

CASHMERE VALLEY BANK

ELECTRONIC BANKING AGREEMENT AND DISCLOSURE STATEMENT

In this Electronic Banking Agreement and Disclosure, "Agreement", "you", "your", and "yours" refers to each person that will be using Electronic Banking Services. "We", "us", "ours", and "Bank" refers to Cashmere Valley Bank. "ODP" refers to Overdraft Protection lines. "Electronic Banking Services" refers to Online Banking, Online Cash Management, Bill Payment, Mobile Banking and ValleyLink Telephone Banking and such other services we may, from time to time, include in this agreement by amendment or supplement. "Account" refers to the accounts you have designated in your application for Electronic Banking Services. "Electronic Payment" refers to any form of transaction that is not completed with a paper item and may include, but is not limited to Automated Clearing House (ACH) transactions. This agreement contains the terms and conditions governing the Cashmere Valley Bank services for which you have applied. Bill Payment, Electronic Documents, Bank-to-Bank Transfers and Mobile Banking requires acceptance of additional agreements online.

Description of Electronic Banking Services

Online Banking

- Receive Electronic Statements & Notices
- View balances for all accounts
- View your transactions, statements, & images of your checks & deposit slips
- Transfer funds between your internal accounts
- Transfer funds to and from external accounts with Bank-to-Bank Transfers *
- Make loan payments
- Place a Stop Payment Order
- View current interest rates
- Download transactions into financial software programs and spreadsheets
- Track accounts and categorize transactions*
- Order Checks
- Communicate with the Bank using the secure Online Banking email

**Available for Personal Online Banking Only*

Online Cash Management

For our business customer's we offer Online Cash Management. Businesses can enjoy the many features and benefits of Online Banking, and with the Cash Management add-on, you can also:

- Initiate draws on existing Line of Credit accounts
- Initiate Wire Transfers
- Offer Direct Deposit to your employees
- Offer Direct Payment to your customers
- Pay your Federal Taxes by Electronic Payment
- Guard against check fraud with Positive Pay
- Give account access authorities as well as functional authority to additional users.

Bill Payment

You may select Bill Payment Service with Online Banking or Online Cash Management. If you choose Bill Payment you may also:

- Pay bills from multiple checking accounts
- Set up one-time payments or Recurring Payments
- Send Person to Person Payments *
- Send GiftPay/Donation Checks*
- Request Rush Delivery
- File an eBill
- We send payments two ways, electronically and by check
- Bill Payment Service requires a checking account with us.
- We may require you to set up automatic transfer to make recurring payments to CVB accounts and other accounts

**Available for Personal Online Banking Only*

Mobile Banking

Mobile Banking provides real-time account access and enables you to instantly access banking services on the go. There is no fee for Mobile Banking with Cashmere Valley Bank; however, standard message and data rates with your carrier may apply.

- View balances for all accounts and transactions
- Transfer funds between your internal accounts
- Transfer funds to and from external accounts with Bank-to-Bank Transfers *
- Make loan payments
- Access Bill Payment
- Activate and deactivate your debit card
- Report a Lost/Stolen debit card
- Re-order a debit card
- Add accounts from other financial institutions and more
- Locate your nearest branch or ATM

**Available for Personal Online Banking Only*

ValleyLink Telephone Banking

- Obtain current balance and transaction information on all your accounts
- Make Loan payments and transfer between your deposit accounts
- Obtain current interest rate information
- Activate and deactivate your debit card
- Place Stop Payments to your checking accounts
- Merchant verification of checks

General Provisions

1. **Use of Electronic Banking Services** - To become eligible to use Electronic Banking Services, you must have an account with us and complete an enrollment form. When your enrollment form is accepted, we will notify you and provide you with further information on how to begin using the service. Additional help in using the service is available on-line. Before you use the Electronic Banking Services you should read this Agreement which describes the Electronic Banking Services in greater detail. Your use of any of the Electronic Banking Services means that you agree to the terms and conditions stated in this Agreement.
2. **Deposit and Credit Agreements** - The terms and conditions in this Agreement are in addition to any Deposit Account, Loan Account or other agreement you have with us relating to your Accounts, including any disclosures made pursuant to such agreements. You must maintain your Account in good standing with us in order to perform transactions through those Accounts through the Electronic Banking Services.
3. **Equipment Requirements** – To use the ValleyLink Telephone Banking you need a touch-tone telephone. To use Online Banking or Online Cash Management, you must have Internet access. We support the current and prior major releases of Internet Explorer, Firefox, Safari and Chrome. Beta Versions are not supported and you must have JavaScript enabled, and support 128-bit encryption. If you enroll for E-Documents, you must maintain your current e-mail address within Online Banking and have a current version of Adobe Acrobat Reader. To print E-Documents, you must have a printer connected to your PC or you must have sufficient hard-drive space to save the document. The installation, maintenance and operation of your equipment, including, but not limited to, the Internet access through your Internet access provider is your responsibility. We are not responsible for any errors or failures from any malfunction of your computer, your software, a public or private utility company, or your internet access provider and we are not responsible for any computer virus, compromise of the security of your computer or related problems that may be associated with the use of the Electronic Banking Services. WE DISCLAIM ALL WARRANTIES REGARDING YOUR USE OF THE ELECTRONIC BANKING SERVICES, YOUR EQUIPMENT AND YOUR SOFTWARE, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

4. **Online Banking, Online Cash Management, Mobile Banking, Bill Payment and ValleyLink Telephone Banking – Timing**

Processing and maintenance times may effect the completion of your transactions. It is your responsibility to be aware of cutoff times, holidays and maintenance periods and to allow for adequate time to initiate and complete transactions.

- a. **Business Days and Cut-off Times** - For the purposes of this Agreement, our business days are Monday through Friday. Holidays are not included. Through Electronic Banking Services you can make transfers 24 hours a day, seven days a week, except during any special maintenance periods. A request for transfer of funds made after 8:00 PM PT on holidays or weekends will be posted the following business day.
- b. **Transfer Cut-off times** - Permitted transfers between designated checking and savings Accounts and transfers to make loan payments will occur on the same business day that the transfer instructions are received. In order for the transfer instruction to be considered to have been received on a certain date, it must be received by 8:00 PM PT on any business day. Transfers are subject to funds availability.
- c. **Bank-to-Bank Transfers** – Funds requested to be transferred will be debited/credited to your Cashmere Valley Bank account the business day following the day you initiate the transfer, provided you have met the banks cutoff time for submitting Bank-to-Bank Transfers. The cutoff time for initiating transfers is 2:00 PM PT.
- d. **Bill Payment** – Bill Payments are processed twice daily at 5:00 AM PT and 12:00 PM PT.
- e. **Timing of Transactions** - Balance and transaction information provided is real time in that it shows transactions processed as of the time you view the balance. We will not be responsible for intervening transactions that occur between the time you view an account balance and initiate a transaction.

5. **Limits on Transfers from Accounts** - Your ability to transfer funds from your savings account(s), Investment Checking, or Cash Management Checking is limited by federal law. By law there may be no more than six (6) transfers and/or withdrawals during any one (1) calendar month or statement cycle (the period from one statement to the next) or similar period of at least four weeks, to another of your accounts with us or to a third party by means of a preauthorized or automatic transfer, or telephonic (including data transmission) agreement, order or instruction.

6. **Authorized Use (Joint Accountholders)** - You hereby release us from any liability and agree not to make any claim or bring any action against us for honoring or allowing any actions or transactions where you have authorized the person performing the action or transaction to use your account(s) and/or you have given your password to such person or, in the case of a jointly held account such person is one of the owners of the account. A person who has been furnished your password is considered an authorized user, unless you have notified the bank that activity by that person is no longer allowed. You agree to indemnify us and hold us harmless from and against any and all liability (including but not limited to reasonable attorney fees) arising from any such claims or actions. There are two ways for joint accountholders to enroll.

- a. Both account holders may enroll separately and each will have his/her own password, and his/her own separate "Agreement".
- b. Alternatively, one holder of a joint account can enroll for Cashmere Valley Bank's Electronic Banking Services with one password issued.

7. **ID's and Passwords** - You agree to keep your Access Codes confidential to prevent unauthorized access to your Accounts and to prevent unauthorized use of Electronic Banking Services. Specifically, you agree not to use any computer software or feature that stores your I.D. and Password for future use without re-entering. Such storage may be deemed an authorized use. For the purpose of maintaining the security of your Accounts, your Access Codes may be revoked or canceled by us at any time without giving you prior notice. The Access Codes are used to identify you as an authorized user of the Electronic Banking Services. You therefore agree to notify us immediately if the secrecy of any of your Access Codes is compromised and you also agree not to reveal your Access Codes to any person. The security of your Accounts depends upon you maintaining the secrecy of your Access Codes. If you believe that the secrecy of any of your Access Codes has been compromised you should call us AT ONCE at the

telephone number in Section 11, and you should change your Access Codes as provided in the Electronic Banking instructions. If you forget any of your Access Codes, please contact us at the telephone number in Section 11.

8. **Transmission of I.D's and Passwords** - E-mail transmissions through general or public E-mail are not secure. We therefore request that you do not send us or ask for sensitive information such as account numbers, Passwords, PIN numbers, or User IDs through any general or public E-mail system. We will not send you an e-mail requesting confidential information such as account numbers or User IDs. If you receive such an e-mail, notify us immediately. We are not responsible for the consequences of information you provide to others or allow access to others through e-mail, telephone, writing or other means, whether intentional or accidental, and will be deemed your authorization of use and transfer.
9. **Liability for Unauthorized Transfers** - You are responsible for all transfers you authorize using the Electronic Banking Services. If you permit other persons to use your Electronic Banking Services or your Access Codes, you are responsible for any transactions they authorize from your Accounts.

Tell us AT ONCE if you believe any of your Access Codes has been lost or stolen. Telephoning, as provided in Section 11, is the best way of keeping your possible losses down. You could lose all the money in your deposit accounts (plus your maximum overdraft lines of credit). If you tell us within two (2) business days, you can lose no more than \$50.00 from each deposit account if someone used your Access Codes to access your deposit Account without your permission.

If you do NOT tell us within two (2) business days after you learn of the loss or theft of any of your Access Codes, and we can prove we could have stopped someone from using your Access Codes without your permission if you had told us, you could lose as much as \$500.00 from each deposit account.

Also, if your statement shows transfers from a deposit Account that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

With regard to loan Accounts, refer to your Loan Agreement for any applicable limitations on your liability in connection with unauthorized use of your loan Accounts.

10. **Account Statements** - We report your Online Banking, Online Cash Management, Mobile Banking and Telephone Transfer services transaction activity on monthly statements for your accounts.
11. **Contact in Event of Lost or Stolen Access Codes or Unauthorized Transactions** - If you believe that any of your Access Codes has been lost or stolen or that someone transferred or may transfer money from your account without your permission, call us immediately at: (800) 860-0845 or (509) 664-5454
Or write us at: Electronic Banking
 Cashmere Valley Bank
 124 E Penny Rd, Suite 103
 Wenatchee, WA 98801-8103
12. **Our Liability** - We will be responsible for your actual losses if they were directly caused by our failure to complete a transfer to or from your Accounts on time or in the correct amount according to our agreements with you. However, there are some exceptions. We will not be liable, for instance:
 - a. If, through no fault of ours, you do not have enough money in your Account to complete a transaction from that Account, or if withdrawals from any of your Accounts have been prohibited by a court order such as a garnishment or other legal process, or if that Account has been closed.
 - b. If the transaction would go over the credit limit on your ODP Account.
 - c. If you do not have an adequate credit limit in a credit account to complete a transaction from that Account, or if that account has been closed.
 - d. If you have not properly followed your Electronic Banking instructions on how to make a transaction or if any of your equipment fails or malfunctions.

- e. If you have not given us complete, correct and current instructions so that we can complete a transaction.
- f. If you or the bank are unable to complete transactions due to power failure, failure of your internet provider or computer down time for maintenance.
- g. If we have reason to believe that a transaction has not been properly authenticated or is fraudulent.
- h. If you provide access to your User I.D. and Password to others.
- i. If the transaction is a result of your failure to have proper computer security software such as anti- virus and firewall software.
- j. If the Electronic Banking Services were not working properly and you knew or should have known about the breakdown when you attempted to authorize a transaction.
- k. If circumstances beyond our control prevent the completion of a transaction, despite reasonable precautions that we have taken. We will be responsible for acting only on those instructions sent through the Electronic Banking Services, which we actually receive.
- l. For other exceptions to our liability as stated in the Electronic Funds Transfer Agreement and Disclosure Statement.
- m. For any indirect, incidental, special or consequential damages if our failure was not intentional and resulted from a bona fide error, notwithstanding our procedures to avoid such error.

13. **Error Resolution** - In case of errors or questions about your Electronic Banking Services, telephone us at: (800) 860-0845 or (509) 664-5454, write us at Electronic Banking, Cashmere Valley Bank, 124 E Penny Rd, Suite 103, Wenatchee WA 98801-8103, or email us at banking@CashmereValleyBank.com as soon as you can.

If you think your statement is wrong or if you need more information about a transaction listed on the statement, we must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared. If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

When you contact us, please provide the following information:

1. Your name and Account number(s)
2. 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
3. Tell us the dollar amount of the suspected error

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

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 within three (3) business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

14. **Monthly Service Fees** - There is currently no monthly or per transaction fees for our standard Electronic Banking Services other than the fees you pay your Internet Service Provider. The service charges and fees provided for in the Deposit Account and Loan Account Agreements will continue to apply. Existing and future charges may be based upon the overall costs of providing account services and may or may not be based upon the direct cost or

expense associated with providing the particular service involved. The charges may be based on consideration of profit, competitive position, and deterrence of misuse of account privileges by customers, excessive use as we may from time to time determine, and the safety and soundness of the financial institution. We will notify you of the changes, to the extent required by law.

15. **Online Banking Account Inactivity** – If your Online Banking account is inactive for 180 days, it will become inactive. Notice of inactivity will be mailed to you at that time. If you do not notify us to reactivate, your Online Banking account will be deleted at 365 days.
16. **Acknowledgment of Commercially Reasonable Security Procedures** – By using Online Banking, you acknowledge and agree that this Agreement sets forth security procedures for electronic banking transactions that are commercially reasonable. You agree to be bound by instructions, whether authorized or unauthorized, which we implement in compliance with these procedures, unless you have given us prior notice of possible unauthorized use as described above (and we had a reasonable opportunity to act on such notice).

Miscellaneous Provisions

1. **Amendment of this Agreement** - We may at any time (subject to legal restrictions) amend this Agreement in whole or by addendum or supplement. We may introduce new services, enhance existing services, or limit existing services from time to time. Unless we state otherwise, any new or enhanced services will be subject to the terms of this Agreement. By your continued use of amended services, you agree to be bound by the terms and conditions relating to the services and this Agreement as amended. We will notify you of any amendment to this Agreement. We may amend this Agreement at any time by sending a notice to any of you at the address or email address shown in our records, by posting notice or an amended agreement on our web site, or delivering it to you. You may choose not to accept the change by terminating this Agreement and your use of service.
2. **Assignment** - We may assign our rights and delegate our duties under this Agreement to any other party.
3. **Termination** - This Agreement and your ability to use any or all Electronic Banking Services may be terminated at any time by you or us upon giving notice of the termination to the other party. If you terminate the Electronic Banking Services, you authorize us to continue making transfers you have previously authorized until such time as we have had a reasonable opportunity to act upon your termination notice. Once we have acted upon your termination notice, we will make no further transfers from your Accounts, including any transfer you have previously authorized. If we terminate your use of the Electronic Banking Service, we reserve the right to make no further transfers from your Accounts, including any transactions you have previously authorized.
4. **Headings** - The headings used in this Agreement are inserted for purposes of convenience of reference only and shall not limit or define the meaning of any provisions of this Agreement.
5. **Severability** - If any provision of this Agreement is held invalid, illegal, void or unenforceable by any rule or law, administrative order or judicial decision, all other provisions of the Agreement shall remain in full force.
6. **Non Waiver** - No waiver by us of any provision in this or any other agreement shall constitute a waiver of any other matter.
7. **Governing Law** - This Agreement is governed by and shall be construed in accordance with the laws of the State of Washington and applicable federal law. You agree to submit to the jurisdiction of any state or federal court in Washington State. At our option, venue for any suit may be laid in Chelan County Washington.
8. **Attorneys' Fees** - If you bring a legal action against us or if we bring a legal action against you and the legal action involves electronic fund transfers or matters discussed in this agreement, you agree to pay all of our attorneys' fees if we win.

CASHMERE VALLEY BANK

Online Banking *Enrollment Form*

Requested Services:

- Online Banking – Personal e-Documents – Security Phrase: _____ (Send copy to FSC)
- Bank-to-Bank Transfers
(Send copy to FSC)

Name		Last 4 of the Tax ID Number (SSN) ***-**-****		
Email Address (Required)		<input type="checkbox"/> Home Phone <input type="checkbox"/> Cell Phone		
<input type="checkbox"/> Mailing Address <input type="checkbox"/> IRS Address <input type="checkbox"/> Physical Address	City	State	Zip+4	DP

DIRECTIONS:

List the accounts you wish to access with Online Banking. Examples of Account Descriptions (nicknames) you might use: CHECKING, SAVINGS, TRUCK LOAN, HOME LOAN, etc. Do not repeat Account Descriptions or use special characters.

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	ACCOUNT TYPE
<i>EXAMPLE: 1234567890</i>	<i>Household Account</i>	<i>Checking, Savings, etc.</i>

Signature Required. By signing below, I agree that I have received a copy of the Electronic Banking Agreement and Disclosure and agree to its terms as applicable.

Signature

Date

Bank Use	Date	CIF	LDOC	Online Banking ID
	Prepared By (PRINT NAME)	Branch#		Keyed By (PRINT NAME)