold us harmless from any liability or claim arising from your use of Entitlements, including any claim you make against a User for their handling of your Accounts or breach of your agreement with said User;
- You assume sole responsibility for the actions of your Administrator, the authority they give others to act on your behalf, and the actions of the users designated by the Administrator;
- You and your Administrator(s) are responsible for keeping Users current; users who should no longer have access or have left the business, should be immediately restricted and or removed;
- You assume sole responsibility for all Users who are entitled to make payment requests or changes to your Account data done via Digital Banking Services on your behalf, and you agree to hold us harmless from any liability or claim arising from fraudulent money movements from authorized Users;
- Update user entitlements from time to time based on any new Account linking (as defined below).

Alerts, Notifications and Message Center

You can create alerts to receive email or text messages from us regarding your Account, such as balances, transactions, security, et al. We may, from time to time, deliver you important Account related messages into your Message Center. It is your responsibility to intermittently check and read these notifications.

Account Balances

You can use Digital Banking Services to obtain balance and other account information online and on mobile. We assume no responsibility for any loss arising from incomplete information or for any temporary interruption in Digital Banking Services. **Not all information reported is current.** Certain transactions may not be processed by us until after the close of our business day. As such, some transactions may not be reflected in the system until the next business day. Posted items may be reversed due to insufficient funds, stop payment orders, legal process and other reasons. Certain balances also may not be subject to immediate withdrawal. If you are unable to access our system for any reason, you can contact us at the number listed at the top of these T&Cs.

Funds Transfer Services (Wire/ACH/Internal)

We offer funds transfers that allow you to make payments to others and to transfer funds between Accounts through ACH, by wire or by internal funds transfer (each an "Order"). When you transmit an Order, you authorize us to charge your Account the amount indicated. Additionally, you can use Online Banking:

- to make payments on a designated loan or line of credit with us;
- export Account information to financial accounting software;
- create alerts regarding your Account balances, transactions, and security notifications

Alerts may be sent via email, text messages, phone calls, and pop-up notifications inside Digital Banking Services.

Your Instructions

You will comply with the Order form, format and other requirements set forth in the User Guide, the Rules (if applicable), and any security procedures that we establish for Digital Banking Services. We are not responsible for detecting or rejecting duplicate Orders although we may choose to do so. If you give us an Order that is incorrect in any way, we may charge your Account for the payment whether or not the error could have been detected by us.

You will not allow others, except those whom you have entitled, to initiate Orders on your behalf. You will be solely responsible for the acts and omissions of such agents. You agree to indemnify, defend and hold us harmless from any actions, claims, proceedings, damages, losses and costs which you or we incur as a result of their actions or omissions.

Foreign Transfers

Funds transfers to international locations can be sent in U.S. dollars and foreign currencies. Funds transfers sent in the foreign currency nominated by you, or, if you do not nominate a currency, we may send the currency indicated by the currency type of the country where funds will be received. If U.S. dollars are to be paid outside of the United States, you must provide an intermediary bank that accepts U.S. dollars on behalf of the designated beneficiary bank. If an intermediary bank is not provided, Avidbank has the right in our sole discretion to convert the funds and to pay the U.S. dollar equivalent in local currency. In the event we elect to send the funds in the currency type of the receiving country, we may convert or arrange with any of our correspondent banks to convert your U.S. dollar payment in the local currency at our exchange rate in effect at that time. Such exchange rate may include a markup or a markdown in favor of the correspondent bank or us as applicable. You assume all risks involved in foreign currency exchange rate fluctuations which may lead to differing values between the transaction as initiated and as ultimately received by the wire transfer beneficiary.

Online and Mobile Banking Continued

Foreign Transfers continued

If a conversion does not occur, the beneficiary's bank upon receipt may (or may be required by law to) convert the U.S. dollar payment into the relevant foreign currency at what could be a less favorable exchange rate for you or your beneficiary. We cannot guarantee that your beneficiary is able to receive U.S. dollars. Foreign transfers may be subject to delays, charges imposed by other banks (i.e., intermediary, correspondent and/or beneficiary banks) and changes in foreign currency exchange rates and/or currency type delivered to the beneficiary.

If for any reason a payment order is returned to us, you agree to accept the refund in U.S. dollars in the amount of the foreign money credit, based on the current buying rate on the day of the refund, less any charges and expenses incurred by us. We may charge your account, to pay for fees imposed by intermediary banks, or instruct such banks to obtain payment of their charges for services and expenses by deducting the amount from your order. A portion of those charges may be shared with us.

Internal Transfers

You may initiate one-time or recurring transfers, which will be processed on the same day as your instruction, or future transfers between your Accounts. If the scheduled date of a future transfer does not fall on a business day, the transfer may not be initiated until the following business day. Additionally, you can use Digital Banking Services to make payments on a designated loan or line of credit with us. Transfers made after our cutoff times will be made the next business day. Please see "Appendix A – Processing and Cutoff Timetable."

External Transfers

You may initiate one-time or recurring external transfer to another financial institution for which you own an account. They will be processed on the next business day or at your future instruction. If the scheduled date of a future transfer falls on a holiday or non-business day, the transfer will not be initiated until the following business day. Transfers made after our cutoff times will be made the next business day. Please see "Appendix A – Processing and Cutoff Timetable."

Cancellation and Amendment of Orders

You may not cancel or amend an Order after we receive it. If we attempt to reverse an Order at your request, we assume no liability for any interest or losses that result if the reversal is not effected. Any attempt to reverse an Order is at our option and we are under no obligation to attempt to cancel or reverse an Order once we receive it. In addition to other indemnifications in these T&Cs, you agree to indemnify, defend, hold harmless and reimburse us for all expenses, losses, claims, actions, proceedings and damages we incur in effecting or attempting to effect any reversal. You are solely responsible for providing notice to receivers that a reversal is being transmitted and the reason for the reversal no later than the settlement date of the reversing entry.

Notice of Returned Orders

We may notify you electronically, in writing, by telephone or otherwise regarding any Order that is rejected or returned for any reason. We will not be obligated to credit your Account with any interest, unless the return is caused by our failure to properly execute the Order. We may attempt to remake the Order if the return is due to our error and we have sufficient data to remake the Order. You agree to reimburse us promptly for the amount of any ACH debit or wire drawdown Orders that are reversed, adjusted or returned. You may not resubmit any ACH debit or wire drawdown Order where the payment was stopped by the account holder.

Unauthorized Order

We may process any Order (including an amendment or cancellation Order) we believe is transmitted or authorized by you if we act in compliance with the security procedure (including any callback or other authentication procedure) agreed upon by you and us. Such Orders will be deemed effective as if made by you, and you will be obligated to pay us in the amount of such Orders, even though they are not transmitted or authorized by you. We strongly recommend that you impose a dual control environment in connection with the transmission and confirmation of Orders or another security precaution, such as a token. If you elect not to do so, you assume full liability for any and all losses you incur as a result of your refusal to employ the recommended dual controls and we may cancel your use of Online Banking to effect transactions.

Accounting Software Integration

Integration from Online Banking to your third party software ("Integration"), such as QuickBooks or NetSuite, enables you to connect your bank Accounts to share balances and transaction data for categorization, reconciliation, and reporting.

The Integration does not alter bank records, initiate payments, or change your Account settings. Your use of third party accounting software is subject to their platform/product-specific terms. We are **not** responsible for third party accounting software services, downtime, categorizations/mis-categorizations, or suggestions. You will:

- **Consent to Share Data.** You authorize us to share Account information (e.g., balances, transactions) with third party accounting software solely to provide the integration. Such sharing is governed by third party accounting software terms and your selections within third party accounting software;

Online and Mobile Banking Continued

Accounting Software Integration continued

- **Accuracy & Review.** You acknowledge third party accounting software automated categorization and rules may require review and correction; you remain responsible for the accuracy of your books and reconciliations;
- **No Professional Advice.** Any automated categorization, rules, suggestions and features are not accounting, tax, or legal advice. You remain solely responsible for financial reporting and compliance;
- **Indirect Damages.** We are not liable for indirect, incidental, consequential, special, punitive, or exemplary damages arising from or related to the integration; we shall **not** indemnify if the Claim arises solely from:
  - Third party accounting software **gross negligence** or **willful misconduct**; or
  - Third party accounting software's modification of the integration without Bank's involvement, if such modification directly causes the Claim.

Online Statements and Tax Documents

We will deliver all Account statements and tax documents into your Statement menu of your Digital Banking Services. You may opt out of paper statements by writing us, or electronically if applicable, but you can always find statements in the Statement menu.

Information Reporting

You may opt into the Reporting Services which include daily reports on balance and transactional activity. There are multiple reports and formats to select from. You acknowledge that certain Services and related transactions may not be reflected in reports on the date such reports are generated. For all accounting, billing, and reconciliation purposes, your monthly Statement shall serve as the governing record of all data and transactions. You agree to examine and reconcile all Account Information available to you and to notify us of any Account Discrepancies.

Other Digital Banking Services

We offer additional Services which may be included in other sections of these T&Cs, such as Direct Transmission, Remote Deposit Capture, et al.

Bill Pay

You can initiate bill payments to almost any person or merchant (i.e., your payee) with an address in the USA via our Bill Pay Service.

Payment Date

You may set up your 'Deliver By' date:

- One-time Payments (scheduled for a date in the future, more than 4 Business Days)
- Recurring Payments (scheduled for a specified frequency in the future)

Please note that if the Deliver By date falls on a non-business day, the payment will be processed on the next Business Day. If the actual due date falls on a non-Business Day, you must select a "deliver by" date that is at least one Business Day before the actual payment date, if feasible, to allow time to process.

Account and Payment Timing

You may select the Account from which the payment will originate. The payment will show as a debit from your designated Account. The payment will be made out of the Account on the "Payment Date" selected at the time that the payment is initiated. Upon payment initiation, the payment will be processed on the "Payment Date" if possible or the next Business Day.

Payees

While payments to most payees can be made using the Bill Pay Service, we reserve the right to refuse to make payments to certain payees. We recommend that you do not use any of the Bill Pay Services to pay insurance, alimony, child support, tax and other court-directed or government payments, fines or penalties.

Limits

We may establish per transaction or daily limits for this Service, which can be changed at any time. You understand and agree that you must select a 'deliver by" date that is no later than the payment due date provided to you by your payee.

Default

Depending upon payment type (e.g., electronic or check) and payment cutoff times, this Service will default to the earliest "deliver by" date for each payee, which will fall between two and four Business Days from the date that you initiate the payment. If your payee does not accept electronic payments, the Service will provide the bill payment via check, if you provide the address.

Conversion to ACH

Sometimes check payments that you initiate through the Service may be converted into an electronic transaction (i.e., ACH), and we will receive an electronic debit entry for the bill pay amount. By completing your bill pay transaction through this Service, you hereby authorize us to process the electronic debit entry from the funding Account designated by you.

Bill Pay Continued

Termination

In addition to any other termination rights we have under the T&Cs, we may also block or terminate this Service if:

- any payment made under this Service causes the funding Account to be overdrawn or if there are insufficient funds in the funding Account for such payment; or
- if the funding Account designated for this Service is closed by you or us for any reason; or
- the funding Account or this Service is determined by us to be inactive; or
- if the payment made under this Service violates OFAC sanctions.

If this Service is terminated, you will no longer have access to any Service features (including payee and prior bill payment information), and you will be responsible for making alternative payment arrangements for your bill payments.

Automated Clearing House (ACH)

An ACH transaction is an electronic money transfer made between banks across a network called the Automated Clearing House (ACH) Network. We are a Participating Depository bank in the ACH Network and may transmit entries on your behalf into the ACH Network to process pre-authorized credit and debit Entries.

ODFI / RDFI

Avidbank operates as the Originating Depository Financial Institution ("ODFI").

You ("Originator") may wish to originate entries through us for the payment of funds ("Debit Entries") from the deposit accounts of receivers maintained at Receiving Depository Financial Institutions ("RDFIs") or originate Entries through us for the deposit of funds ("Credit Entries") to the Accounts of receivers maintained at RDFIs.

Governance and Rules

ACH Transactions are governed by the rules, operating regulations, guidelines and practices established by the National Automated Clearing House Association, ("NACHA"), (collectively, "Rules"). Capitalized terms not defined in these T&Cs are defined in the Rules. Entries using the ACH Network are subject to the rules, operating regulations, guidelines, and practices established by NACHA (collectively, the "Rules"). The Rules are incorporated by reference into these T&Cs. We will provide a copy of the current Rules upon request. We will use commercially reasonable efforts to provide you with any changes to the Rules. Nevertheless, you shall remain responsible under these T&Cs to comply with the current Rules at all times. If a Rule directly conflicts with terms of these T&Cs, the Rule shall take precedence.

Originator Authorization

For every Entry you deliver to us, you authorize us to initiate and transmit and to credit or debit, as applicable, the amount of each such Entry to your Account or to the Receiver's Account, as applicable.

Your Warranties

In addition to other Warranties, you make the following Warranties in connection with ACH transactions:

For Warranties Regarding Credit Entries — You warrant that:

- You authorize us to initiate and transmit Credit Entries and to debit your Account;
- The Receiver has authorized you to initiate and transmit Entries to the Receiver's Account (each a "Credit Authorization") and the Authorization (whether it authorizes a single Entry or recurring Entries) is in writing, signed or similarly authenticated by the Receiver, and has not been revoked or terminated;
- All information contained in each Entry is correct;
- Each Entry is timely;
- If the Entry is to your employee for the payment of salary or wages:
  - you will furnish a detailed statement of earnings to the Receiver no later than the day the Receiver's Account is due to be credited, and
  - our standard processing of such entry pursuant to the terms of these Banking Agreements will not violate any employment or other law.
- Each entry complies with U.S. law, applicable state law, these T&Cs and the Rules.

For Warranties Regarding Debit Entries — You warrant that:

- The Receiver has authorized you to initiate and transmit each Entry to the Receiver's Account (each a "Debit Authorization") and the Authorization (whether it authorizes a single Entry or recurring Entries) is in writing, signed or similarly authenticated by the Receiver, and has not been revoked or terminated;
- The information contained in each Entry is correct;
- The Entry is for an amount which on the settlement date will be due to you from the Receiver, is for a sum specified by the Receiver to be paid to you, or is to correct a previously transmitted erroneous Credit Entry;

Each entry complies with U.S. law, applicable state law, these T&Cs and the Rules.

Automated Clearing House (ACH) Continued

Notification of Change (NOC)

A Notification of Change is created by the RDFI to notify the ODFI and its Originator that a posted Entry or Prenotification Entry contains invalid or erroneous information and should be updated. You as the Originator must make the changes specified in the NOC by the later of:

- six (6) banking days after receipt of that notice; or
- prior to initiating another Entry to that same Receiver's account.

You as the Originator may not initiate a new entry to the Receiver until the requested changes have been made. If you as Originator fail to correct the invalid or erroneous information stated in the NOC and you do initiate a subsequent Entry to that same Receiver's account, this is a potential violation of the Rules. If the RDFI then files a "Rules Violation" against you as the Originator (through us as the ODFI), it could result in a proceeding and an escalating level of fines and penalties assessed against you. Failure to correct the invalid NOC could also result in our revoking your authority to create Entries.

Data Security Requirements and Protected Information

The Rules require Originators to establish, implement and, as appropriate, update security policies, procedures and systems related to the initiation, processing and storage of Entries and certain Nonpublic Personal Information about consumers that you use to create an Entry or that is contained in an Entry. Your policies and procedures must protect the confidentiality and integrity of Nonpublic Personal Information, protect against anticipated threats or hazards to the security or integrity of it, and protect against its unauthorized use. Please be aware that ODFIs and RDFIs processing Entries may rely solely on account numbers and may not review the name of the Receiver or the RDFI, and a fraudulent Receiver name or the name of a financial institution that is not the intended RDFI may not provide a basis for you to recover the amount of a fraudulent Credit Entry. Accordingly, you should maintain policies and procedures to reduce the risk of fraudulent Entries using your Account number.

Notice Regarding Credit Entries

All Credit Entries that are defined as "funds transfers" under the California version of the Uniform Commercial Code may be transmitted through the ACH.

ACH On-Us Debit and Credit Entries

If you deliver an Entry and the Receiver's Account is held by us, that Entry will be an On-Us Entry, and may not be processed through the ACH Network. For each On-Us entry, you are deemed to make to us all warranties we would be required to make to the RDFI if the Entry were not an On-Us Entry.

Prenotifications

Prior to the initiation of the first Entry to a Receiver, you may send a notification (each a "Prenotification") through us to the RDFI providing notice that you intend to initiate entries to the Receiver's Account in accordance with the Receiver's Authorization. Should you choose to use Prenotifications as otherwise provided in the Rules, you may initiate Entries to a Receiver's Account no sooner than six (6) business days following the Prenotification Entry. If within six (6) business days, the RDFI notifies us that it will not accept your Entries, you shall not initiate such Entries. If within six (6) business days, the RDFI notifies us that the institution requires certain changes to the Entries, you shall not initiate Entries unless the requested changes have been made.

Returns and Chargebacks

We are under no obligation to process an Entry or otherwise perform under these T&Cs if you do not have sufficient collected funds to cover an Entry or fees. Debit Entries processed against a Receiver's Account, if paid, shall be deposited to the Account. To the extent permitted by applicable law, you shall have the right to withdraw funds collected on a Debit Entry only after and only to the extent that we have received a settlement for such Entries, which settlement has become final. You authorize us to debit, or charge back to the Account, the amount of any Entry returned unpaid, or charged back, or any adjustment received with respect to an Entry or any On-Us Debit Entry. If an Entry is rejected, returned unpaid or charged back, we shall only provide notice to you as required under the Rules. You are solely responsible for resubmitting any returned or rejected Entry. If a returned or rejected Entry is a Credit Entry for sums owed to the Receiver, you shall be totally and solely responsible for ensuring Receiver receives the monies owed, whether by another Entry or other means.

Prefunding for Credit Origination

If we require you to prefund ACH transactions, the following requirements apply for any and all employees, consultants or third parties at your company that may prepare ACH files. ACH payment transactions (or batch of transactions) must be received by us by 4:30 p.m. Pacific Time, at least two (2) business days prior to the settlement date.

When you initiate an ACH Prefunding batch, the Online Banking system will verify availability of funds in your Account. Available (collected) funds must be in your Account before you release your batch to us, or your ACH transactions will not be processed. Since holds on deposited checks may limit funds availability, you agree to adequately prefund your batch via wire transfer, account transfer, or loan advance. Funds will be debited from your deposit Account immediately after the ACH Prefunding batch is released, regardless of the settlement date. If funds are not available, the Online Banking system will not process the batch. In the event a batch is not processed, there is no direct notification process from us to you; however, you may view the status of the batch in the Online Banking system. Prefunding can only be used to originate ACH credit batches for payments (i.e., direct deposit of payroll, vendor payments, etc.). Your ACH batch will not be processed if the above conditions are not met.

We are under no obligation to contact you if a nonsufficient or uncollected funds condition exists.

Automated Clearing House (ACH) Continued

Your Covenants

You will:

- Retain a copy of each Credit Authorization and Debit Authorization (each an "Authorization") and records of all Entries for a period of three (3) years from the later of:
  - the date of termination or revocation of the Authorization, including recurring transactions, if any; or
  - the date the Entry was transmitted.
- Provide each Receiver with an electronic or hard copy of the Receiver's Authorization.
  - If the amount of a Debit Entry to be initiated to a consumer Account differs from the amount of the immediately preceding Debit Entry relating to the same Authorization, or from a pre-authorized amount, you shall send the Receiver written notification of the amount of the Entry and the date on or after which the Entry will be debited at least ten (10) calendar days prior to the date on which the Entry is scheduled to be initiated;
  - If you inform the Receiver of their right to receive notification concerning a change in the amount of a Debit Entry, Receiver may choose to receive notice only if the amount of the Entry falls outside of a specified range or if the Entry differs from the most recent Entry by more than an agreed-upon amount;
  - If you change the date on or after which Entries to be initiated by you are scheduled to be debited to Receiver's Account, you shall send to Receiver written notification of the new date on or after which Entries initiated are scheduled to be debited to Receiver's Account no less than seven (7) calendar days before the first Entry to be affected by the change is scheduled to be debited to the Receiver's Account.

Email Notification Services

ACH notifications with the Federal Reserve Bank's ("Fed") Electronic Data Interchange ("EDI") work via the FedPayments Reporter Service, delivered securely via encrypted email. If selected, for a fee, Fed will email you notifications from of ACH debits/credits. The Federal Reserve Bank's notification service is limited, and requires you to set up an EDI account. Reports are stored for 30 processing days.

Maximum Exposure Limit

The maximum amount of funds in aggregate that you are permitted to have outstanding and unsettled at any given time. ACH originated transactions that are not prefunded may be subject to underwriting or retention of collateral by us. We may request additional documentation as a part of the underwriting process. Any transactions submitted beyond designated maximum exposure limit may be held for review or declined.

Web ACH

Additional requirements for WEB, internet or mobile initiated entries:
You represent, warrant and agree that, with respect to each internet Entry that it originates hereunder, it has obtained the Receiver's prior written authorization therefor that:

- is signed or similarly authenticated by the Receiver via the Internet or wireless network;
- is obtained by any permitted manner and the Receiver's instruction for initiation of the Entry is communicated over a wireless network (other than oral communication);
- is readily identifiable as a Debit Entry authorization with express authorization language; and
- expresses its terms in a clear and readily understandable manner, including:
  - the name or identity of the Receiver;
  - the amount of the transaction(s); the effective date of the transaction(s);
  - the Receiver's account number;
  - the Receiver's financial institution routing number; and revocation language.

Wire Services

How it works

Wires are accessed via Digital Banking Services. Alternatively, you may contact us to initiate a Wire through alternate methods, however it may require extra Security Procedures. We send outgoing and receive incoming wire transfers through "Fedwire" (the funds transfer system owned and operated by the Federal Reserve Banks), Society for Worldwide Interbank Financial Telecommunication ("SWIFT") or other provider.

Regulations

All funds transfers are governed by these T&Cs, Subpart B of Regulation J of the Federal Reserve Board, OFAC regulations, and all other applicable international, federal, state and local laws and regulations.

Your Warranties

Along with the other stipulations, you:

- are responsible for the accuracy of all information in the Wire Transfer;
- are obligated to pay any such Wire Transfer on the basis of the account number you provide, even if that account number does not correspond to the beneficiary's financial institution, or to the name of the beneficiary at the beneficiary's financial institution;
- will not initiate a Wire Transfer in violation of any law or regulation, including economic sanctions administered by OFAC.

Wire Services Continued

Authorized Users

You will designate to us those individuals authorized to instruct Bank regarding wire transfer Services including without limitation, individuals authorized to initiate Payment Orders and select advice methods, confirmation methods, and any or all authorizations and instructions that may be requested by us. We may rely on any such authorization until it has been revoked in writing by you. We shall have a reasonable time to process any revocation received pursuant to this Section. Each Payment Order shall be authenticated by means of a security procedure. Any authorized signer, or authenticated Online Banking user, may initiate a fund transfer and will be required to validate via telephone, authorization code, or other deemed appropriate security measure initiated by us. Each Wire Transfer request is deemed authorized by you and you are responsible for the transaction when it is originated using a Security Item, such as a security token, or other agreed upon Security Procedure.

Routing/Time Deadlines

We may use any means of transmission, funds transfer system, intermediary bank, clearinghouse or route that we reasonably believe is suitable for each outgoing wire transfer. We will establish from time to time one or more deadlines after which we will not accept an incoming payment order to be processed on the day of receipt. Payment orders received after our established deadline, during a maintenance window, or on any non- Business Day, including any Saturday, Sunday, holiday or any day that our wire department is not open will be rejected. Please see “Appendix A – Processing and Cut Off Timetable.”

Payment Orders

You may communicate a Payment Order to us by the means and manner agreed to between the parties. The content of Payment Orders must contain any information we may reasonably request such as amounts, affected accounts, dates of transfer, the beneficiary’s name and account number, the name and routing number, bank identifier code of the beneficiary’s financial institution, any additional information as we may reasonably request, and, if necessary, further evidence of any Agent’s authority to transfer funds.

Execution of Payment Orders

You authorize us to execute and charge your Account(s) for Payment Orders delivered to us in accordance with these T&Cs. We have no obligation to execute a Payment Order if your Account to be charged has insufficient funds to cover the order.

Processing Payment Orders

The order in which we process Wire Transfer Payment Orders is determined solely by us. You do not have the right to reverse, adjust or revoke any Payment Order after it has been received by us, provided, however, that we will make a reasonable effort to act on such a request by you.

Wire Submitted in Error

At your request, for a Payment Order that has already transmitted to the beneficiary’s financial institution, we shall ask the beneficiary financial institution to return funds previously transferred. You understand that the receiving institution is under no legal obligation to comply with this request.

Rejection of Payment Orders

We may reject a payment order from you if:

- such Payment Order is not initiated in accordance with the applicable security procedure;
- if there is any inconsistency between a Payment Order and information previously supplied to Bank;
- if we are unable to obtain confirmation of such payment order satisfactory to us;
- if there are insufficient collected funds in your specified Account to fund the Payment Order;
- if we have a reasonable basis to suspect the Payment Order may be unauthorized, fraudulent or otherwise improper; or
- if we have other reasonable grounds not to honor the Payment Order.

We will notify you either by telephone or in writing, for any outgoing Wire Transfer that has been rejected, in order to collect additional information. We may also reject an incoming Payment Order if it has reasonable grounds to do so. We will not pay interest on a rejected Wire Transfer.

Standing Payment Orders

If requested by you and agreed to by us, you may initiate a standing payment order, which is one where you pre-program the beneficiary, the beneficiary’s financial institution, and the accounts to be debited and credited and such information remains constant for subsequent payment orders. You shall provide us with the necessary information to execute the standing payment order, including, without limitation, the dollar amount to be transferred, the frequency of the order, and the day of week or month when the payment order is to be executed. You may terminate a standing payment order at any time upon written receipt by Bank. We shall have a reasonable time to act on such notice.

Wire Security Process

You shall designate Authorized Users to confirm Payment Orders. For security purposes, Bank recommends a minimum of two (2) potential Authorized Users to confirm Payment Orders and that Authorized Users serve as an initiator or a confirmer, but not both. In absence of a secondary approver, We may require an additional security token. We may issue a one-time code or secret password as an added security step. We may contact you for security purposes, to validate authenticity, and to prevent fraud; however, Bank is not required to do so. You acknowledge that failure to use this commercially reasonable security procedure substantially increases your risk of an unauthorized Payment Order.

Wire Services Continued

Wire Security Process continued

Notwithstanding Bank's recommendation, if you permit an Authorized User to act as both initiator and confirmer, you hereby authorize us to process a wire initiated and confirmed by such Authorized User. You may add, change or delete the Authorized Users, see 'Online Banking' section of these T&Cs. In the event the designated Authorized Users with authority to confirm are not available to confirm a Payment Order, You agree that we may, at our discretion, elect to process the Payment Order initiated by an Authorized User. You agree to be bound by any such payment order processed by us

Validation of Wire Transfers

Validation is initiated through walk in, customer service, electronic interface, or via the Digital Banking Services (collectively, the "Client Initiation Methods"). You represent and warrant that the validation of Payment Orders initiated through any of the Client Initiation Methods shall be verified, initiated and confirmed by you prior to receipt by us. All payment orders shall be initiated and confirmed in accordance with the Security Procedures established for the relevant Client Initiation Method. We may contact you for security purposes, to validate authenticity, and to prevent fraud; however, it is not required to do so.

Waiver of Confirmation

We advise you not to waive confirmation. If you, however, choose to waive confirmation, you agree to be fully liable for all outgoing Payment Orders.

International Wire Transfers

Wire Transfers across country borders are customarily done by us through a correspondent bank. Outgoing U.S. dollar Payment Orders may be converted by the correspondent bank or beneficiary bank to the local beneficiary's currency at the applicable rate in effect at any point in the processing chain. Though in some cases we may receive compensation from the correspondent bank in accordance with such conversion, the conversion is executed by the correspondent bank in accordance with the policies and procedures of such correspondent bank at an exchange rate set by that correspondent bank in its sole discretion and subject to any applicable regulations. Any fee, commission or charges assessed by us, the correspondent bank, any subsequent intermediary bank, or the beneficiary bank may be passed on to you or deducted from the wire transfer amount. We assume no liability for delays, non-delivery, market risk or other events resulting from causes beyond our control. In refunding unexecuted Payment Orders, we shall be liable to you only to the extent it receives payment from the correspondent bank processing the transfer. Cancellation or rejection of a transfer involving non-U.S. dollar currency is subject to any rate exchange loss as determined by us. You agree to sell any canceled or rejected Payment Order to us at the then-current applicable foreign currency buy rate.

Limits

We reserve the right to limit the amount of any Payment Order to or from your Account at any time without prior notice to you. Limits to Payment Order amounts may be changed at any time without notification. You may set a limit on the amount of any Payment Order by adjusting user settings via Digital Banking Services. See **Client Administration** in the **Business Online and Mobile Banking** section of this document, or your relationship manager for details.

Reverse Drawdown Wire Transfers

Pre-Authorized requests from a third party to initiate a Payment Order from your Account are commonly used for payroll or high-risk, variable-amount, or recurring payments. If requested by you and agreed to by us, You authorize us to debit your Account(s) upon receipt of a Fedwire drawdown request, and to send funds to the requesting third party. Each transfer will be done on the Business Day that we receive the incoming request from the requesting bank if the request is received within a reasonable time to determine whether your Account has sufficient available funds, if proper authorization is documented and approved, and can be processed prior to Wire cutoff time, please see "Appendix A – Processing and Cut Off Timetable."

Authorization and Record Retention

You will initiate drawdown wire Orders only with the prior written authorization of the owners of the accounts affected by such Orders. You agree to maintain a copy of each authorization for a period of three (3) years following its termination, and to provide us with a copy upon request. You warrant to us what we are deemed to warrant to others regarding your Orders.

Reverse Drawdown Wire Funding

You acknowledge and agree that we may reject any reverse wire request in excess of the collected and available balance. You will be notified if the request is rejected by us. You will be responsible for resolving any funding issues, and resubmitting the Wire.

Reverse Drawdown Wire Authorizations

Your authorization for reverse wire requests shall remain in effect until you give written notice to us. We require reasonable time to act on any written notice received from you.

Accuracy of Payment Order

If you send a Payment Order, you must accurately provide the account data we require, which may include:

- account number that will receive the funds;
- beneficiary name of the Payment Order; and
- beneficiary's bank routing number.

Wire Services Continued

Accuracy of Payment Order continued

Avidbank, any intermediary bank and the beneficiary's bank may process, as permitted by applicable law, a Payment Order solely on the basis of the account number **even if that number does not correspond to the beneficiary's bank or the named beneficiary of the Payment Order at the beneficiary's bank**. You are obligated to pay any such order originated by you.
With respect to incoming wire transfers that do not indicate an account number recognizable to Bank, we may also return the wire transfer to the sending financial institution without incurring any liability.

Limitation on Bank's Liability

In consideration of Bank's compliance, Client agrees that Bank's treatment of any authorized debit, and Bank's rights with respect to it, shall be the same as if the entry were initiated personally by Client. Bank shall have no liability if any authorized debit is dishonored. Client shall not submit duplicate Requests through the Service and by other means, and Client assumes full responsibility for any duplicate Requests sent via multiple channels or methods.

Tax Payment Service

You may enroll for the Tax Payment Service to make tax payments for State or Federal agencies via Electronic Federal Tax Payment Services, collectively ("EFTPS").

How it Works

You must specify which taxes that are to be paid. You authorize us to release Account and tax payment information to any taxing authority in performing the tax payment service. Tax payments are made through ACH or Wire, and will be subject to the "Funds Transfer Services" section of these T&Cs.
For cutoff times, please see "Appendix A – Processing and Cut Off Timetable."

Accuracy

You are solely responsible for determining the amount of any taxes due and transmitting payment information in accordance with our procedures. We will have no responsibility for:

- determining the correctness of any tax computation or payment;
- questioning the timing or amount of any payment;
- determining or questioning the correctness of any report or information submitted by you (even if it appears incorrect on its face); or
- any penalty which may be imposed if you instruct us to make a payment after our cutoff hour or the date the tax payment is due.

Your Duty to Pay Taxes

You assume the risk if you submit inaccurate information or payment amounts. Any interruption of the Service, regardless of the reason, will not relieve you of your obligation to make a tax payment or report. You are responsible for promptly making required tax payments by another means in the event there is an interruption in the Service.

No Tax Advice

You acknowledge that our employees cannot give tax advice to you. You agree not to seek or place any reliance upon tax advice from us or our employees.

Mobile Deposit

Mobile Deposit allows you to take a picture and deposit Original Checks to your Accounts via your mobile device. An "Original Check" is any check that is from original stock and not a photocopy of a check. "Image" means a digital image and associated transaction information.

Service Terms

All deposits made using the Mobile Deposit Service are subject to review and may be accepted or rejected at our discretion. We reserve the right to grant a higher dollar limit or reduce limits at any time. There is no daily or periodic limit on the number of Original Checks you may deposit through the Mobile Deposit Service, provided that we may establish such limits on a case-by-case basis or generally for all or a category of client accounts at our discretion for security or other reasons. You agree to scan and deposit only U.S. dollar Original Checks (i.e., drafts drawn in U.S. dollars on a U.S. bank, credit union, or savings and loan, and payable on demand). You agree that:

- Each Image is a true and accurate rendition of the front and back of the Original Check, without any alteration, and the drawer of the check has no defense against payment of the check;
- The amount, payee(s), signature(s) and endorsement(s) on the Image and on the Original Check are legible, genuine and accurate;
- You will not deposit or endorse to a third party the Original Check;
- You will not deposit Original Check at another institution, nor re-present it for deposit at Bank;
- There are no other duplicate images of the Original Check;
- The Original Check was authorized by the drawer in the amount stated on the Original Check and to the payee(s) stated on the Original Check;

Mobile Deposit Continued

Service Terms continued

- You are authorized to enforce and obtain payment of the Original Check; and
- You have possession of the Original Check, and no other party will submit the Original Check for payment.

Image and Original Check Requirements

Each Image you submit through the Mobile Deposit Service must include all information on the front and back of the Original Check that was present at the time presented to you by the drawer, including, without limitation, information about the drawer and the paying bank that is preprinted on the Original Check, MICR information (MICR stands for Magnetic Ink Character Recognition), signature(s), any required identification written on the front of the Original Check, and any endorsements applied to the back of the Original Check. Without limiting the foregoing, the image quality of the Image must comply with the requirements established from time to time by us. You must sign your name or use an endorsement stamp on the back of your check and also write "*For Mobile Deposit Only To Avidbank*" beneath your endorsement.

Any items not properly endorsed may not be accepted via mobile check deposit. Endorsements must be made on the back of the Original Check or share draft within 1½ inches from the top edge, although we may accept endorsements outside this space. Any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you will be your responsibility. An Original Check payable to two payees must be endorsed by both payees. If an Original Check is made payable to both you and a third party or parties, all payees must endorse such Original Check.

Your Responsibility

You are solely responsible for the quality, completeness, accuracy, validity and integrity of all Images. You are solely responsible if you, intentionally or unintentionally, submit fraudulent, incorrect or illegible images to us or if your Credentials are used by authorized, or unauthorized, persons to submit fraudulent, unauthorized, inaccurate, incorrect or otherwise improper or unusable Images to us through the Mobile Deposit Service.

Receipt of Deposit

All Images processed for deposit through the Mobile Deposit Service by Bank or the Service Providers will be treated as "Deposits" under your current Banking Agreements and other agreements between you and us and will be subject to all terms of such agreements. When we or the Service Providers receive an Image, we or such Service Provider will confirm receipt via email to you. Images submitted after cutoff time on a business day or at any time on a non-business day may not be processed until the following business day. Please go to "Appendix A – Processing and Cutoff Timetable" for current cutoff times. We shall not be deemed to have received an Image for deposit until we or the Service Provider has confirmed receipt to you. Confirmation of receipt does not mean that the Image contains no errors. We are not responsible for any Image that we do not receive. Following receipt of an Image, we may process the Image by preparing a substitute check or clearing the item as an image. We reserve the right, at its sole and absolute discretion, to reject any Image for the Mobile Deposit Service. We or the Service Provider will notify you of rejected Images.

Original Checks

After you receive confirmation that we have received an Image, you must securely store the Original Check for seven (7) days after deposit to Bank. At our request, you must make the Original Check accessible to us or the Service Provider. Upon such request, you will deliver such Original Check to us within seven (7) days, at your expense. If you do not deliver such Original Check to us within such period, the corresponding amount of deposit will be reversed from your Account. Promptly after such period expires, you must destroy the Original Check by any commercially acceptable means of destruction. After destruction of an Original Check, the Image will be the sole evidence of the Original Check. You agree that you will never re-present the Original Check. You understand that you are responsible if anyone is asked to make a payment based on an Original Check that has already been paid.

Returned Deposits

Any credit to your Account for Original Checks deposited using the Mobile Deposit Service is provisional. If Original Checks deposited through the Mobile Deposit Service are dishonored, rejected or otherwise returned unpaid by the drawee bank, or are rejected or returned by a clearing agent or collecting bank, for any reason, including, without limitation, for issues relating to the quality of the Image, you agree that such Original Check will not be returned to you, but we may charge back the amount of such Original Check and provide you with an image of the Original Check, a paper reproduction of the Original Check or a substitute check. You will reimburse us for all loss, cost, damage or expense caused by or relating to the processing of the returned item. Without our approval, you shall not attempt to deposit or otherwise negotiate an Original Check if it has been charged back to you. We may debit any of your Accounts to obtain payment for any item that has been rejected or returned, for any adjustment related to such item, or for any warranty claim related to such item, whether or not the rejection, return, adjustment or warranty claim was timely made.

Mobile Deposit Continued

Availability of Deposited Funds

Avidbank Mobile Deposit items are subject to a hold and may not be available for immediate withdrawal. Items transmitted using this service are not subject to the Expedited Funds Availability Act and requirements of Federal Reserve Board Regulation CC. Funds from deposits made through the Mobile Deposit Service will generally be available for withdrawal by the second business day after the day of deposit. However, we may apply longer delays to the availability of funds based on such factors as your account management, transaction and experience information, the length and extent of your relationship with Bank and such other factors as we, in our sole discretion, deems relevant. If longer delays apply, we will notify you accordingly. Please see the "Funds Availability Policy" section of the Business Deposit Account Agreement for more details.

Service Security

Upon initiating a deposit through the Mobile Deposit Service, you will complete such deposit promptly. If you are unable to complete such deposit promptly, you will ensure that your mobile device remains securely in your possession until such deposit has been completed. It is your responsibility to establish and maintain procedures to safeguard against unauthorized deposits. You will notify us immediately if you learn of any loss or theft of Original Checks. You will ensure the safety and integrity of Original Checks from the time you receive such Original Checks until the time of destruction.

Remote Deposit Capture (RDC)

RDC enables you to create electronic images, via scanner hardware, of checks ("Checks" or "Items") and to transmit these images (collectively, the "Electronic File") via the Internet, or dedicated line, to us so that the funds attributable to the Items in the Electronic File can be deposited to the Account you specify.

Limits

We may establish deposit limits for your Account at the time you enroll in the Service. Limits will be daily deposit, or per item limits. We may choose to raise or lower any limits at any time, solely at our discretion, based on Account balances and activity, without notification. You may not use any RDC equipment, whether provided to you by Avidbank or not, to make deposits from outside of the U.S. or Puerto Rico. Avidbank will block any and all deposits made from outside the U.S. or Puerto Rico without prior approval and reserves the right to block any and all remote deposits submitted using an anonymous proxy.

Processing Deadlines

If the Electronic File is delivered to us before the cutoff time, see "Appendix A – Processing and Cut Off Timetable" on any business day, we will review and process the Electronic File on that business day. If the Electronic File is delivered to us after the cutoff time on any business day, we will review and process the Electronic File on the next business day.

Hardware/Software

You may only use hardware and software (collectively "Equipment") that we approve and send to you to scan Items to deposit via RDC and to transmit the Electronic File to us. The hardware used to capture check images ("Scanner") is supplied for your use with RDC and is deemed our property. Prior to moving your office/business location, changing the address or relocating the Equipment, you will notify Us of the new location address. It is your responsibility to maintain all Equipment in working order. Delays due to Equipment failure is not the responsibility of Bank, nor will you hold us responsible for any problems related to Equipment issues. Upon termination, the hardware must be returned to Bank. Failure to return will result in the full cost of the equipment at the time your service is terminated.

Image Quality

Checks that are presented in the Electronic File must:

- contain a preprinted bank routing number, account number and serial number,
- be payable to you,
- be completed and authorized by the drawer,
- specify an amount to be paid,
- and be endorsed for deposit only to the Account.

The Electronic File must accurately reflect all information on the front of the Original Check as drafted, and the back of the check as endorsed, at the time the Original Check was scanned. You must comply with such requirements for the Electronic File as we may communicate from time to time. You are responsible for ensuring that scanned checks meet our image quality standards and agree to cooperate with us in the event we need assistance in the balancing of transactions.

Use of Third Parties

Any third-party processor you delegate the RDC Service to prepare and/or transmit the Electronic File is acting solely as your agent, unless we otherwise agree in writing. The security and privacy of the Electronic File are your sole responsibility.

User IDs

You agree to maintain separate User IDs for each individual who will access the Remote Deposit Capture Service. Shared User IDs are not allowed.

Remote Deposit Capture (RDC) Continued

Method of Presentment of Items

The manner in which Items are cleared or presented for payment is in our sole discretion. We reserve the right to select the clearing agent(s) through which we clear Items. You agree to be bound by any clearing house agreements, operating circulars, image exchange agreements or any other related agreements to which we are a party.

Receipt of Files

The software for RDC will indicate "Approved" when the Electronic Files are successfully transmitted. It is your responsibility to verify the "Approved" message after transmitting an Electronic File. We are not responsible for Electronic Files that are not processed.

Exception Items

We may reject any image in an Electronic File that we, in our sole discretion, determine to be ineligible for RDC ("Exception Item"). Even if we do not identify an Exception Item, a substitute check may nevertheless be returned to us because, among other reasons, it is deemed illegible by the paying bank. Our failure to identify an Exception Item shall not limit your obligation for an Exception Item.

Eligible/Ineligible Items

You may only use RDC to submit eligible Items that are made payable to you, with authentic and authorized signatures, and that are not altered. The following Items are ineligible and may not be deposited using Remote Deposit:

- Returned deposit items
- Items drawn on banks located outside the U.S. or Puerto Rico
- Checks payable in a currency other than U.S. dollars
- Checks drawn on the same Avidbank Account
- Checks payable to a third party

Returned Items

We may reverse any credit to the Account for any Item that is not paid because

- it is returned by the financial institution on which it was drawn;
- there is a claim that a required endorsement is forged; or
- there is a claim the Item has been altered.

Your Responsibility for Maintenance and Destruction of Original Items

You will maintain the original paper Checks and Items in a secure location at all times and will establish security procedures to protect them, including but not limited to, dual controls with segregation of duties. You will destroy the original paper source documents in a commercially reasonable manner no earlier than thirty (30) days after the Items are credited to the Account. You are solely responsible for all damages arising out of your failure to appropriately safeguard the original Items or failure to destroy them in a timely manner. You will not deposit or negotiate any original paper Item which you submitted to us in electronic format, causing funds to be debited twice from an Account, unless we notify you that the Item is an Exception Item.

Annual Certification

Bank may require you to complete annual questionnaires as to your usage and security processes at your company. You agree to Bank's requirements for annual certification and failure to return a notice within thirty (30) days, or failure to respond may result in Bank's termination of your RDC Service.

Substitute Checks

After we receive the Electronic File, we, at our discretion, may use the Electronic File to either create substitute check(s) or generate an electronic file for presentment to the paying bank.

Check Positive Pay

This fraud prevention tool allows you to potentially block a check from being paid.

How it Works

This service, available through Online Banking, allows you to provide us with check specifics that you have issued, whether it be through manual entry or through direct transmission. We will match those checks that are presented via Check Positive Pay for payment against your Account. If a presented check does not match, we will identify it in an "Exception" report that will be made available to you. You agree to review the Exception report on each business day and notify us prior to the cutoff hour we designate if we should not honor the item. This is called a "Decision." We must receive your instruction in the manner and by the cutoff hour that we specify (see your User Guide and online instructions). If you do not make a Decision on your Exception items, the default parameters that you established on the service will be applied. If your default parameter is not to pay an item, the item will be returned. If your default parameter is to pay an item, the item will be paid. For items which have paid, unless you notify us not to pay an item (including an Exception item) on or before our cutoff hour for such instructions, you agree that we may pay the item.

Check Positive Pay Continued

Covered Checks

Check Positive Pay applies to checks that are presented for payment through normal interbank check clearing procedures (e.g., local clearing house, Federal Reserve or direct- send presentment cash letter) and posted to your Account each night. Checks that are presented in any other manner, will be paid in accordance with our standard procedures.

Default Decision Setting

Avidbank recommends setting all enrolled Accounts to a default Decision of Auto-Return. This default Decision means any check Exception that has not been reviewed and Decisioned by the designated cutoff time will be rejected, preventing the processing of a potential unauthorized check. If you decide to set your Account(s) to Default Auto-Pay, you agree that you assume the risk that checks not reviewed and Decisioned by the cutoff will be paid and should fraudulent checks be drawn on your Account, you will indemnify and hold us harmless from any loss or damage you may incur as a result of that fraud.

Exception Items

Exception items may include duplicate checks, checks that do not match the check issuance data that you provided, checks with duplicate serial numbers, mis-encoded items, checks lacking an encoded serial number and any other items that you advise us to treat as Exception items in the Online Banking Set-up form. Positive Pay does not apply to items that have been finally paid before the effective date of any listing.

Stop Payment

Our Stop Payment and Check Positive Pay systems operate separately. Therefore, if you ask us by email, telephone or online to stop the payment of a check, the item may not show up as an Exception. You agree not to use Check Positive Pay (via a return report) as a substitute for a stop payment order.

Reliance on MICR Encoding

We will not be obligated to verify signatures on any checks that match the information you provide or that you fail to reject. You agree that we may compare your information on approved checks with information that is encoded on the items presented to us for payment; we will not be required to physically examine matching checks to confirm that they are properly signed, completed and encoded; and we may rely on the process described above and it will be deemed an acceptable standard of care.

Issue Information and Timing

You agree to provide check information and instructions to us in the manner, form and format that we specify. You assume full responsibility for the completeness and accuracy of all information furnished to us. Our processing of nonconforming information will not be considered a waiver of any requirement of these T&Cs, and we may discontinue processing nonconforming information without prior notice. We must receive your check issuance data on or before our cutoff time on a business day. Reports received after the cutoff time or on a day other than a business day may not be processed by us until the following business day. We will provide you with information on Exception items after they are presented for payment. You must instruct us to pay or return Exception items by the cutoff time for such instructions on the same business day.

Stale-dated and Postdated Checks

We may pay stale-dated and postdated checks unless you place a stop payment order on such items, change their status to “void” on your list of checks approved for payment or fail to notify us through Check Positive Pay not to pay the items.

Decline of Use

The security procedures and fraud prevention services we make available to you constitute commercially reasonable security procedures under applicable UCC provisions. If you decline to implement this recommended security procedure, you acknowledge and agree that doing so substantially increases your risk of fraud and unauthorized transactions, and you assume all losses that such services would reasonably have been expected to prevent.

Important Notes

Check Positive Pay may not identify counterfeit or duplicate checks that contain the same check serial number and amount as the items described in your check issuance data. Therefore, you agree to review promptly all statements, returned checks, reports, and other check and transaction information that we make available to you.

ACH Positive Pay

This fraud prevention tool allows you to potentially block ACH debits from being paid.

How it Works

Our ACH Positive Pay Service permits you to protect your designated Account(s) for ACH Debit Entries with predefined Authorization Rules and with the ability to make Decisions on non-authorized Entries. This service, available through Digital Banking Services, allows you to review and make a Decision (pay or not pay) ACH Entries, and add Authorization Rules to pay these Entries in the future. If you enroll in the Service, we may notify you of any Exceptions (e.g., the incoming ACH debit transactions that you did not authorize according to your instructions) on each business day by the predefined time established by us.

ACH Positive Pay Continued

How it Works continued

If you decide to set your Account(s) to Default Auto-Pay, you agree that you assume the risk that any ACH not reviewed and Decisioned by the cutoff will be paid and should fraud occur, you will indemnify and hold us harmless from any loss or damage you may incur as a result of that fraud.

Set up and Limits

You agree to provide ACH Authorization Rule instructions to us by inputting ACH Company ID or Max Allowable Amount. You assume full responsibility for the completeness and accuracy of all information furnished to us. Our processing of nonconforming information will not be considered a waiver of any requirements of these T&Cs, and we may discontinue processing nonconforming information without prior notice.

Default Decision Setting

Avidbank recommends setting all enrolled Accounts to a default Decision of Auto-Return. This default Decision means any ACH Exception that has not been reviewed and Decisioned by the designated cutoff time will be rejected, preventing the processing of a potential unauthorized ACH. If you decide to set your Account(s) to Default Auto-Pay, you agree that you assume the risk that any ACH not reviewed and Decisioned by the cutoff will be paid and should fraud occur, you will indemnify and hold us harmless from any loss or damage you may incur as a result of that fraud.

Decisions

You agree to review each day and take action on the Exceptions by paying authorized Entries and returning non-authorized Entries. Entries you Decision to pay will post to your designated Account(s). Entries you Decision to return will be returned back to the Originating Bank(s). If you do not review and Decision the Exceptions by the cutoff time, see "Appendix A – Processing and Cut Off Timetable," we will return them back to the Originating Bank(s), and these Entries will not post to your designated Account(s). Any Items that are approved to be paid by you, or your authorized users, but later you determine to be erroneous or fraudulent, we will be indemnified of all responsibility, and refunds cannot be made.

Decline of Use

The security procedures and fraud prevention services we make available to you constitute commercially reasonable security procedures under applicable UCC provisions. If you decline to implement this recommended security procedure, you acknowledge and agree that doing so substantially increases your risk of fraud and unauthorized transactions, and you assume all losses that such services would reasonably have been expected to prevent.

Stop Payment

You can use Stop Payment Service to stop the payment of a check or an ACH Entry from one of your Accounts.

Guidelines

You must provide us with timely, complete and accurate information on the Account number, date of the item, item number and EXACT amount (dollars and cents) of the item. If any information is incomplete or incorrect, we will not be responsible for failing to stop payment on the item. Requests become effective when we confirm their receipt and have verified that the item has not been paid.
There is a fee for each request, whether or not we receive your request in time to act upon it. Stop Payments must be received in writing, or done via Digital Banking Services. Although you may initiate a stop payment request at any time, requests must be received in a reasonable time for us to act upon. Stop Payment will be deemed received by us at the opening of the next business day. If our online system is not available for any reason, you call Us to make your request. Stop payment orders are valid for six (6) months and may be cancelled. You may not use Digital Banking Services to stop the payment of an internal book transfer, wire transfer or ACH originated transaction. Although we may stop payment of a check pursuant to and in accordance with the Stop Payment Service, a holder in due course of the check retains the right to assert a claim against you on the check.

Direct Transmission (DT)

This file delivery service can be used for information reporting files or payment initiation files ("Payment Orders," "Order"), such as ACH or Wires, via Secure File Transfer Protocol ("sFTP").

Information Reporting

We will allow you to direct and authorize us to provide, via sFTP, all information relating to the Accounts, including but not limited to, account balances, transactional and historical data (collectively referred to as "Client Data"), for retrieval at your discretion or for delivery to such third-party suppliers as you designate. You acknowledge and agree that:

- electronic transmission of Client Data is permitted under your applicable data security or other policies; and
- delivery of Client Data may be subject to delays, system outages and other events beyond our control.

We will be acting solely in response to your direct request and specifications.

Direct Transmission (DT) Continued

Information Reporting continued

In providing the Client Data electronically, we shall take commercially reasonable precautions to ensure that Client Data is transmitted in a secure manner. You acknowledge and agree that once Client Data has left our secure server(s), we are not responsible for Client Data that is compromised by a security breach or unauthorized access, or by being released into the public domain or being used for fraudulent, illegal or any other purpose that is detrimental to you. You also acknowledge that we have no control over or knowledge of the technology used by you or your third-party suppliers for Client Data protection, and that we are not affiliated with or responsible for the actions of such third-party suppliers. The Information Reporting Service is subject to the same general terms set forth in these T&Cs. The Information Reporting Service may be terminated at any time by us with notice to you. You may terminate the Information Reporting Service upon providing written notice to us, which will be effective on the fifth (5th) business day following the day that we receive it, unless we specifically agree to an earlier termination.

Payment Orders

We will allow you, or your designated Administrators, to provide a funds transfer instruction (an "Order") outside the Online Banking system using agreed upon file format sent via sFTP, each directed to us to instruct us to make wire transfers or other electronic payments out of an authorized Account. Orders are subject to the ACH and Wire terms and conditions outlined in these T&Cs. You agree not to submit duplicate Orders through the DT Service and any other means, and you assume full responsibility for any duplicate Orders sent via multiple methods.

Security

You are responsible for the installation, maintenance and operation of the equipment used to communicate with us for the DT Service. You agree to closely and regularly monitor the activities of employees who access the DT Service and notify us immediately if you have any reason to believe the security or confidentiality of any Client Data may be compromised. Please see the "Internal Security Controls" of these T&Cs for further requirements for your use of the DT Service.

Optional Verification

We may verify the authenticity or content of any Order by placing a call to any authorized signer on your Account or other person you designate for that purpose, but we are not required to do so.

Your Warranties

Each time you submit an Order you warrant that your and our security procedures are commercially reasonable. You agree to be bound by any Order even if it is not authorized by you if it is processed by us in accordance with our usual business procedures. You represent, warrant and covenant to us that you have the right to authorize and permit us to access the Account, and you will maintain the minimum security required by the T&Cs. You agree that any files or Orders transmitted to us shall not contain viruses or any other disabling features that may have an adverse impact on our network, data or related systems. Please see the "Limitation of Liability" section of these T&Cs, which contains important information on your legal liability for failing to follow the requirements of the DT Service.

General Terms

Any Orders types, such as ACH and Wires, are subject to their specific terms set forth in these T&Cs.

Electronic File Services (EFS) / Application Program Interface (API)

This file service allows you or third-party vendors to connect directly to Bank using electronic means in order to retrieve Account information, such as balance and transaction history, sending transaction requests and data queries to Bank, allowing us to take action in near real time.

Format and Content

We may make available to you, our APIs, using standard or customized integrations. We may also make other Communication channels for accessing or using the API Services available. Users of the APIs are required to send us all requests in the agreed upon format provided by Bank. We reserve the right to change the format at any time, and will provide notice to you.

Termination

In addition to the terms of these T&Cs, we reserve the right to terminate your access or use of APIs if such use is in violation of these T&Cs, any other terms applicable to the Services or Applicable Law or if such access/use poses a threat to the security of Bank or any of its Service Providers.

Client ID and Security Credentials

We will provide you with client ID and a security certificate/token ("API Credentials") to permit you to use our APIs, including but not limited to, Open Banking APIs. You are specifically prohibited from selling, transferring, sublicensing, or disclosing API Credentials to any third party. API Credentials may be immediately revoked or terminated by us if you share it with any unauthorized third party or otherwise breaches the API Services Terms and Conditions or these T&Cs. You are responsible and liable for all actions taken using API Credentials. You shall implement any modification, enhancement, improvement, or other changes to our APIs, including any implementation of a new, revised, or updated API, protocol, configuration, infrastructure or other technical requirements, no later than ninety (90) days following the date we provide notice of changes. We are not obligated to continue to provide any of the underlying Services to you in its use of an outdated or older version of the API after such 90-day notification period has expired.

Lockbox

A Lockbox is a collection and processing service, which collects payments from a dedicated postal box for deposit into your designated Account. You can direct your customers in the United States to send payments to the assigned Lockbox address.

Requirements	Lockbox requires you to establish a Business Analyzed Checking Account with us.
Payment Processing	Payment processing consists of commercially reasonable steps to retrieve mail from a post office box assigned by the United States Postal Service for processing using your Lockbox instructions. You agree that we are not responsible for errors or delays beyond our reasonable control, including any errors or delays caused by the United States Postal Service. If you request the acceptance of "All Payees," you agree to indemnify and hold us and our Service Provider harmless from and against any and all claims, actions, liabilities, losses, damages or costs that relate to or arise from processing the payee's items. We may, but need not, keep images of coupons, correspondence and envelopes. Payment activity details along with images are available via the Internet.
Endorsements	You authorize us to endorse all checks processed for deposit similar to the following examples: • Credit to the account of the within-named payee • Payment accepted without prejudice • Absence of endorsement guaranteed • Vendor bank or vendor bank financial services corporation
Processing and Cut-off Times	In general, items collected from the dedicated postal box and delivered to the Lockbox processing site before the cutoff times are processed the same business day. Items delivered after the cutoff time will be processed the following business day. In the event of processing delays from vendors resulting in deliveries being made after their intended time, we will put forth due effort to accommodate but is not responsible for events impacted by delayed deliveries. Processing cutoff times are set by local time for each processing site and will vary client by client based on their specific Lockbox processing requirements. For current information on cutoff times, please contact your Treasury Management Product Specialist.

Zero Balance Account (ZBA)

ZBA allows you to maintain Account balances and pool funds easily and automatically by transferring funds between designated Accounts.

How it Works	Under this ZBA Service, you designate a primary demand deposit Account, called the "Primary Account" and one or more secondary Accounts, called "Secondary Accounts." At the close of each business day, we transfer funds between the Primary Account and the Secondary Accounts to achieve the respective target balances designated by you, provided there are sufficient funds and no Account restriction on the applicable Accounts. You may have funds transferred to an Account when the balance falls below a designated amount, from an Account when the balance exceeds a designated amount, or both.
Primary Account	Each ZBA relationship will consist of a single Primary Account maintained at Bank in the name and tax identification number of a client, and one or more Secondary Accounts maintained at Bank. The Secondary Account may be owned by the owner of the Primary Account or by one of its affiliates or subsidiaries. Each Secondary Account owner hereby grants the Primary Account owner the unconditional and irrevocable authority to link such Secondary Account to the Primary Account pursuant to the ZBA Service. Only the Primary Account owner, on behalf of itself, or of the Secondary Account owner, may modify the ZBA Service. You agree that we are not acting as a fiduciary with respect to funds in either the Primary Account or in any Secondary Account. We may permit one or more ZBA account relationships between the Accounts, or one or more clients. If the Primary Account and any related Secondary Account are under different ownership, there must be a single like Authorized Signer.
Set Off	If there is an overdraft, return or loss against any of the linked Accounts in the ZBA relationship, we may exercise our right of set off, without notice, against any of the Accounts.
Representations and Warranties	You hereby represent and warrant to Bank that: • The transfer of funds described herein, and the commingling of funds resulting therefrom, has been duly authorized by you and does not violate any law or regulation applicable to you or any associated company or to the Accounts; • Each Secondary Account owner, if not the owner of the Primary Account, is an affiliate or subsidiary of the Primary Account owner, unless Bank has expressly agreed otherwise; • Transfers under the ZBA Service are not made for the purpose of concealing assets or defrauding any other Account owner or third party;

Zero Balance Account (ZBA) Continued

Representations and Warranties continued

- Each Account owner is solvent on the date of any funds transfer under the ZBA Service and such transfer would not render you insolvent;
- You are currently not involved in any insolvency, receivership or bankruptcy proceedings or any other proceeding for settlement of your debts or an assignment for the benefit of creditors.

You agree to notify us in writing promptly upon becoming aware that the representations and warranties above have become untrue in any respect or are likely to become untrue in the future. We, in providing the ZBA Service, are acting and relying upon the foregoing representations and warranties, and you agree that our reliance and actions taken based on the foregoing representations and warranties is justified and does not constitute negligence or willful misconduct.

Other Account Services

These services are provided any time by contacting us at the phone or email above.

Other Services

We offer other fee-based services, such as but not limited to:

- Account research you ask us to perform;
- copies of research;
- additional statement copies;
- cashier's check(s);
- courier service.

For more information on these services and the fees, please contact us during our normal business hours, or see the Business Fee Schedule.

General Terms and Conditions

Changes to T&Cs

We may add to, delete or change (each an “Amendment”) the provisions of these T&Cs from time to time and may send you notification of the Amendment(s). We will provide notice to you of Amendments to these T&Cs that would result in increased fees or charges. Your continued reliance on these T&Cs and use of the Services following any Amendment constitutes consent to be bound by the Amendment and the revised T&C and Services. These T&Cs supersede any prior or contemporaneous oral or written agreements or understandings regarding the Services. When you sign an application or use your Account, including any products or services, you and anyone else identified as an owner, agent, or authorized signer on your Account, consent to the terms of these T&Cs. You are responsible for ensuring that any user, authorized signer or agent is familiar with these T&Cs. If you keep your Account open after we change these T&Cs or modify a fee, you agree to the changes.

Assignment

You may not assign any right or delegate any obligation under these T&Cs to third parties without our prior written consent, which may be withheld. We may assign or delegate these T&Cs or certain rights and responsibilities under these T&Cs to third parties, including independent contractors or third parties that assist us in providing the Services, at any time without any notice to you. These T&Cs shall be binding on the parties and their respective successors and permitted assigns.

Business Days

Our business days are Monday through Friday, excluding holidays. As used in these T&Cs, "day" or "days" refers to calendar days unless otherwise expressly stated in each instance.

Service Providers

Our ability to provide certain Services is dependent upon access to third-party vendors and networks (“Service Providers”). You understand and agree that any of the Services, Equipment and/or Software may be provided directly by us or through one or more third-party suppliers or providers. We may add, delete or change Service Providers in our sole discretion, and may provide or make available to Service Providers your personal information, credentials, Password and/or User ID for the purpose of providing the Services.

Severability and Governing Law

These T&Cs shall be governed by and construed in accordance with applicable federal law and, to the extent not preempted by federal law, the laws of the State of California, without regard to its conflict of law provisions. If any provision of these T&Cs is held to be invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable in full force and effect.

General Terms and Conditions Continued

Termination	Either party, upon thirty (30) days' prior written notice to the other, may terminate any Service with or without cause. We may modify or discontinue the Services or your access to the Services, with or without notice, without liability to Bank, any other user or any third party, at any time and without reason, including, if we have reason to believe or suspect that you have engaged in conduct or activities that violate any these T&Cs, our rights, or the rights of any Service Providers. If we terminate any product or service, we are not required to provide you with a reason for termination. The termination of a product or service will not affect the rights or obligations of you or us that arise prior to termination. Services that have been enabled but become inactive, may be terminated after thirty (30) days' consecutive inactivity. Upon termination, all Services and any Software Licenses shall automatically terminate. In the event a Service has been terminated, you must re-apply to use the Service. In addition, if we terminate any Service for any reason, we reserve the right to decline future Services. Upon termination, you may be obligated to pay for Services still in process that complete after a closure date you may specify. Billing may occur through the end of the month and will not be pro-rated.
Waiver	Any waiver by us of any element of these T&Cs must be in writing. Our waiver of any right will not be deemed a waiver of other rights or of the same right at another time.
Accounts	All references to an Account include business deposit accounts currently open, and accounts you establish in the future, at the Bank for which you have unrestricted right of withdrawal and deposit, unless a Business Deposit Account Agreement dictates otherwise (each, an "Account"). You may need to designate Accounts for specific purposes in connection with some of the Services. Your Service application or enrollment form may list the Accounts you may access with the Services. If Accounts include the accounts of your parent company, subsidiaries, affiliates or any third party, you warrant that they have authorized you to access their Accounts through the Services in the same manner as your own Accounts and that your use of the Services and of any funds in the Account is not limited by law, regulation or any agreement with them, and you have the required authorization for such use. You will provide us with their written authorization upon request and you will notify us immediately in writing of any change to that authorization.
Errors or Discrepancies	Information related to your Services will be reflected in your periodic statements, and available using your Online Banking. You must examine all online profiles, notices and statements sent or made available to you regarding the Account. For any discrepancies, please refer to the "**Your Obligations**" section of the Business Deposit Account Agreement for reporting guidelines and timelines. Any service errors or discrepancies must be reported to us no later than the designated timeline and failure to notify us within that time means you will not hold Bank liable for any errors and subsequent fees/charges that occur.
Fees and Charges	You authorize us to deduct the applicable fees and charges for your use of the Services from your Account. The applicable fees and charges are set forth in the Business Fee Schedule, which may be revised from time to time. The fees and charges we impose will be reflected in your periodic Business Account Statement or Business Account Analysis Statement. You agree to reimburse us for any actual expenses, penalties, fines, charges, taxes, tariffs and assessments levied or imposed on us or that we incur to effect or revoke a transaction under these T&Cs or any Rule.
Funds Availability	Generally, we will make funds accepted through the Services available according to our current Funds Availability policy, which is stated in the Business Deposit Account Agreement. Based on special approvals, a different funds availability schedule may apply. We may at any time adjust our Funds Availability policy, at our sole discretion, with advance notice to you as required by applicable law or regulation. Lack of funds in the Account, equipment and systems problems, or other interruptions and delays may affect funds availability. All credits to the Account are provisional until funds are collected for final credit, even if we make those funds available to you earlier. **Please consult the Business Deposit Account Agreement for information regarding funds availability in the "Electronic Funds Transfers" section.**
Information Processing and Reporting	Our sole responsibility for any reporting or transaction errors caused by us will be to reprocess the information or transaction for the period in question and to provide corrected reports at our own expense. You agree to maintain backup files of the data you submit for a reasonable period of time in order to facilitate any needed reconstruction of your transactions. Unless a different period is provided, you will retain for ten (10) business days and provide to us, upon request, all information necessary to remake or reconstruct any transaction, transmission, file or entry. If we are unable to provide a Service for any reason, we will promptly inform you of the problem and will take commercially reasonable steps to resume processing as quickly as we can.

General Terms and Conditions Continued

Information Processing and Reporting continued

Transaction Records — We may, at our sole discretion, make available to your information, transactions and related records used by us in connection with the Services upon request. You will pay all expenses we incur in connection with any such request.

Arbitration Agreement

Except as expressly provided below, any claim, dispute, or controversy between you and Bank arising out of or relating to your Account and/or this Agreement (each, a "Dispute"), whether based in contract, tort, statute, regulation, common law, or equity, shall be resolved by final and binding arbitration, rather than in court. This Arbitration Agreement evidences a transaction involving interstate commerce and shall be governed by and enforced under the Federal Arbitration Act (9 U.S.C. §§ 1–16) (the "FAA"). To the extent California law is not preempted by the FAA, California law shall apply. The arbitration shall be administered by JAMS under its Comprehensive Arbitration Rules & Procedures then in effect, as modified by this Arbitration Agreement. The arbitration shall be conducted before a single neutral arbitrator who is a retired judge with experience in commercial banking or financial services matters. The arbitrator shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this Arbitration Agreement, except that a court of competent jurisdiction shall determine the enforceability of the class action waiver below. Unless the parties agree otherwise, the arbitration shall be conducted in Santa Clara County, California. Discovery shall be limited to that which the arbitrator determines is reasonable and proportional to the needs of the dispute.

Nothing in this Arbitration Agreement limits, delays, waives, or otherwise restricts the Bank's rights of setoff or security interest, including the Bank's right, without prior notice and without judicial action, to: (1) exercise any right of setoff against any Account; (2) place holds or freezes on funds; (3) apply funds to satisfy any Obligation; or (4) enforce any consensual or statutory security interest granted under this Agreement or any other Banking Agreement. Such actions shall not constitute a waiver of the obligation to arbitrate any Dispute and shall not be subject to arbitration. Bank may exercise all self-help remedies permitted by law, including setoff, account suspension, or application of collateral, without first commencing arbitration or obtaining an arbitral award. Any dispute regarding the propriety or amount of such actions shall be resolved through arbitration as provided herein.

Notwithstanding the foregoing, and subject to the jurisdiction section below, either party may seek temporary, preliminary, or injunctive relief in court to preserve rights or property, enforce setoff or security interests, prevent dissipation of funds, or maintain the status quo pending arbitration. Seeking such relief shall not waive the obligation to arbitrate the underlying Dispute.

The arbitrator may award any relief available in an individual action at law or in equity, subject to the limitations of liability, indemnification provisions, and exclusions of damages set forth in this Agreement. Each party shall bear its own attorneys' fees and costs, except as otherwise required by applicable law or expressly provided in this Agreement. Arbitration fees shall be allocated in accordance with JAMS Rules, subject to reallocation where permitted by law.

Class Action Waiver

YOU AND WE EACH AGREE THAT ANY DISPUTE SHALL BE RESOLVED ONLY ON AN INDIVIDUAL BASIS. Neither party may bring or participate in any class, collective, consolidated, private attorney general, or representative action in arbitration or in court to the fullest extent permitted by applicable law. The arbitrator shall have no authority to conduct class or representative proceedings or to award relief to anyone other than the individual party. Notwithstanding the foregoing, the parties retain the right to participate in a class-wide settlement.

Jury Trial Waiver

BY AGREEING TO ARBITRATION, YOU AND BANK EACH WAIVE THE RIGHT TO A TRIAL BY JURY, EXCEPT AS EXPRESSLY PROVIDED HEREIN. The Arbitration Agreement shall survive the closing of any Account, the exercise of setoff or security interest rights, and the termination of the parties' relationship. If any provision of the parties' Arbitration Agreement is held unenforceable, that provision shall be severed and the remainder shall remain in full force and effect; provided, however, that if the class action waiver above is found unenforceable, the Arbitration Agreement shall be null and void in its entirety for purposes of any class action.

Exclusive California Forum; Consent to Jurisdiction

To the fullest extent permitted by applicable law and subject to the Arbitration Agreement above, any claim, dispute, or proceeding arising out of or relating to this Agreement that is filed in court (including, without limitation, any action to compel arbitration, to enforce or confirm an arbitration award, or to obtain temporary, preliminary, or injunctive relief) shall be brought exclusively (a) in the state courts of the State of California located in Santa Clara County, California, or (b) if federal jurisdiction exists, in the United States District Court for the Northern District of California. Each party irrevocably submits to the exclusive jurisdiction of such courts and waives any objection based on lack of personal jurisdiction, improper venue, or forum non conveniens.

Limits on Services

Processing Deadlines

Some Services are subject to processing deadlines or cutoff hours. Depending on the specific Service, instructions received before the cutoff time on a business day will be reviewed and processed on the same business day. Instructions received after the cutoff time or on a non-business day may be deemed received as of the next business day. Please see "**Appendix A – Processing and Cutoff Timetable**" to see cutoff times listed for each Service.

Proper Use of Service

You may not use the Services for illegal purposes or the transmission of material that is unlawful, harassing, libelous (untrue and damaging to others), invasive of another's privacy, abusive, threatening or obscene or that infringes on the rights of others. If you receive information about another individual or entity through the Services, you agree to keep such information confidential and only use it in connection with the Services. Restricted transactions, as defined by the Unlawful Internet Gambling Enforcement Act of 2006 and Federal Reserve Board Regulation GG, are prohibited from being processed through any Account. You have observed and will continue to observe all laws and regulations that apply to your Accounts and the use of the Services. We may reject or refuse to process any transaction that we, in our sole discretion, determine to be illegal or improper. Unless you have our prior written consent, you may not use the Services to process transactions for third parties or permit unauthorized persons to initiate transactions on your behalf. This includes any persons using the Services who were previously authorized by you, but whose authorization you have revoked. You are responsible for their transactions until we receive your notice of the revocation. You may find additional information on Regulation GG in our Business Deposit Agreement.

Refusal of Transactions

At our sole discretion, we may refuse any transaction with or without cause or prior notice. We are not liable for any damages which result from such refusal. We may notify you orally, electronically or in writing if we refuse any transaction by no later than two business days after the date the transaction was to be affected. We are not required to pay you interest on a refused transaction for any period of time.

Service Availability

We seek to minimize interruptions in the Services, but from time to time the Services may be unavailable due to scheduled maintenance, unforeseen circumstances beyond our control, or other reasons. We do not guarantee uninterrupted use of the Services at all times. You should use alternate methods for effecting transactions generally conducted via the Services during interruptions of service. We will not be liable for damages arising from interrupted service. Please see the Business Deposit Account Agreement for Service Availability restrictions related to force majeure.

Service Provided As Is / Warranties

The use of the Services is at your sole risk. We make no warranties regarding the Services, which are provided on an "as is" and "as available" basis. We expressly disclaim all warranties of every kind, including that:

- the Services will meet your requirements;
- the Services will be uninterrupted, timely, secure, error-free or virus-free;
- the information, material, products or results that may be obtained from the Services will be complete, accurate, reliable or otherwise meet your requirements or expectations; and
- any errors in the Services, the software or the hardware will be corrected.

Transaction Limits and Review

You agree not to exceed the transaction limits established from time to time for your Account or the Services. You will not allow anyone to initiate transactions on your behalf without proper supervision and adequate safeguards. You will review pending instructions prior to their submission to ensure that they are complete, accurate and properly authorized. You will implement suggested security precautions. Please read our full set of Banking Agreements, including the Business Deposit Account Agreement, and in particular the "Protecting Your Accounts" section thereof; more security information can be found in this document the section "Your Internal Security." As discussed in the "Protecting Your Accounts" section of the Business Deposit Account Agreement, fraud including without limitation theft of mailed checks and internal defalcations is increasing, and you have significant responsibilities to adopt and implement effective policies and procedures to reduce fraud.

Internal Security Controls

Your Internal Security

You will establish, maintain and update commercially reasonable policies, procedures, equipment and software ("Internal Security Controls") that will safeguard the security and integrity of your computer systems and information from unauthorized use, intrusion, takeover or theft, and prevent your Password from unauthorized discovery or use (collectively "Internal Security Breaches"). You bear all risk of fraudulent transfers and other losses arising from Internal Security Breaches or from the interception of your communications prior to their receipt by us (collectively "Internal Security Losses").

Internal Security Controls Continued

Your Internal Security continued

We will not reimburse you in connection with Internal Security Losses. You agree that we are authorized to execute, and it is commercially reasonable for us to execute, any instruction received by us with your Password. You are encouraged to consider purchasing insurance to cover Internal Security Losses. To protect your system from Internal Security Breaches, your Internal Security Controls should include at a minimum and without limitation:

- Imposing limits and controls on who has access to your computer systems;
- Setting a password, passcode or PIN to access any computer or mobile device used to access our Digital Banking Services or other systems;
- Protecting and frequently changing your Password;
- Adopting dual authorization and/or transaction-based authentication procedures for financial transfers;
- Employing up-to-date security software such as antivirus, antimalware and antispyware programs, as well as up-to-date software patches for all your software programs, Internet browsers, email programs, and the like;
- Downloading mobile applications only from reputable sources;
- Keeping your mobile operating system and mobile applications up-to-date;
- Using commercially reasonable and up-to-date firewalls;
- Establishing procedures to avoid infection by malicious software such as controlling what websites are visited by your computers; controlling the connection of other devices (e.g., flash drives) to your computers; controlling what documents, email attachments, programs and other files are opened or installed on your computers; and limiting which of your computers are used for the Service;
- Prohibiting your authorized Users from leaving a computer or mobile device unattended while connected to our system, or from communicating or accessing sensitive information from unsecure locations (e.g., terminals at Internet cafes and airports);
- Providing appropriate training and monitoring of your authorized Users, including without limitation by phishing simulations, to ensure Users are aware of the risks of fraud including in particular providing credentials to scammers through phishing;
- Allowing the Digital Banking Services or systems to be accessed only from a secure location when using a desktop computer or laptop device;
- Exercising commercially reasonably judgment to protect information and transactions when accessing Services from a mobile device; Adopting such other recommendations that we may make from time to time to help ensure your safe use of the Digital Banking Services or systems;
- Utilizing our fraud prevention products, such as Positive Pay; and
- Reconciling of all Accounts daily, and immediately reporting any discrepancies.

This is not a complete list of the Internal Security Controls that you may need. You are solely responsible for determining and implementing all of the Internal Security Controls necessary to prevent Internal Security Breaches and Internal Security Losses. We do not guarantee that any or all of the above recommendations will prevent or minimize Internal Security Losses.

You remain at all times solely responsible for your Internal Security Controls, Internal Security Breaches and Internal Security Losses. Although we may employ various systems and procedures from time to time to prevent losses to us, we assume no obligation to you or third parties for Internal Security Losses, provided that we have acted in accordance with these T&Cs and/or instructions that are accompanied with your Password.

License to the Service

Subject to your compliance with these T&Cs, we hereby grant you during the term a nonexclusive, nontransferable, revocable, limited license (without a right of sublicense) to connect to and use Digital Banking Services, including any User Guide and related documentation and materials that we provide to you under these T&Cs, solely for the purposes described in these T&Cs. As between you and us, subject to the limited license provided, we own all right, title and interest in and to the Services.

Safeguards

Audit

You agree to cooperate with any audit we undertake to confirm your compliance with these T&Cs or the Rules, and will permit us to conduct an on-site visit of your physical premises, if required.

Cooperation in Investigations

You agree to cooperate in any fraud investigation and to use any fraud prevention measures we prescribe. Failure to cooperate may result in your liability for all fraudulent activities.

Financial Information

We may obtain credit reports or other information about you and any authorized signers of the Account. At our request, you shall provide us any financial information that we request.

Safeguards Continued

Liability of Service Providers

We provide the Services through one or more Service Providers that we have engaged to render some or all of the Services to you on our behalf. You agree that Service Providers are third-party beneficiaries of these T&Cs. We have engaged the Service Providers to provide some or all of the Services to you; however, such Service Providers are not liable to you under these T&Cs. You agree that the Service Providers shall not be responsible for any claim, loss, damage (including property), or bodily injury or death sustained as a result of the use, operation, installation or maintenance of the Services, whether caused by us, the Service Providers or third parties, except as specifically provided in these T&Cs or where the law requires a different standard.

Limitation of Liability

Except as otherwise stated in these T&Cs, and the Business Deposit Agreement, we will be liable to you only for damages arising directly from our willful misconduct or gross negligence in the performance of the Services. We will not be responsible for any loss, delay, cost or liability to the extent that it arises, directly or indirectly, in whole or in part, from:

- your actions or omissions, or those of third parties which are not within our immediate and reasonable control (including, but not limited to, any Security Breaches or the interception, corruption and/or modification of instructions that you send to us);
- your negligence or breach of any T&Cs with us;
- any ambiguity, inaccuracy or omission in any instruction or information provided to us;
- any error, failure or delay in the transmission or delivery of data, records or items due to a breakdown or transmission error in any computer or communications facility;
- accidents, strikes, labor disputes, blackouts, civil unrest, fire, flood, water damage (e.g., from fire suppression systems), pandemics, or acts of God;
- causes beyond our reasonable control;
- the application of any government or funds-transfer system rule, guideline, policy or regulation;
- the lack of available funds in your Account to complete a transaction;
- our inability to confirm to our satisfaction the authority of any person to act on your behalf;
- your failure to follow our Service instructions; or
- unauthorized transactions made using your security credentials before we are notified of possible unauthorized use.

There may be other exceptions to our liability, as stated in your Account or other Service agreements with us. We will not be responsible under any circumstances for special, indirect, or consequential damages which you incur as a result of our actions or omissions, even if we are aware of the possibility for such damages. Except as otherwise required by law, our liability and your remedy for actual costs and losses resulting from our failure to transmit funds in the correct amount or to the correct payee listed in your instructions shall not exceed the direct money damages that you incur as a result of the failure (e.g., the amount of a payment that is sent to the wrong party, or the amount by which a transfer exceeds the amount you authorized, plus interest as permitted by law). In all other cases, our liability and your remedy for actual costs and losses resulting from our actions and/or omissions, whether the claim is in contract or tort, will not exceed the lesser of:

- six (6) times the average monthly charge for the Service(s) in question for the three (3) months immediately preceding the cost or loss; or

$25,000.Any claim, action or proceeding by you to enforce the terms of these T&Cs or to recover for any Services-related loss must be commenced within one (1) year from the date that the event giving rise to the claim, action or proceeding first occurs. You agree to cooperate with us in any loss recovery efforts we undertake to reduce any loss or liability that arises in connection with your Services and to assign to us any right you have to recover losses for which we have reimbursed you. You acknowledge that our Service fees have been established in contemplation of:

- these limitations on our liability;
- your agreement to review statements, confirmations and notices promptly and to notify us immediately of any discrepancies or problems; and
- your agreement to assist us in any loss recovery effort.

Links to Third-Party Websites

Links to third-party websites may be provided on the Services for your convenience. By providing such links, we are not endorsing, sponsoring or recommending such websites or the materials disseminated by or services provided by such websites, and we are not responsible for the materials, services or other situations at or related to any such website. We make no representations or warranties concerning the content of third-party websites accessible through the Services. Consequently, we are not responsible for the accuracy, relevancy, copyright compliance, legality or decency of material contained on third-party websites listed in any search results or otherwise linked to the Services.

Safeguards Continued

Our Monitoring and Recordkeeping

You agree on behalf of yourself, your employees and agents that we may monitor and record your telephone and electronic communications with us in connection with the Services at any time. In accordance with applicable laws, we may monitor or record telephone conversations and electronic communications for quality control and fraud prevention purposes.

Indemnity

Without limiting and in addition to any other provisions in these T&C pursuant to which you agree to indemnify us, you agree to indemnify, defend, and hold Bank, its officers, directors, shareholders, agents, employees, and affiliates, and their respective officers, directors, agents and employees, harmless from and against all damages, losses, costs, and expenses (including reasonable attorneys' fees and costs of investigation) arising from or in any manner related to any Service, whether or not that Service is mentioned in these T&Cs. This includes all products and services active or inactive today, and for any reason related to:

- the Banking Agreements;
- taking any other actions under these T&Cs or in respect of any transaction contemplated thereby;
- any transaction, inquiry or activity initiated using Security Procedures, whether or not the person initiating such transaction, inquiry or activity is an Agent or other authorized representative of the Client;
- a breach by the you or any of your Agents, representatives or employees, of any of the Client's covenants, agreements, responsibilities, representations or warranties under these T&Cs.

Without limiting or diminishing any other obligations of Client to Bank described in this section, you also agree to fully cooperate with and assist us in any efforts on the part of Bank to recover from any third party or parties any losses incurred by us as a result of the execution of any Service transaction or activity. In addition to our indemnity rights as set forth in the Banking Agreements, you agree to indemnify and hold us harmless from other liabilities, damages or losses incurred by us, resulting from any use of any products and services. You further covenant with Bank that you will not sue us in connection with any disputes between you and any associated company in connection with products and services.

Appendix A – Processing and Cutoff Timetable

Service	PT Cut-Off Time* (Business Days**)	ET Cut-Off Time* (Business Days**)	Notes
Automated Clearing House (ACH)	6:00am PT 9:00am PT 10:00am PT	9:00am ET Noon ET 1:00pm ET	First Same Day settlement Second Same Day settlement Last Same Day settlement
	4:30pm PT	7:30pm ET	Next banking day settlement
Positive Pay (ACH and Check)	11:00am PT	2:00pm ET	Positive Pay Exception Decision to return or pay
Wire Transfer Services	2:30pm PT	5:30pm ET	Domestic Wire Same Day settlement Foreign Wire – dependent settlement Country
Sweeps	5:00pm PT	8:00pm ET	Same day processing
Over the Counter Deposit	5:00pm PT	8:00pm ET	Same day deposit
Remote Deposit Capture (RDC)	6:00pm PT	9:00pm ET	Same day deposit
Mobile Deposit	4:00pm PT	7:00pm ET	Same day deposit
Bill Payment	1:00pm PT	4:00pm ET	Same day processing
Internal Transfers	5:00pm PT	8:00pm ET	Immediate internal transfer. Internal transfers initiated and approved after 5:00p.m. PT or on a non-business day will be reflected in ledger balance the next Business Day; available balance will be same day.
External Transfers	4:30pm PT	7:30pm ET	External transfers initiated and approved after 4:30p.m. PT or on a non-business day will be reflected in ledger balance the next Business Day; available balance will be same day.
Insured Cash Sweeps Transfers (ICS)	11:00am PT	2:00pm ET	For manual transfers only
Client Service	5:00pm PT	8:00pm ET	Client Services is Monday through Friday 8:00am to 5:00pm Excludes weekends and holidays

*Description of cutoff times is for convenience only. Actual cutoff times are subject to change at any time without notice.
**Business Day, when referring to Avidbank, means any day of the week that is not a Saturday, Sunday or bank holiday. Non-Business Days are considered part of the next Business Day.