



PBnet Personal Online Banking Electronic Services Agreement

PREFERRED BANK

This PBnet Personal Online Banking Electronic Services Agreement (“Agreement”) will be effective as of the first day we make the Services accessible to you. Unless otherwise stated, any reference to the Agreement shall include applicable schedules, enrollment forms, and exhibits to the same, as well as applicable user guides, user manuals, set-up forms and other user materials, including online terms and information.

This Agreement includes disclosures applicable to consumer accounts as provided under the Electronic Fund Transfer Act (EFTA) and its implementing Regulation E. Read this document carefully and retain a copy for your records. This Agreement is not intended for use by commercial account holders and any regulatory consumer protections provided to consumer accounts will not apply to commercial accounts under this Agreement.

This agreement is in addition to other agreements between Preferred Bank and you, including but not limited to (as applicable), your checking, savings, and other deposit account agreements, as may be modified from time to time. If there is a conflict between the terms and conditions of this Agreement and those contained in the other agreements between you and us, this Agreement will control.

Available Services

With the Services you can, subject to system limitations:

- Obtain limited Account information;
- Transfer funds between linked Accounts, excluding certificates of deposit (“Book Transfers”);
- Initiate check stop-payment instructions;
- Order checks;
- Download (or “export”) Account information for transfer to specified financial software programs and/or spreadsheets. (Note: we are not responsible for the accuracy of data or for its integration with financial software.); and
- Within the “Payment Services” Feature: Initiate bill payments (“Bill Payments”), set up online receipt of electronic bills (“eBills”), and send and receive funds to and from third parties using Popmoney® (“Popmoney Service”).

We may require you to enter a separate addendum to this Agreement in order to enable some of these services. Services performed during nightly processing may not succeed when applied to your actual balance at the end of the nightly processing.



PBnet Personal Online Banking Electronic Services Agreement

Cut-off Hours

A Communication received by us after the cut-off time on a business day, or on a day that is not a business day, may be treated by us as if it were received on the next business day. At our option, however, we may treat it as received the same day as the day of receipt. There can be a delay between the time when you send a Communication to us and the time we receive it. Our current cut-off hours are as follows:

- Book Transfers: 5:00 p.m.
- Check Stop Payments: 5:00 p.m.

General Terms

Definitions. In this Agreement, defined terms have the meaning given to them. In addition:

- An “account” means any deposit account you maintain with us and can include all accounts and products you use with us. Your “Account” refers to the account(s) you have designated as the account accessible to the Services.
- Your “available balance,” “available funds” and similar words mean the balance in your Account as determined under our funds availability policy.
- “Communication(s)” means instructions and actions from you (or attributable to you under this Agreement or otherwise) received by us through the Services.
- A “commercial account” shall mean an account that is not established primarily for personal, family or household purposes, or is otherwise not a “consumer account” under the EFTA.
- A “consumer account” shall mean an account that is established primarily for personal, family or household purposes and is subject to the EFTA as a “consumer account.”
- Your “Security Codes” are the credentials (such as codes and passwords) that are associated with you and used by us to verify the authenticity of Communications from you. Security Codes are used to access Accounts and to use the Services. The Security Codes include any supplemental or alternative method used to verify the authenticity of Communications that may be offered or presented to you by us from time to time.
- The “Service(s)” are the online banking interface and the banking services described in this Agreement.
- The word “includes” means “including but not limited to” the examples given.
- The word “may,” when used in reference to us, means at our option and sole discretion. Action (or inaction) that we “may” take is authorized by you and allowed to us, but is not required. You agree that we will not be liable for any action taken or any failure to act when action or inaction is at our discretion.
- The words “we,” “us,” “our,” “Bank” and similar terms are used to refer to Preferred Bank.
- The words “you,” “your,” and similar terms are used to refer to the person entering into this Agreement and to the each person who is an owner of or has an interest in an Account together with the owner’s authorized representatives.
- All references to time in this Agreement shall refer to Pacific Standard Time.



PBnet Personal Online Banking Electronic Services Agreement

Agreement. Subject to our approval and to any limits we impose, you may designate Accounts for access through our Internet banking website and for the Services. We may act on requests for information, or requests to facilitate any Service requested on or associated with an Account, from any Account owner (including joint owners) or their authorized representatives. You agree not to resell or offer a Service to another, or to process any transactions for others using a Service. You certify that you are at least 18 years or older. You authorize us to obtain information about you from others (including credit reporting agencies) as part of our review of your enrollment application and from time to time thereafter. You agree to provide us with information as we request, from time to time.

Eligible Accounts. Only Accounts designated by you will be made accessible to you via the Services, and Accounts will only be made accessible after we have received a request from you to make the Account(s) available. The request must be made using our Enrollment Application. If you wish to add a new Account to, or remove an existing Account from, Service access, you must modify your Enrollment Application. We are not, however, obligated to establish access to any or all of your Accounts, and not all Services may be available with all Accounts. Some Services may not be available without special application to and approval by us, or may be limited to specific types of Accounts.

Eligible Accounts include the following types: checking, money market, savings, and time deposits. In some cases, we may allow loans and lines of credit to be linked, in which case you agree that the relevant loan agreement, note or other document is modified to the extent necessary to allow the transfers or other Services that may be utilized. Certificates of deposit are time deposits where early withdrawals may result. No online transactional activity is allowed on certificates of deposit, which are view only. Accessibility to Accounts may vary based on the Service(s) you use.

Sufficient Funds. You must have sufficient available funds in your Account to cover the amount of any transaction that would be charged to your Account. Subject to limitations set out in this Agreement, you can request payments up to the amount of available funds or available credit in your Account (if any). We may hold (or “freeze”) funds at any time after you have initiated a Service for any reason, including as a means of reducing risks that there will be insufficient funds for completing the Service. If we do hold funds, we may treat the held funds as not available for other purposes, and reject other transactions (for example, checks or other transfer instructions). We may allow overdrafts/overlimits or negative balances, but we also may discontinue the practice at any time with or without prior notice to you. If you do not have sufficient or available funds or credit, you may be charged an overdraft or other fee (such as fees for returned checks or other electronic items). Nothing in this Agreement, or any course of dealing between us, shall be construed as our commitment or obligation to lend you money.

WAIVER OF ACCESS RESTRICTIONS: Your Accounts may be subject to access restrictions when you conduct transactions in person or when you are using systems other than with a Service. If access restrictions exist, they do not apply to your use of the Services. We may limit



PBnet Personal Online Banking Electronic Services Agreement

or deny Services to you if there are access restrictions. Conversely, we may process your transactions based on Communications without regard to or any need to comply with access restrictions otherwise applicable to your Accounts.

Compliance with Laws and Rules. You agree to comply with all state and federal laws, rules, and regulations applicable to you and to your use of the Services (the “Laws”), including the operating rules of all systems used to provide Services to you (the “Rules”), and to provide evidence reasonably satisfactory to us of the same if requested by us. You agree not to use the Service for any illegal purpose, including but not limited to illegal Internet gambling. Without limitation, you agree and acknowledge that the Services may not be used by you in violation of the laws of the United States, including sanction laws administered by the Office of Foreign Asset Controls. You acknowledge and agree that the software you use to access Services may be subject to restrictions and controls imposed by the Export Administration Act and the Export Administration Regulations. You agree and certify that neither the software nor any direct product thereof is being or will be used by you for any purpose prohibited by these Acts.

Additionally, each Account and the Services will be subject to and governed by the following:

- The terms or instructions appearing on a screen when using a Service;
- The account agreement, and our rules, procedures, and policies;
- Applicable provisions of the rules of the National Automated Clearing House Association (NACHA) for bill payments facilitated through the ACH;
- Applicable state and federal laws, rules, and regulations; and
- The rules of other funds transfer systems when used in connection with a Service.

Nothing in this Agreement relieves you of any obligation you may have under the Laws or the Rules, and this Agreement is deemed modified to the extent necessary to allow or require you to comply with the same. You will implement and maintain procedures, including retention of legal or compliance services, to ensure that you are able to comply with all current and future Laws and Rules, including any changes to them. We are not obligated to provide information, updates or notice of or regarding the Laws or the Rules, even if we are aware of the same and of the potential for material impact on you and your use of the Services, and your indemnification and other obligations to us are not relieved or reduced by our not providing the same to you. If we do provide information, updates or notices of or regarding the Laws or the Rules to you, we are not responsible for the accuracy of the same and may discontinue doing so at any time.

Electronic Records and Signatures. When any Service generates items or transactions to be charged to your Account, you agree that we may charge the affected Account without requiring your signature on an item and without prior notice to you. Any transactions resulting from your instructions which we receive in your name and under your credentials shall be deemed to have been “a writing” and authenticated by you “in writing” for purposes of any law in which a writing or written signature is needed or required. All records maintained by us of transactions under your credentials shall be deemed to have been “signed” and to constitute an “original” when printed from records established and maintained by us or our authorized agent in the



PBnet Personal Online Banking Electronic Services Agreement

normal course of business. You agree not to contest the authorization for, or validity or enforceability of, our electronic records and documents, or the admissibility of copies thereof, under any applicable law relating to whether certain agreements, files or records are to be in writing or signed by the party to be bound thereby. Records and “signed” documents, if introduced as evidence on paper in any judicial or other proceedings, will be admissible to the same extent and under the same conditions as other documentary business records. Upon our written request, you agree to manually sign or place your signature on any paper original of any record or “signed” document which we provide to you containing your purported signature.

Transfer Limitations. For certain types of transactions/transfers from a money market or savings account, you are permitted to make no more than six transfers and withdrawals, or combination of them, per calendar month or statement cycle, to another account or to a third party by means of a preauthorized or automatic transfer, or telephonic (including data transmission) agreement, order or instruction, including by check, draft, debit card or similar order by you and payable to third parties. If you exceed these limits, we may impose a fee, close or convert your Account, limit your use of the Services, or any combination of the foregoing.

Computer Equipment and Software to Access the Services

You are responsible for providing and maintaining any equipment that is necessary for the Services, such as telephones, terminals, modems and computers. You agree to use equipment that is compatible with our programs, systems and equipment, which we may change from time to time. We assume no responsibility for the defects or incompatibility of any computers or software that you use in connection with the Services, even if we have previously approved their use. **WE MAKE NO WARRANTY, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR OF MERCHANTABILITY, WITH RESPECT TO THE SERVICES, OR ANY COMPUTER PROGRAMS, EQUIPMENT OR SOFTWARE MADE AVAILABLE TO YOU.** You agree to notify us promptly if any software or equipment we provide to you becomes defective. Our sole responsibility (if any) in such instances will be to repair or replace the defective software or equipment.

To use the Services, you must have a sufficiently powerful computer hardware and appropriate software. At this time, this includes an Internet browser that supports 128-bit encryption. Some Services may require you to download software from our website; in some cases, we may place software on your computer as part of our security and/or verification tools. You agree to maintain the confidentiality of the Security Codes at all times and not to provide access to them to anyone that you do not authorize to access your Accounts through the Services. Encryption of data transmissions does not guarantee privacy. Data transferred via the Services is encrypted in an effort to provide transmission security. Notwithstanding our efforts to insure that the Services are secure, you acknowledge that the Internet is inherently insecure and that all data transfers (including transfer requests and electronic mail) occur openly on the Internet. This means that the data transfers potentially can be monitored and read by others. We cannot and do not warrant



PBnet Personal Online Banking Electronic Services Agreement

that all data transfers utilizing the Services will not be monitored or read by others. You expressly acknowledge that any wireless access to the Services initiated by you may not be secure and, in such cases, you assume the risk associated with unauthorized access to the Service and any information contained therein, resulting from such wireless connectivity.

Privacy and Confidentiality

All information gathered from you in connection with using the Service will be governed by the provisions of our consumer privacy policy, as well as our online privacy policy, which you agree to review by accessing on our homepage.

In addition, we will disclose information to third parties about your account or the transfers you make:

- Where it is necessary for completing transfers;
- In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
- In order to comply with government agency or court orders; or
- If you give us your written permission.

Linking Accounts

If you have more than one Account, you can request that we “link” the relationships together for access through the Services. Your request to link Accounts will be and remain subject to approval by us. You may also be required to enter into supplemental agreements with us. Accounts which are “linked” under the Services must have identical owners and authorized signers. Any signer on any linked Account, acting alone, is authorized by you to access and use Services for any other linked Account, whether or not that person would be authorized to transact on the other linked Account in the absence of this Agreement.

Security Code Credentials

During your enrollment for the Services, you are required to select or will be assigned certain numbers, codes, marks, signs, public keys or other means of authenticating your identity and electronic communications in your name. These may include a customer number, logon name, and password. These credentials, with the other components of your Security Codes, will give access to your Accounts through the Service.

You agree to change all passwords with sufficient frequency so as to protect confidentiality, and in any event no less frequently than every 90 days.

You agree to keep all Security Codes confidential; you agree not to write them down. Passwords should not be easy to guess: for example, your children’s or pet’s names, birth dates, addresses or other easily recognized identification related to you. It is also recommended you do not have your browser automatically remember your password. We may offer to you or require you to



PBnet Personal Online Banking Electronic Services Agreement

use additional authentication tools or methods from time to time. If you choose not to implement supplemental authentication tools, your access to some or all Services may be limited.

Contact In Event of Unauthorized Transfer

If you believe any part of your Security Code, including your password, has been lost or stolen :

Call us at:
(888) 673-1808

or Write us at:
Preferred Bank
601 South Figueroa Street
29th Floor
Los Angeles, CA 90017

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

Email

Email sent to us is not a secure method of communication and we recommend that you do not send information to us by email. Your email messages may be acted upon by us if received in a manner and in a time providing us a reasonable opportunity to act. Nevertheless, unless otherwise provided herein, email messages will not serve as a substitute for any requirement imposed on you to provide us with "written" notice. Emails sent to us are not reviewed by us immediately after they are sent. If immediate attention is required, you must contact us by telephone or in person.

Email or messages sent by us to you will be deemed received by you when sent by us to you at your email address as shown on our records. You agree to notify us (using the Service or otherwise in a form acceptable to us) whenever your email address changes. You agree that information or messages made available to you via the Services will be deemed received by you when first posted on our website or made available to you. You agree to access the Service from time to time, in no event less than monthly, to access this information or the messages.

Check Stop Payment Services

You may request a stop payment on a check issued on your Account(s) by completing the form presented as part of the check stop payment Service and submitting all the required information to us ("Check Stop Payment"). Check Stop Payments must be received by us in sufficient time prior to presentment of the relevant item for payment that we have a reasonable opportunity to act on the request. All Check Stop Payment orders, renewals, and revocations of stop orders will be subject to our current policy on stop payment orders. For significant or material items, contact us by coming to one of our branches or by telephone in addition to using the Services for



PBnet Personal Online Banking Electronic Services Agreement

Check Stop Payment. You are responsible for reviewing all information available to you to determine whether the check has already been paid, including your account statements. Information available online may not include sufficient historical information to verify whether the check has been paid. The lack of payment confirmation does not conclusively represent that the check has not already been paid. In any event, we must receive and process your Check Stop Payment Order in sufficient time prior to presentment of the check so that we have a reasonable opportunity to act on your request. There will be a fee assessed for each Check Stop Payment request whether or not we receive the request in time to place the Check Stop Payment. Refer to the Service Fees and Charges Section of this Agreement for the current fee.

You must give us timely, complete, and accurate information as required by the Service, including the check date, payee, EXACT amount of the check, and the check number. If any information is incomplete or inaccurate, we will not be responsible for failing to stop payment on the check.

You may use the Check Stop Payment Service to stop payment on checks that you have written against your Accounts. If you wish to cancel or amend any other Service transaction, you should use the process applicable to that Service, and you will be subject to any limitations or inability to stop applicable to that Service.

You may not use the Check Stop Payment Service to stop payment on any ACH/EFT transaction, point-of-sale ACH/EFT transfer; any cashier's check, certified check or other official institution check you have purchased from us or any check which we have guaranteed. You understand that your Check Stop Payment request is conditional and will not be effective if we have not had a reasonable opportunity to respond to your request, or that stopping payment may subject us to risk of loss or damages under any law or regulation (including clearing house or other processor rules).

A Check Stop Payment request against a check is effective only against the check that is described in the Check Stop Payment request form; and does not cancel or revoke any authorization for future or recurring ACH/EFT transfers by you or by the same biller or originator. A Check Stop Payment order is effective for six (6) months only and will expire automatically, at which time you are responsible for any renewal desired by you for another six (6) month term.

Security Interest in Accounts

You grant us a security interest in all accounts or other deposits (whether general or special) of yours at the Bank, to secure your obligations to us under this Agreement. This security interest will survive termination of this Agreement. We may hold any funds on deposit with us by you after termination of this Agreement for up to 90 days following the expiration of any return or chargeback rights or, if later, until any other claims to such funds have expired.

Third Parties



PBnet Personal Online Banking Electronic Services Agreement

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

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

Service Fees and Charges

At this time, our fees and charges for the Services under this Agreement are as follows:

Stop Payments (for checks and preauthorized funds transfers): \$25.00 per item

We may impose new fees and charges, or increase or change existing fees and charges. We will provide advance notice of these changes to you if required by law. Other fees may be assessed and billed separately by your Internet and/or telephone service provider. You agree to pay all fees and charges we impose. You authorize us to charge the designated Account and/or any other account you hold with us to cover your fees and charges. You also authorize us to charge you according to our then current fee schedule.

If you do not use this Service for any three-month period, we reserve the right to discontinue your Service without notice to you. To the extent permitted by law, you give us the right to set off any of your money or property which may be in our possession against any amount owed to us under this Agreement. This right of set off does not extend to any Keogh, IRA account, or similar tax-deferred deposit.

Business Days



PBnet Personal Online Banking Electronic Services Agreement

Except to the extent otherwise provided in this Agreement and for the purpose of this Agreement, our business days are Monday through Friday, except federal bank holidays and state holidays that we may observe.

Hours of Operation; Interruption in Services; Changes

You will generally be able to use Services seven days a week, 24 hours a day. However, a Service may not be available due to system maintenance or circumstances beyond our control. Services may be added, cancelled or limited at any time or from time to time, with or without cause or notice (except as required by law).

Harm to Computer Systems/Data

You agree that we will not be liable for viruses, worms, Trojan horses, or other similar harmful components that may enter your computer system by downloading information, software, or other materials from our site. We will not be responsible or liable for any indirect, incidental or consequential damages that may result from such harmful components.

Disclaimer of Warranty

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

Uploaded Content, Linked Sites and Advertisements

From our website, you may be able to access uploaded content provided or operated by third parties. Unless we tell you otherwise in writing, we do not operate or control any such content or any of the information, products or services on such linked websites. You acknowledge and agree that: (i) you access such content and linked sites at your own risk; (ii) we make no representation or warranty, and assume no responsibility for, content on our website and any linked site or the actions or omissions of its/their owners, operators or providers (iii) we make no endorsement of, and assume no responsibility for, content uploaded to our website or goods or services offered on or advertising on or by any other website; (iv) by using other websites and Services, you may be exposed to content that is offensive, indecent or objectionable; and (v) although we may have a contractual or other relationship with the operators of a linked website or the providers of content, we will not be responsible for the content, accuracy, integrity,



PBnet Personal Online Banking Electronic Services Agreement

availability, timeliness or operation of their website or content. You agree to hold us harmless in connection with all of the foregoing.

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

Third Party Content

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

User Communication and Personalization Settings

Our website and Services may permit you to send or receive communications and to store content and personalized settings for various options. We are not responsible for any delay, deletion, alteration, mis-delivery or failure to deliver or store any such communications, content or settings.

Our Intellectual Property

You acknowledge and agree that the software and content used by us in the operation of our website and provision of the Services, and the copyright patent, trademark, trade secret and all other rights in and to the technology, software, content, designs, graphics, and trademarks



PBnet Personal Online Banking Electronic Services Agreement

included by us on our website and as part of the Services and our name and product names and the website's URL (collectively, by the "Intellectual Property"), are owned by us and our licensors. As such, you will not gain any ownership or other right, title or interest in or to such Intellectual Property by reason of this Agreement or otherwise.

You may not distribute, use, reproduce, duplicate, copy, publish, sell or otherwise transfer (i) any portion or element of the Services or the Intellectual Property (ii) use of our website, Services or Intellectual Property, or (iii) access to our website Services or Intellectual Property. Further, you may not (a) create derivative works of any portion or element of our website, Services or Intellectual Property; (b) reverse engineer, modify, decompile or disassemble any of the Intellectual Property; (c) deactivate or disable any password protection or other protection, security or reliability technology we incorporate in our website or the Services; (d) modify or erase any copyright or trademark notice we place at our website; (e) engage in the practice known as "screen-scraping" or otherwise attempt to, or actually, obtain copies of content provided at the site or a list of our content or site users, or use computer programs (sometimes known as "scraper," "spiders," "robots," or "bots") to systematically access and download data; (f) access the Services by any means other than via our website; (g) frame our website or any Intellectual Property; or (h) use any circumvention tools, meta tags or any other "hidden text" utilizing our name, trademark, URL, product name or Intellectual Property. You agree to comply with the terms of any license agreement we make available to you with any software.

User Conduct

You agree not to use the Service or the content or information in any way that would: (a) infringe any third-party copyright, patent, trademark, trade secret or other proprietary rights or rights of publicity or privacy; (b) be fraudulent or involve the sale of counterfeit or stolen items, including, but not limited to, use of the Service to impersonate another person or entity; (c) violate any law, statute, ordinance or regulation (including, but not limited to, those governing export control, consumer protection, unfair competition, anti-discrimination, false advertising or illegal Internet gambling); (d) be false, misleading or inaccurate; (e) create liability for us or our affiliates or service providers, or cause us to lose (in whole or in part) the services of any of our service providers; (f) be defamatory, trade libelous, unlawfully threatening or unlawfully harassing; (g) potentially be perceived as illegal, offensive or objectionable; (h) interfere with or disrupt computer networks connected to the Service; or (i) use the Service in such a manner as to gain unauthorized entry or access to the computer systems of others.

No Commercial Use or Re-Sale

You agree that the Service is only for the personal use of the individuals authorized to access your account information with us. You agree not to make any commercial use of the Service or resell, lease, rent or distribute access to the Service.

Services Not Substitute for Legal, Tax, or Financial Advice or Planning



PBnet Personal Online Banking Electronic Services Agreement

You acknowledge that the Services, Bank, its employees and service providers are not intended to provide legal, tax or financial advice or planning. The Services are merely a tool for use to assist your independent decision-making and have not been designed in contemplation of your specific needs or risk tolerances. Prior to making any financial decisions, communicating or taking any action with respect to information made available using the Services, you represent that you will have obtained appropriate and independent legal and tax advice regarding the same, as you deem appropriate.

Severability

Wherever possible, each provision of this Agreement shall be interpreted in a manner which makes the provision effective and valid under applicable law. If applicable law prohibits or invalidates any part or provision of this Agreement, that particular part or provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Entire Agreement

This Agreement contains the entire agreement between the parties and no statements, promises or inducements made by either party or agent of either party that are not contained in this written Agreement or other documents referenced by this Agreement.

Choice of Law

This Agreement shall be governed by and interpreted in accordance with the laws of the state of California, except where preempted by federal law.

Amendment of this Agreement

We may amend, add to or change this Agreement (including changes in its fees and charges, or Services). We will provide notice of amendments, additions or changes if required by law. Your continued use of the Services will constitute your consent to the amendments, additions or changes.

Waiver

We may waive any term or provision of this Agreement at any time or from time to time, but any such waiver shall not be deemed a waiver of the term or provision in the future.

Assignment



PBnet Personal Online Banking Electronic Services Agreement

We may assign the rights and delegate the duties under this Agreement to a company affiliated with us or to any other party. You may not assign your rights or obligations under this Agreement, and any effort by you to do so is unenforceable at our election.

Termination; Suspension; Delay

We may terminate or suspend this Agreement and any service provided hereunder at any time. We will provide electronic or written notice of termination to you. Except to the extent restricted by law, we reserve the right to terminate or to discontinue support of any Service, or delay or refuse processing any transaction, without written notice. You may terminate this Agreement upon 30 days written notice to us. Termination of this Agreement will not affect any rights we may have, or any obligations you may have, as to any transaction or Services caused or attempted by you before termination.

Preauthorized Payments

Right to Stop Electronic Payment and Procedure For Doing So. If you have told us in advance to make regular electronic payments out of your Account, you can stop any of these payments. Here's how:

You may follow the directions provided in the Services, to stop the payment through the Services, or

Call us at:
(888) 673-1808

or Write us at:
Preferred Bank
601 South Figueroa Street
29th Floor
Los Angeles, CA 90017

in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. We will charge you a fee for each stop payment order you give. Refer to the Service Fees and Charges Section of this Agreement for fee details. A separate process will apply to the extent you wish to initiate check stop payment requests through the Services. Refer to "Check Stop Payment Services," above, for further details.

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



PBnet Personal Online Banking Electronic Services Agreement

Liability for Failure to Stop Payment of Preauthorized Electronic Transfer. If you order us to stop one of these electronic payments 3 business days or more before the transfer is scheduled to be made, and we do not do so, we will be liable for your losses or damages.

Consumer Liability

Tell us AT ONCE if you believe any part of your Security Code, including your password, has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit, as applicable).

If you tell us within 2 business days after you learn of the loss or theft of any part of your Security Code, including your password, you can lose no more than \$50 if someone used your Security Code without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of any part of your Security Code, including your password, and we can prove that we could have stopped someone from using the Security Code without your permission if you had told us, you could lose as much as \$500.

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

Errors and Questions. In case of errors or questions about your electronic transfers,

Call us at:
(888) 673-1808

or Write us at:
Preferred Bank
601 South Figueroa Street
29th Floor
Los Angeles, CA 90017

as soon as you can, if you think your statement is wrong or if you need more information about a transfer listed on the statement. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the problem or error appeared.

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



PBnet Personal Online Banking Electronic Services Agreement

If you tell us orally, we may require you to send us the complaint or question in writing within 10 business days. We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If more time is needed, however, we may take up to 45 days to investigate a complaint or question. If we decide to do this, we will credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may request copies of the documents that were used in the investigation.

Electronic Check Conversion

You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to: (i) pay for purchases; and (ii) pay bills.

Financial Institution's Liability

If we do not complete a transfer to or from your account on time or in the correct amount according to our Agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, you do not have enough money in your account to make the transfer;
- The transfer would go over the credit limit on your overdraft line (if applicable);
- Circumstances beyond our control (e.g., fire, flood, power outage, equipment or technical failure or breakdown) prevent the transfer, despite reasonable precautions that we have taken;
- The computer or related system was not working properly and you knew about the breakdown when you started the transfer; and
- Your funds are subject to legal process or other encumbrances restricting the transfer.

There may be other exceptions stated in this Agreement and in other agreements with you.

Preauthorized Credits

If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (888) 673-1808 to find out whether or not the deposit has been made.



PBnet Personal Online Banking Electronic Services Agreement

Documentation

You will get a monthly account statement (unless there are no transfers in a particular month). In any case, you will get the statement at least quarterly.