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## TERMS AND CONDITIONS OF YOUR ACCOUNT

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT** - To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**AGREEMENT** - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you open or continue to use the account, you agree to these rules.

This agreement is subject to applicable federal laws, the laws of the state of North Carolina and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing in some other document.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

**LIABILITY** - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

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

**DEPOSITS** - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

### **WITHDRAWALS** -

**Generally** - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

**Postdated checks** - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process

checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

**Checks and withdrawal rules** - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify it as a transaction account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the time we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

**Overdrafts** - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

**Multiple signatures, electronic check conversion, and similar transactions** - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on the item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

**Notice of withdrawal** - We reserve the right to require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

**OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION** - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

**Individual Account** - is an account in the name of one person.

**Joint Account - With Survivorship** - You intend and agree that regardless of whose funds are deposited in the account, that upon your death the balance in the account will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with right of survivorship. This agreement is governed by North Carolina General Statutes § 53C-6-6.

**Payable on Death (POD) Account** - A beneficiary cannot withdraw unless: (1) the person creating the account dies, and (2) the beneficiary is then living. The person creating this account type reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time. This agreement is governed by North Carolina General Statutes § 53C-6-7.

**STOP PAYMENTS** - Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because stop-payment orders are handled by computers, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your

account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was verbal your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

**TELEPHONE TRANSFERS** - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account transfer restrictions may be described elsewhere.

**TRANSFER LIMITATIONS** - For savings accounts you may make up to six transfers or withdrawals by means of a preauthorized, automatic, or telephonic transfer to another account of yours or to a third party or by check, debit card, or similar order to a third party during any calendar month (or statement cycle of at least four weeks). A preauthorized transfer includes any arrangement with us to pay a third party from your account at (i) a predetermined time; (ii) on a fixed schedule or (iii) upon oral or written orders including orders received through the automated clearing house (ACH). If the transfer or withdrawal is initiated in person, by mail, or at an ATM then there is no limit on the number of payments that may be made directly to you, directly to us for amounts you owe us, or transfers to other accounts you have with us. Withdrawals by phone are also unlimited if you are requesting that a check be mailed to you.

**AMENDMENTS AND TERMINATION** - We may change any term of this agreement. Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Items presented for payment after the account is closed may be dishonored. When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items to be paid from the account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. You agree to keep us informed of your current address at all times. Notice from us to any one of you is notice to all of you. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

**STATEMENTS - Your duty to report unauthorized signatures, alterations and forgeries** - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

**Your duty to report other errors** - In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error - such as an encoding error. You agree that the time you have to examine your statement and report to us will depend on the circumstances. However, such time period shall not exceed 60 days. Failure to examine your statement and report any such errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any such errors on items identified in that statement and as between you and us the loss will be entirely yours.

**Errors relating to electronic fund transfers or substitute checks** - For information on errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

**ACCOUNT TRANSFER** - This account may not be transferred or assigned without our prior written consent.

**DIRECT DEPOSITS** - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

**SETOFF** - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt you owe us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance the due date for which we properly accelerate under the note.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

**RESTRICTIVE LEGENDS** - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for special instructions or "restrictive legends" on every check. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." For this reason, we are not required to honor any restrictive legend placed on checks you write unless we have agreed in writing to the restriction. We are not responsible for any losses, claims, damages, or expenses that result from your placement of these or other special instructions on your checks.

**PAYMENT ORDER OF ITEMS** - The law permits us to pay items (such as checks or drafts) drawn on your account in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items that you write. When processing items drawn on your account, our policy is to pay them according to the dollar amount. We pay the lowest items first, subject to the Same Amount Exception described below. The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. Our payment order will pay the smallest items first to help you avoid unnecessary overdraft or NSF fees. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). The amounts of the overdraft and NSF fees are disclosed in our Schedule of Fees/Schedule of Limitations. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or drafts without sufficient funds and incurring the resulting fees. Same Amount Exception: In the event that multiple payments are processed (or are in process) for the same amount during the same time period, the order in which the payments are processed is as follows: Check, ACH Debit, Transfer Debit, ATM Debit, POS Debit. If multiple checks are in process at the same time, the checks will be processed in order of the check number.

**FACSIMILE SIGNATURES** - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

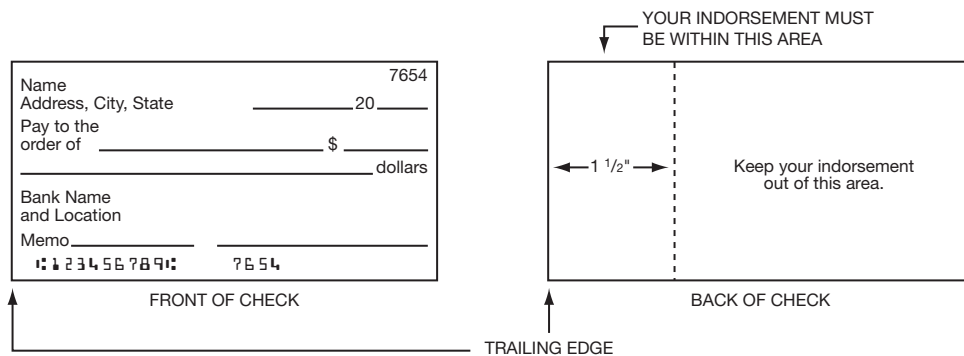
**CHECK PROCESSING** - We process items mechanically by relying solely on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have not failed to exercise ordinary care solely because we use our automated system to process items and do not inspect all items processed in such a manner. Using an automated process helps us keep costs down for you and all account holders.

**CHECK CASHING** - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash such a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

**INDORSEMENTS** - We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver's license number, etc.) must fall within 1<sup>1</sup>/<sub>2</sub>" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1<sup>1</sup>/<sub>2</sub>" of that edge.



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement or information you have printed on the back of the check obscures our indorsement.

These indorsement guidelines apply to both personal and business checks.

**DEATH OR INCOMPETENCE** - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or becomes legally incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or legal incompetence for up to ten (10) days after your death or legal incompetence unless ordered to stop payment by someone claiming an interest in the account.

**FIDUCIARY ACCOUNTS** - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

**CREDIT VERIFICATION** - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

**LEGAL ACTIONS AFFECTING YOUR ACCOUNT** - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action. Or, in our discretion, we may freeze the assets in the account and not allow any payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

**SECURITY** - It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your account(s). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account. If you provide your account number in response to a telephone solicitation for the purpose of making a transfer (to purchase a service or merchandise, for example), payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

You agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, such as positive pay or commercially reasonable security procedures, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered, unless we acted in bad faith or to the extent our negligence contributed to the loss.

**TELEPHONIC INSTRUCTIONS** - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission or leave by voice mail or on a telephone answering machine.

**CLAIM OF LOSS** - If you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify

law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

**EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals)** - We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your notice of penalty for early withdrawals for additional information.

**ADDRESS OR NAME CHANGES** - You are responsible for notifying us of any change in your email address, in your address or your name. Unless we agree otherwise, change of name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent email address or address you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

**RESOLVING ACCOUNT DISPUTES** - We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

**WAIVER OF NOTICES** - You waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account.

**ACH AND WIRE TRANSFERS** - This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

**UNCLAIMED PROPERTY** - The law establishes procedures under which unclaimed property must be surrendered to the state. (We may have our own rules regarding dormant accounts, and if we charge a fee for dormant accounts it will be disclosed to you elsewhere.) Generally, the funds in your account are considered unclaimed if you have not had any activity or communication with us regarding your account over a period of years. Ask us if you want further information about the period of time or type of activity that will prevent your account from being unclaimed. If your funds are surrendered to the state, you may be able to reclaim them, but your claim must be presented to the state. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds.

**CHANGING ACCOUNT PRODUCTS** - We may change your account to another product offered by us at any time by giving you notice that your account will be changed to another product on a specified date. If your account is a time account, the change will not occur before the next maturity date of your account. If you do not close your account before the date specified in the notice, we may change your account to that other product on the date specified in the notice.

**TRUNCATION, SUBSTITUTE CHECKS, AND OTHER CHECK IMAGES** - If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our internal policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

**REMOTELY CREATED CHECKS** - Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the

check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line. For example, if a person provides an account number in response to a telephone solicitation, the telephone solicitor can use the account number to issue a remotely created check to withdraw money from that account.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

**UNLAWFUL INTERNET GAMBLING NOTICE** - Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

**MONITORING AND RECORDING TELEPHONE CALLS** - We may monitor or record phone calls for security reasons and to ensure that you receive courteous and efficient service. You consent in advance to any such recording. We need not remind you of our recording before each phone conversation.

**FUNDS TRANSFERS** - The terms used in this section have the meaning given to them in Article 4A of the Uniform Commercial Code - Funds Transfers (UCC 4A). This section will generally not apply to you if you are a consumer. However, even if you are a consumer, this section will apply to that part of any funds transfer that is conducted by Fedwire. This section is subject to UCC 4A as adopted in the state in which you have your deposit with us. This agreement is also subject to all clearing house association rules, rules of the Board of Governors of the Federal Reserve System and their operating circulars. If any part of this agreement is determined to be unenforceable, the rest of the agreement remains effective. This agreement controls funds transfers unless supplemented or amended in a separate written agreement signed by us. This agreement does not apply to a funds transfer if any part of the transfer is governed by the Electronic Fund Transfer Act of 1978 (EFTA), except this agreement does apply to a funds transfer that is a remittance transfer as defined in EFTA unless the remittance transfer is an electronic fund transfer as defined in EFTA.

**Funds transfer** - A funds transfer is the transaction or series of transactions that begin with the originator's payment order, made for the purpose of making payment to the beneficiary of the order. A funds transfer is completed by the acceptance by the beneficiary's bank of a payment order for the benefit of the beneficiary of the originator's order. You may give us a payment order orally, electronically, or in writing, but your order cannot state any condition to payment to the beneficiary other than the time of payment.

**Authorized account** - An authorized account is a deposit account you have with us that you have designated as a source of payment of payment orders you issue to us. If you have not designated an authorized account, any account you have with us is an authorized account to the extent that payment of the payment order is not inconsistent with the use of the account.

**Acceptance of your payment order** - We are not obligated to accept any payment order that you give us, although we normally will accept your payment order if you have a withdrawable credit in an authorized account sufficient to cover the order. If we do not execute your payment order, but give you notice of our rejection of your payment order after the execution date or give you no notice, we are not liable to pay you as restitution any interest on a withdrawable credit in a non-interest-bearing account.

**Cutoff time** - If we do not receive your payment order or communication canceling or amending a payment order before our cutoff time on a funds transfer day for that type of order or communication, the order or communication will be deemed to be received at the opening of our next funds transfer business day.

**Payment of your order** - If we accept a payment order you give us, we may receive payment by automatically deducting from any authorized account the amount of the payment order plus the amount of any expenses and charges for our services in execution of your payment order. We are entitled to payment on the payment or execution date. Unless your payment order specifies otherwise, the payment or execution date is the funds transfer date we receive the payment order. The funds transfer is completed upon acceptance by the beneficiary's bank. Your obligation to pay your payment order is excused if the funds transfer is not completed, but you are still responsible to pay us any expenses and charges for our services. However, if you told us to route the funds transfer through an intermediate bank, and we are unable to obtain a refund because the intermediate bank that you designated has suspended payments, then you are still obligated to pay us for the payment order. You will not be entitled to interest on any refund you receive because the beneficiary's bank does not accept the payment order.

**Security procedure** - As described more fully in a separate writing, the authenticity of a payment order or communication canceling or amending a payment order issued in your name as sender may be verified by a security procedure. You affirm that you have no circumstances which are relevant to the determination of a commercially reasonable security procedure unless those circumstances are expressly contained in a separate writing signed by us. You may choose from one or more security procedures that we have developed, or you may develop your own security procedure if it is acceptable to us. If you refuse a commercially reasonable security procedure that we have offered you, you agree that you will be bound by any payment order issued in your name, whether or not authorized, that we accept in good faith and in compliance with the security procedure you have chosen.

**Duty to report unauthorized or erroneous payment** - You must exercise ordinary care to determine that all payment orders or amendments to payment orders that we accept that are issued in your name are authorized, enforceable, in the correct



amount, to the correct beneficiary, and not otherwise erroneous. If you discover (or with reasonable care should have discovered) an unauthorized, unenforceable, or erroneously executed payment order or amendment, you must exercise ordinary care to notify us of the relevant facts. The time you have to notify us will depend on the circumstances, but that time will not in any circumstance exceed 14 days from when you are notified of our acceptance or execution of the payment order or amendment or that your account was debited with respect to the order or amendment. If you do not provide us with timely notice you will not be entitled to interest on any refundable amount. If we can prove that you failed to perform either of these duties with respect to an erroneous payment and that we incurred a loss as a result of the failure, you are liable to us for the amount of the loss not exceeding the amount of your order.

**Identifying number** - If your payment order identifies an intermediate bank, beneficiary bank, or beneficiary by name and number, we and every receiving or beneficiary bank may rely upon the identifying number rather than the name to make payment, even if the number identifies an intermediate bank or person different than the bank or beneficiary identified by name. Neither we nor any receiving or beneficiary bank have any responsibility to determine whether the name and identifying number refer to the same financial institution or person.

**Record of oral or telephone orders** - You agree that we may, if we choose, record any oral or telephone payment order or communication of amendment or cancelation.

**Notice of credit** - If we receive a payment order to credit an account you have with us, we are not required to provide you with any notice of the payment order or the credit.

**Provisional credit** - You agree to be bound by the automated clearing house association operating rules that provide that payments made to you or originated by you by funds transfer through the automated clearing house system are provisional until final settlement is made through a Federal Reserve Bank or otherwise payment is made as provided in Article 4A-403(a) of the Uniform Commercial Code.

**Refund of credit** - You agree that if we do not receive payment of an amount credited to your account, we are entitled to a refund from you in the amount credited and the party originating such payment will not be considered to have paid the amount so credited.

**Amendment of funds transfer agreement** - From time to time we may amend any term of this agreement by giving you reasonable notice in writing. We may give notice to anyone who is authorized to send payment orders to us in your name, or to anyone who is authorized to accept service.

**Cancelation or amendment of payment order** - You may cancel or amend a payment order you give us only if we receive the communication of cancelation or amendment before our cutoff time and in time to have a reasonable opportunity to act on it before we accept the payment order. The communication of cancelation or amendment must be presented in conformity with the same security procedure that has been agreed to for payment orders.

**Intermediaries** - We are not liable for the actions of any intermediary, regardless of whether or not we selected the intermediary. We are not responsible for acts of God, outside agencies, or nonsalaried agents.

**Limit on liability** - You waive any claim you may have against us for consequential or special damages, including loss of profit arising out of a payment order or funds transfer, unless this waiver is prohibited by law. We are not responsible for attorney fees you might incur due to erroneous execution of payment order.

**Erroneous execution** - If we receive an order to pay you, and we erroneously pay you more than the amount of the payment order, we are entitled to recover from you the amount in excess of the amount of the payment order, regardless of whether you may have some claim to the excess amount against the originator of the order.

**Objection to payment** - If we give you a notice that reasonably identifies a payment order issued in your name as sender that we have accepted and received payment for, you cannot claim that we are not entitled to retain the payment unless you notify us of your objection to the payment within one year of our notice to you.

## ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

**Electronic Fund Transfers Initiated By Third Parties.** You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your checking or savings account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your checking or savings account(s).
- **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 pay for purchases or pay bills.
- **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

**ATM Transfers - types of transfers, dollar limitations, and charges** - You may access your account(s) by ATM using your Debit Card and personal identification number, to:

- get cash withdrawals from checking account(s) with a debit card
  - you may withdraw no more than \$1,000.00 per day
  - there is no charge for using an ATM within the Allpoint Network
- get information about:
  - the account balance of your checking account(s)
    - with a debit card

Some of these services may not be available at all terminals.

**Types of Live Oak Bank Visa Debit Card Point-of-Sale Transactions** - You may access your checking account to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

**Currency Conversion and International Transactions.** When you use your Live Oak Bank Visa Debit Card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

Visa USA charges us a .8% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, the International Service Assessment is 1% of the transaction. The fee we charge you for international transactions/currency conversions is disclosed on our separate fee schedule. An international transaction is a transaction where the country of the merchant is outside the USA.

**Advisory Against Illegal Use.** You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

**Non-Visa Debit Transaction Processing.** We have enabled non-Visa debit transaction processing. This means you may use your Live Oak Bank Visa Debit Card on a PIN-Debit Network\* (a non-Visa network) without using a PIN.

The non-Visa debit network(s) for which such transactions are enabled are: CIRBUS and Accel™ Networks (© 2013 Fiserv, Inc. or its affiliates. Accel and the Accel logo are trademarks of Fiserv, Inc.).

Examples of the types of actions that you may be required to make to initiate a Visa transaction on your Live Oak Bank Visa Debit Card include signing a receipt, providing a card number over the phone or via the Internet, or swiping the card through a point-of-sale terminal.

Examples of the types of actions you may be required to make to initiate a transaction on a PIN-Debit Network include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed

at a payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through use of a PIN.

The provisions of your agreement with us relating only to Visa transactions are not applicable to non-Visa transactions. For example, the additional limits on liability (sometimes referred to as Visa's zero-liability program) and the streamlined error resolution procedures offered on Visa debit card transactions are not applicable to transactions processed on a PIN-Debit Network.

\*Visa Rules generally define ***PIN-Debit Network*** as a non-Visa debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card program.

**Online Banking Transfers - types of transfers** - You may access your account(s) by computer through the internet by logging onto our website at [www.liveoakbank.com](http://www.liveoakbank.com) and using your user identification, password, and multifactor authentication, to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from savings to checking
- transfer funds from savings to savings
- transfer funds from checking to fund certificate of deposits
- transfer funds from savings to fund certificate of deposits
- transfer funds from certificate of deposit to checking or savings
- make payments from checking to loan accounts with us
- make payments from savings to loan accounts with us
- get information about:
  - the account balance of checking or savings, or certificate of deposit accounts
  - deposits to checking, savings, or certificate of deposit accounts
  - withdrawals from checking or savings accounts

**Mobile Banking Transfers - types of transfers** - You may access your account(s) by downloading our mobile banking app and using your user identification, password, and multifactor authentication, to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from savings to checking
- transfer funds from savings to savings
- transfer funds from checking to fund certificate of deposits
- transfer funds from savings to fund certificate of deposits
- transfer funds from certificate of deposit to checking or savings
- make payments from checking to loan accounts with us
- make payments from savings to loan accounts with us
- get information about:
  - the account balance of checking, savings, or certificate of deposit accounts
  - deposits to checking, savings, or certificate of deposit accounts
  - withdrawals from checking or savings accounts
- deposit checks (Remote Deposit)

You may be charged access fees by your cell phone provider based on your individual plan. Web access is needed to use this service. Check with your cell phone provider for details on specific fees and charges.

**Limitations on frequency of transfers.** In addition to those limitations on transfers elsewhere described, if any, the following limitations apply:

- you may make no more than \$250,000 of preauthorized payments per day

#### **FEES**

- See our Schedule of Fees/Schedule of Limitations.

#### **DOCUMENTATION**

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.
- **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 visit [www.liveoakbank.com](http://www.liveoakbank.com) to find out whether or not the deposit has been made.
- **Periodic statements.**

You will get a monthly account statement from us for your checking, savings, and certificates of deposit account(s).

## PREAUTHORIZED PAYMENTS

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this brochure 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.

Please refer to our separate fee schedule for the amount we will charge you for each stop-payment order you give.

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

## FINANCIAL INSTITUTION'S LIABILITY

**Liability for failure to make transfers.** 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:

- (1) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- (2) If you have an overdraft line and the transfer would go over the credit limit.
- (3) If the automated teller machine where you are making the transfer does not have enough cash.
- (4) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- (6) There may be other exceptions stated in our agreement with you.

## CONFIDENTIALITY

We will disclose information to third parties about your account or the transfers you make:

- (1) where it is necessary for completing transfers; or
- (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (3) in order to comply with government agency or court orders; or
- (4) as explained in the separate Privacy Disclosure. See Privacy Disclosure at [www.liveoakbank.com](http://www.liveoakbank.com).

## UNAUTHORIZED TRANSFERS

### (a) Consumer liability.

• *Generally.* Tell us AT ONCE if you believe your card and/or code 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). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or 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 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.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

• *Additional Limit on Liability for Live Oak Banking Company Visa Debit Card.* Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Live Oak Banking Company Visa Debit Card. This additional limit on liability does not apply to ATM transactions outside of the U.S., to ATM transactions not sent over Visa or Plus networks, or to transactions using your Personal Identification Number which are not processed by VISA®. Visa is a registered trademark of Visa International Service Association.

**(b) Contact in event of unauthorized transfer.** If you believe your card and/or code has been lost or stolen, call us at the telephone number listed in this Agreement or submit a ticket on our website at [www.liveoakbank.com](http://www.liveoakbank.com). You should also call the number listed in this Agreement or submit a ticket on our website at [www.liveoakbank.com](http://www.liveoakbank.com) if you believe a transfer has been made using the information from your check without your permission.

## ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call us at the telephone number listed in this Agreement or submit a ticket on our website at [www.liveoakbank.com](http://www.liveoakbank.com), as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and account number (if any).

(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.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (5 business days for Live Oak Banking Company Visa Debit Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for Live Oak Banking Company Visa Debit Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) 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. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

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 ask for copies of the documents that we used in our investigation.

LIVE OAK BANKING COMPANY

DEPOSIT OPERATIONS

1757 TIBURON DR

WILMINGTON, NC 28403

Business Days: Monday through Friday

Excluding Federal Holidays

Phone: 866-518-0286

or visit our website: [www.liveoakbank.com](http://www.liveoakbank.com)

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

**YOUR ABILITY TO WITHDRAW FUNDS  
FROM YOUR CHECKING ACCOUNT(S) AT  
LIVE OAK BANKING COMPANY  
1757 TIBURON DRIVE  
WILMINGTON, NC 28403**

This policy statement applies to “transaction” accounts. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Checking accounts are the most common transaction accounts. Feel free to ask us whether any of your other accounts might also be under this policy.

Our policy is to make funds from your check deposits available to you on the second business day after the day we receive your deposit, with the first \$200 available on the first business day after the day of your deposit. Electronic direct deposits will be available on the day we receive the deposit. Cash, wire transfers, and some specified check deposits will also be available before the second business day, as detailed below. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Remotely deposited checks, via our mobile application or a high-speed scanner, are not subject to the Regulation CC guidelines. These funds will generally be available to you on the second business day after the day that your deposit is received by Live Oak Bank

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 4:00 p.m. Eastern time on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 4:00 p.m. Eastern time or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

**Same-Day Availability**

Funds from electronic direct deposits to your account will be available on the day we receive the deposit.

**Next-Day Availability**

Funds from the following deposits are available on the first business day after the day of your deposit:

U.S. Treasury checks that are payable to you.

Wire transfers.

Checks drawn on Live Oak Bank.

If you make the deposit in person to one of our employees, funds from the following deposits are also available on the first business day after the day of your deposit:

Cash.

State and local government checks that are payable to you.

Cashier's, certified, and teller's checks that are payable to you.

Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day we receive your deposit.

**Other Check Deposits Subject to Second-Day Availability**

The first \$200 from a deposit of other checks will be available on the first business day after the day of your deposit. The remaining funds will be available on the second business day after the day of your deposit.

For example, if you deposit a check of \$700 on a Monday, \$200 of the deposit is available on Tuesday. The remaining \$500 is available on Wednesday.

**LONGER DELAYS MAY APPLY**

Funds you deposit by check may be delayed for a longer period under the following circumstances:

We believe a check you deposit will not be paid.

You deposit checks totaling more than \$5,000 on any one day.

You redeposit a check that has been returned unpaid.

You have overdrawn your account repeatedly in the last six months.

There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

**SPECIAL RULES FOR NEW ACCOUNTS**

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

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and

federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

**WHEN YOUR FUNDS ARE AVAILABLE  
FROM YOUR SAVINGS AND CERTIFICATES OF DEPOSIT ACCOUNT(S) AT  
LIVE OAK BANKING COMPANY  
1757 TIBURON DRIVE  
WILMINGTON, NC 28403**

Funds you deposit in an Account will become available to you in accordance with the timeframes set forth below. Between the time that you deposit the funds and when the funds become available to you, you may not withdraw the funds and we will not use the funds to pay withdrawals or debits that you have authorized or made from your Account. For all deposits made by check or electronically transferred (collection orders), funds will be held for five (5) business days from the effective date for those funds, which is the day that we credit your Account for that deposit. For all accounts, funds transferred from another of your Accounts at Live Oak will be available immediately.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 4:00 p.m. Eastern time on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 4:00 p.m. Eastern time or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

For Certificate of Deposit account(s) an early withdrawal penalty may apply if you withdraw funds after the grace period and prior to an applicable maturity date. See Truth In Savings Disclosure for fee details.

**Longer Delays May Apply**

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You redeposit a check that has been returned unpaid.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

To the extent permitted by law, we reserve the right to extend any of the timeframes set forth in the Funds Availability Schedule for certain reasons, including if we suspect fraud. In addition, funds in an Account being closed may be subject to a brief temporary hold in order to allow outstanding transactions to clear and for any necessary processing procedures to be performed.

All deposits accepted from you are subject to verification. Your Account will be credited for the amount shown on your Account statement. Adjustments for errors in addition or subtraction may be posted to your Account. Your Account may also be adjusted for items you have deposited that we determine require special handling (e.g., verification of prior endorsements).



## SUBSTITUTE CHECKS AND YOUR RIGHTS

As our customer we think it's important for you to know about substitute checks. The following Substitute Check Disclosure provides information about substitute checks and your rights.

### **What is a substitute check?**

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

### **What are my rights regarding substitute checks?**

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

### **How do I make a claim for a refund?**

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at: 1-866-518-0286 or submit a ticket on our website at [www.liveoakbank.com](http://www.liveoakbank.com).

You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include —

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check: the check number, the amount of the check, the date of the check, and the name of the person to whom you wrote the check.

## TRUTH-IN-SAVINGS DISCLOSURE

### SAVINGS ACCOUNT

**Rate Information** - Your interest rate and annual percentage yield may change. **Frequency of rate changes** - We may change the interest rate on your account at any time.

**Minimum balance to open the account** - You must deposit \$2,500.00 to open this account. If you have not funded your account within fourteen (14) calendar days of opening, we reserve the right to close your account.

**Determination of rate** - At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** - Interest will be compounded every day. Interest will be credited to your account every month.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** - Interest begins to accrue on the business day you deposit noncash items (for example, checks).

#### **Transaction limitations:**

Transfers from a Savings account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer or by draft or similar order to third parties are limited to six per monthly statement cycle. If transaction limitation is exceeded three times in a rolling 12 month period, the account will be closed.

### CERTIFICATES OF DEPOSIT

#### **Terms: 6-month, 1-year, 18-month, 2-year, 3-year, 4-year, 5-year**

**Rate Information** - You will be paid the disclosed rate until first maturity. Please see our current rates at [www.liveoakbank.com](http://www.liveoakbank.com).

**Compounding frequency** - Interest will be compounded every month.

**Crediting frequency** - Interest will be credited to your account every month.

**Minimum balance to open the account** - You must deposit \$2,500.00 to open this account. If you have not funded your account within fourteen (14) calendar days of opening, we reserve the right to close your account.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** - Interest begins to accrue on the business day you deposit noncash items (for example, checks).

#### **Transaction limitations:**

You may not make any deposits into your account before maturity.

You may make withdrawals of principal from your account before maturity. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty.

You can only withdraw interest credited in the term before maturity of that term without penalty. You can withdraw interest any time during the term of crediting after it is credited to your account.

**Time requirements** - Your account will mature on the date indicated on your certificate.

**Early withdrawal penalties** (a penalty may be imposed for withdrawals before maturity) -

- If your account has an original maturity of less than 24 months:

The fee we may impose will equal 90 days interest on the amount withdrawn subject to penalty.

- If your account has an original maturity of 24 months or more:

The fee we may impose will equal 180 days interest on the amount withdrawn subject to penalty.

In certain circumstances such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

**Withdrawal of interest prior to maturity** - The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Automatically renewable time account** - This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below, if any) or we receive written notice from you within the grace period mentioned below, if any. We can prevent renewal if we notify you at least 30 calendar days before maturity. If either you or we prevent renewal, interest will not accrue after final maturity.

Each renewal term will be the same as the original term, beginning on the maturity date. The interest rate will be the same we offer on new time deposits on the maturity date which have the same term, minimum balance (if any) and other features as the original time deposit.

You will have ten calendar days after maturity to withdraw the funds without a penalty.

Please go to our website [www.liveoakbank.com](http://www.liveoakbank.com) for certificate renewal information.

### CHECKING ACCOUNT

**Minimum balance to open the account** - \$0.00.

**Minimum balance to avoid imposition of fees** - \$0.00.

#### **Fees:**

See our Schedule of Fees/Schedule of Limitations.

### **COMMON FEATURES**

Please see our current interest rate and annual percentage yield information at [www.liveoakbank.com](http://www.liveoakbank.com). See our Schedule of Fees/Schedule of Limitations for additional information about charges.

### **ADDITIONAL LIMITATIONS**

- You may not exceed an aggregate balance greater than \$5,000,000 with us (including all consumer accounts).
- You may not have more than 25 consumer accounts with us.

# REMOTE DEPOSIT CAPTURE AGREEMENT

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Live Oak Banking Company  
1757 Tiburon Drive  
Wilmington, NC 28403

## **Definitions:**

- **We, us,** and **our** refer to the Depository Financial Institution.
- **You** and **your** refer to the Depositor.
- **Agreement** refers to this Remote Deposit Capture Agreement.
- **Account** refers to your checking or share draft account with us.
- **Qualifying Items** refer to paper checks (including share drafts and remotely created checks) payable in U.S. dollars drawn on financial institutions located in the United States.
- **Remote Deposit** refers to your deposit of Qualifying Items to the Account by indorsing the paper originals, including our name by the indorsement, placing the word "scanned" on the face of the check, and then scanning both sides of each item and sending their accurate images to us, together with deposit instructions, via the Internet, rather than by providing us with the paper originals.
- **Banking Day** refers to a business day on which we are open to the public for substantially all of our banking functions.
- **Business Day** refers to a calendar day other than Saturday, Sunday or a federal holiday.
- Other terms have the meanings provided in the applicable Uniform Commercial Code.

## **Remote Deposit Requirements:**

You can make Remote Deposits if, but only if, you satisfy all the Scanner and Related Hardware and Software Requirements, Image Quality Requirements, and other requirements of this Agreement.

## **Scanner and Related Hardware and Software Requirements:**

You will use scanner(s) and related hardware and software provided to you under separate agreement by Live Oak Banking Company, maintained for you under separate agreement by Live Oak Banking Company.

## **Image Qualify Requirements:**

The images of Qualifying Items you send us will be sufficiently inclusive and high quality to permit us to satisfy all pertinent requirements of the following: the Check 21 Act; all related laws or regulations; all other state or federal laws and regulations; The American National Standards Institute; The Electronic Check Clearing House Organization; and all other clearing houses or associations.

## **Remote Deposit Limits:**

Mobile Deposit only - The number of Qualifying Items that can be transmitted to us under this Agreement is unlimited. The total dollar amount of Qualifying Items that can be transmitted to us under this Agreement is limited to \$10,000 per month.

## **Receipt Deadline:**

The deadline (Receipt Deadline) for our receipt of Remote Deposits is 4:00 P.M. Eastern time on a Banking Day. Any Remote Deposits not received on a Banking Day or not received in their entirety by the Receipt Deadline on a Banking Day will be considered to have been received on the next Banking Day.

## **Acceptance or Rejection Deadline:**

The deadline (Acceptance or Rejection Deadline) for our sending you either acceptances for deposit or rejections with respect to Qualifying Items included in your Remote Deposits is 4:00 P.M. Eastern time the next Banking Day after we receive the Remote Deposits. We will send you acceptances for deposit or rejections via the Internet, and they will be effective when sent whether or not they are received by you. Such acceptances for deposit or rejections will reasonably identify each of the Qualifying Items accepted and each of the Qualifying Items rejected. If we do not send you either an acceptance for deposit or a rejection with respect to a Qualifying Item included in a received Remote Deposit by the Acceptance or Rejection Deadline, the Qualifying Item will automatically be accepted for deposit.

## **Retention/Destruction of Original Items:**

You will retain, preserve and keep secure the paper original of each Qualifying Item included in a Remote Deposit for the period of 60 days after it is accepted for deposit and will destroy it immediately after the expiration of that period.

## **Fees:**

See our Schedule of Fees/Schedule of Limitations.

**Terms and Conditions:**

**Internet Addresses and Other Information.** You and we will provide each other with Internet addresses and other information as needed for purposes of this Agreement and will update such information as needed.

**Acceptance Required.** We will credit your Account for a Qualifying Item included in a Remote Deposit if, but only if, we have received it and it has been accepted for deposit. We can reject an item included in a Remote Deposit for any reason or for no reason at all.

**Provisional Credit Only.** Any credit to your Account of a Qualifying Item included in a Remote Deposit (including Qualifying Items drawn "on us") is provisional only until collection is final. Until final settlement, we will act only as your agent, regardless of the form of indorsement or lack of indorsement on a Qualifying Item, even if we have provisionally credited your Account. We can reverse any provisional credit to your Account of a Qualifying Item included in a Remote Deposit that is lost, stolen, or returned. You will indemnify us and hold us harmless from any loss we may incur as a result of our lawfully reversing a provisional credit to your Account.

**Failures or Alterations in Transmission.** We will not be liable for any failures or alterations in the transmission of Remote Deposits to us.

**Presentment/Collection.** Presentment and collection of Qualifying Items included in Remote Deposits will be by any means and through any clearing agents we deem appropriate, and you consent to any applicable clearing house rules.

**Funds Availability.** See our Ability to Withdraw Funds disclosure in our Terms and Conditions.

**Warranties.** Unless prohibited by law, by making Remote Deposits you make the following warranties to us and agree to indemnify us and hold us harmless from any breach of such warranties, including payment of our reasonable attorneys' fees and litigation expenses:

- That you were entitled to deposit each of the Qualifying Items included in your Remote Deposits;
- That only paper originals of bona fide Qualified Items have been scanned for Remote Deposit;
- That each of the Qualifying Items included in your Remote Deposits was duly authorized in the amount stated on the Qualifying Item and to the payee stated on the Qualifying Item;
- That there was and will be no duplication among Qualifying Items included in your Remote Deposits;
- That you will not deposit or redeposit the original check, substitute check or paper or electronic reproduction of the original or substitute check of the Qualifying Items included in your Remote Deposits without our informed consent;
- That we will not suffer any loss as a result of your Remote Deposits;
- That we will not suffer any loss as a result of your retention or destruction of the paper originals of Qualifying Items included in your Remote Deposits;
- That all information you provide to us regarding your Remote Deposits will be accurate;
- That your Remote Deposits and all information you provide to us will be virus-free;
- That your Remote Deposits will not violate any laws; and
- That you have performed and will perform all your obligations under this Agreement.

**Return Items.** If Qualifying Items included in your Remote Deposits are returned, we will provide you with images or substitute checks of the returned items, rather than the paper originals.

**Statements.** You will examine your statement of account and report to us any alterations or unauthorized signatures purporting to be yours or on your behalf relating to Remote Deposits that you discover, or reasonably should have discovered, with reasonable promptness. Reasonable promptness for this purpose will not exceed 14 days in Montana, New York, or South Carolina, or 30 days in other states, from when the statement was first sent or made available to you. If you do not make such a report with reasonable promptness, you cannot assert against us such alterations or unauthorized signatures, or any others made by the same wrongdoer before we receive such a report, unless we failed to exercise good faith, or in all states except Tennessee unless we failed to exercise reasonable care. If we failed to exercise reasonable care, in all states except Tennessee, New York, or South Carolina, the loss will be allocated between you and us according to the extent to which your and our failure to exercise reasonable care contributed to the loss. In addition, in all states, if you do not discover and report to us any such alterations or unauthorized signatures or any other issues regarding Remote Deposits within 60 days from when the statement including the Remote Deposits was first sent or made available to you, you cannot assert them against us, even if we failed to exercise reasonable care.

**Information and Access.** You will promptly provide us with any information, including financial information, we request that is pertinent in any way to your Remote Deposits or this Agreement. In addition, upon our request you will grant us access to your documents and records sufficient to permit us to determine whether you are complying with the requirements of this Agreement.

**Irreconcilable Conflicts.** This Agreement supersedes your account agreement to the extent of any irreconcilable conflicts.

**Circumstances Beyond Our Control.** We will not be responsible for any failure to act or delay in acting pursuant to this Agreement if the failure or delay is the result of circumstances beyond our control including, but not limited to, legal constraint, interruption of transmission or communication facilities, equipment failure, or war emergency conditions.

**Standard of Care.** Unless otherwise required by law, our standard of care in connection with this Agreement is limited to ordinary care.

**Indemnification.** You agree to indemnify us and any other recipient for any loss incurred by us or any other recipient if the loss resulted from the receipt of a Qualified Item by Remote Deposit.

**Limitation on Damages.** Unless otherwise required by law, we will not under any circumstances be liable for attorneys' fees; litigation expenses; or consequential, special, incidental, indirect, or punitive damages.

**Duration and Termination.** This Agreement will continue until it is terminated. We can terminate it immediately without notice if you are in default or if we suspect that you are engaged in illegal activity. Either party can terminate this Agreement without cause by giving 30 days advance written notice of termination.

**Changes.** We can change the provisions of this Agreement, other than the above stated right to terminate without cause, by giving you 30 days advance written notice of the changes.

**Waiver.** We can waive rights under, and violations of, this Agreement without affecting other rights under, or other violations of, this Agreement.

**Assignment.** You are not entitled to assign this Agreement or your rights and obligations under this Agreement without our consent.

**Benefit.** This Agreement is for your benefit and our benefit only, and no other entities have rights under this Agreement.

**Invalidity.** The invalidity or illegality of any provision of this Agreement will not affect the remainder of this Agreement.

**Governing Law.** This Agreement will be governed by the laws of the state or jurisdiction where the Account is located including the Uniform Commercial Code as adopted by that state or jurisdiction and as varied by this agreement.

# BILL PAY

## **Consent to the Terms of this Agreement**

By using the Live Oak Bank Bill Pay Service (the "Service" or "Bill Pay"), you agree to the terms of this Agreement.

## **Eligibility for Bill Pay**

The Service enables you to receive, view and pay bills. If you are a consumer customer, in order to use the Service, you must have a Live Oak Bank Personal Online Checking Account in good standing (an "Eligible Account"). In addition, subject to the terms of this Agreement, you may only use the Service for personal, family or household purposes. You cannot use it for or on behalf of any business, partnership, corporation, proprietorship, organization, or other entity.

## **Joint Accounts**

If the Eligible Account is a joint account, you and any joint owner consent to our disclosing all information concerning any bill payments, completed, pending, and scheduled, to any joint owner. A joint owner may use the same Eligible Account for his or her individual use of the Service. Each owner of the Eligible Account is jointly and severally liable for all obligations incurred by the other owner's use of the Service. Each owner must individually enroll in the Service and, if so enrolled, each owner will have a separate Payee list and payment history.

## **Payment Authorization**

When setting up Payees and payments in Bill Pay, you must provide us with information on your Payee accounts. You must make sure this information is accurate and complete, and you agree to update it as necessary to keep it accurate and complete. We will use this information to facilitate your use of the Service, and for accessing Payee websites on your behalf.

By providing us with names and account information of Payees to whom you wish to direct payments, you authorize us to follow the payment instructions that we receive from you. In order to process payments more efficiently and effectively, we may edit or alter payment data or data formats in accordance with Payee directives.

There are limits to the amounts you can pay. The maximum amount you can pay is \$250,000 per day. The Bill Pay screens will notify you if you attempt to exceed a limit. Your limits may be adjusted from time-to-time at our sole discretion. You may log in to the Service to view your individual transaction limits. We also reserve the right to select the method in which to remit funds on your behalf through the Service, and in the event that your Eligible Account is closed or otherwise unavailable to us the method to return funds to you. These payment methods may include, but may not be limited to, an electronic or paper check or draft payment.

We have no obligation to notify you if we cannot complete a payment because there are not sufficient available funds in your Eligible Account to process the payment. In that case, you are responsible for making alternative payment arrangements.

You may make payments to anyone in the United States, including its territories. Payments to Payees outside the United States are prohibited.

You may not use Bill Pay to make payments on behalf of a third party. If you do so, we have the right to terminate your use of Bill Pay.

## **Scheduling a Payment**

We will display the earliest possible Scheduled Payment Date for each of your Payees (typically at 4:00 P.M. Eastern time four (4) or fewer Business Days from the current date) when you are scheduling the payment. Some cut-off times may be earlier and all cut-off times will be displayed for each Payee. Therefore, you cannot select a Scheduled Payment Date less than the earliest possible Scheduled Payment Date designated for each Payee. When scheduling payments you must select a Scheduled Payment Date that is no later than the actual Due Date reflected on your Payee's billing statement unless the Due Date falls on a non-Business Day. If the actual Due Date falls on a non-Business Day, you must select a Scheduled Payment Date that is at least one (1) Business Day before the actual Due Date. Scheduled Payment Dates must be prior to any late payment date or grace period. Depending on the method of payment, your Eligible Account may be debited prior to the Scheduled Payment Date. For example, if the selected method of payment is a check, we will create a check known as a Laser Draft and send it to the Payee. If the check arrives earlier than the Scheduled Payment Date due to faster than expected delivery by the postal service, and the Payee immediately deposits the check, your Eligible Account may be debited earlier than the Scheduled Payment Date. In some cases, we may issue a check drawn on an account of our Vendor to make a payment on your behalf.

## **The Service Guarantee**

Due to circumstances beyond our control, particularly delays in the handling and posting of payments by Payees, some transactions may take longer to be credited to your account with the Payee. We will be responsible for any late payment related charges up to \$35 should a payment post after its Due Date as long as the payment was scheduled in accordance with the Scheduling a Payment Section of this Agreement above.

## **Authorization to Debit the Eligible Account**

By instructing us to make a payment, you authorize us to debit your Eligible Account and remit the funds on your behalf to the Payee so that the funds arrive as close as reasonably possible to the Scheduled Payment Date. You also authorize us to credit your Eligible Account for payments returned to us as undeliverable by the United States Postal Service or by the Payee as not posted, or for payments remitted to you by another person.

## **Payment**

You agree that you will initiate a bill payment only when there is (or will be) sufficient available funds in your Eligible Account at the time your payment is scheduled to be made. If there are not enough funds available to complete the payment, we or our Vendor may either (a) complete the payment by advancing funds on your behalf or (b) refuse to complete the payment, without regard to whether we may have previously established a pattern of honoring or dishonoring such payments. In either case, we reserve the right to impose an overdraft fee paid or an overdraft returned item fee in accordance with the Deposit Terms and Conditions. You agree to pay any fees we may impose, which may vary depending on the action we take. Any negative balance on your Account, or the amount of any advance of funds, is immediately due and payable, unless we agree in writing, and you agree to reimburse us and our Vendor for any expenses incurred in recovering any monies due and owing, including reasonable attorney fees, expenses and any overdraft fee paid or overdraft returned item fees.

At our option, if there are insufficient funds in your Bill Pay Eligible Account on the Scheduled Delivery Date, we may, in our discretion, attempt to debit such payment on a later Business Day. This may result in additional overdraft fees or other expenses.

If our Vendor advances funds on your behalf to complete a payment for which there are not enough funds in your account, you will immediately owe repayment of the amount of the advance directly to our Vendor. Either we, our Vendor, or our Vendor's collection agency or attorney may contact you to notify you of the advance and your immediate obligation to repay it to the Vendor.

You agree to immediately repay the amount of any advance made by our Vendor on your behalf to complete a payment for which there are not enough funds in your account by following the instruction of Live Oak Bank or our Vendor. We or our Vendor may instruct you to repay the advance by depositing adequate funds in your Bill Pay Eligible Account, in which case, we will transfer those funds to repay our Vendor on your behalf. Alternatively, we or our Vendor may instruct you to make the required repayment directly to our Vendor.

We may suspend your access to the Service if you owe money to us or to our Vendor for an advance made on your behalf. We and our Vendor are authorized to report the facts concerning the debt to any consumer reporting agency.

Our Vendor is a third party beneficiary of your obligation to repay the amount of any advance made by the Vendor for the purpose of completing a payment.

Whether or not any advance is made or repaid, you are obligated directly to Live Oak Bank for the amount of our overdraft fees or other expenses in the event that your account does not have sufficient funds to complete a payment.

Either we or our Vendor, or both, may contact you regarding your requested bill payments, any advance made to complete a payment, or your repayment of any advance.

### **Collection and Attorney Fees and Costs**

If we or our Vendor advance funds on your behalf to complete a payment for which there are not sufficient funds in your account to reimburse us or our Vendor for the payment, you will immediately repay us or our Vendor for the amount advanced. Either we or our Vendor may contact you to notify you of the advance and your immediate obligation to repay it to us or our Vendor. If you do not immediately repay the amount owed, you agree to pay all collection agency fees and costs and/or attorney's fees and court costs if we or our Vendor refer your obligation to repay to a collection agency and/or an attorney for collection.

### **Limitation on the Liability of the Service**

We will attempt to make all your payments properly. However, we shall incur no liability and our Service Guarantee (as described above) shall be void if we are unable to complete any payments initiated by you because of the existence of any one or more of the following circumstances:

- a. If, through no fault of ours, your Eligible Account does not contain sufficient available funds to complete the transaction;
- b. Our vendor's payment processing center is not functioning properly and you know or were advised by us about the malfunction or issue before you execute the transaction;
- c. You have not provided us with the correct Eligible Account information, or the correct name, address, phone number, or account information for the Payee; and/or,
- d. Circumstances beyond our control (such as, but not limited to, fire, flood, or interference from an outside force) prevent the proper execution of the transaction and we and our Vendor have taken reasonable precautions to avoid those circumstances.

Provided that none of the foregoing exceptions are applicable, if we cause an incorrect amount of funds to be removed from your Eligible Account or cause funds from your Eligible Account to be directed to a Payee which does not comply with your payment instructions, we will be responsible for returning the improperly transferred funds to your Eligible Account, and for directing to the proper Payee any previously misdirected transactions, and, if applicable, for any late payment related charges up to \$35.

### **Payment Cancellation Requests**

You may cancel or edit any scheduled payment (including recurring payments) by following the directions shown on our website. There is no charge for canceling or editing a scheduled payment. Once we have begun processing a payment it cannot be cancelled or edited, therefore a stop payment request must be submitted.



## **Stop Payment Requests**

Our ability to process a stop payment request will depend on the payment method and whether or not a check that has been issued has been finally paid. We may also not have a reasonable opportunity to act on any stop payment request after a payment has been processed. If you desire to stop any payment that has already been processed, you must contact the Live Oak Bank Deposits Customer Service as soon as possible. Although we will attempt to accommodate your request, we will have no liability for failing to do so. We may also require you to present your request to stop payment in writing within fourteen (14) days of any oral request. The charge for each stop payment request will be the current charge for such service as set out in our Schedule of Fees/Schedule of Limitations.

## **Exception Payments Requests**

“Exception Payments” are payments to deposit accounts or brokerage accounts, payments to settle securities transactions (including without limitation stocks, bonds, securities, futures (forex), options, or an investment interest in any entity or property), tax payments and court ordered payments. Exception Payments may be scheduled through the Service; however, Exception Payments are discouraged and must be scheduled at your own risk. In no event shall we be liable for any claims or damages resulting from your scheduling of Exception Payments. Exception Payments are not covered by the late payment portion of the Service Guarantee. We have no obligation to research or resolve, or honor any claim resulting from an Exception Payment.

## **Disclosure of Account Information to Third Parties**

It is our general policy to treat your account information as confidential. However, we or our Vendor will disclose information to third parties about your account or the transactions you make in the following situations either pursuant to our Privacy Policy or in the following circumstances:

- a. Where it is necessary for completing transactions;
- b. Where it is necessary for activating additional services;
- c. In order to verify the existence and condition of your account to a third party, such as a credit bureau or a Payee or Biller;
- d. To a consumer reporting agency;
- e. To a collection agency;
- f. In order to comply with a governmental agency or court orders; or,
- g. If you give us your written permission.

## **Service Fees and Additional Charges**

You are responsible for paying all fees associated with your use of the Service. Any applicable fees will be disclosed in our Schedule of Fees/Schedule of Limitations. There may also be charges for additional transactions and other optional services. You agree to pay such charges and authorize us to deduct the amount of the fee from your Eligible Account.

## **Payee Limitation**

We reserve the right to refuse to pay any Payee to whom you may direct a payment. We will notify you promptly if we decide to refuse to pay a Payee designated by you. This notification is not required if you attempt to make a prohibited payment as set forth in the Prohibited Payments Section below or an Exception Payment under this Agreement.

## **Returned Payments**

You understand that Payees and/or the United States Postal Service may return payments to us for various reasons such as, but not limited to (a) Biller’s forwarding address expired; (b) the account number you provided is not valid; (c) the Payee is unable to locate your account; (d) or the account is paid in full. We will attempt to research and correct the returned payment and return it to your Payee, or void the payment and credit the payment amount back to your Eligible Account. You may or may not receive notification from us about a returned payment.

## **Authorization to Obtain Financial and Other Information**

You agree that we have the right to obtain financial and other information regarding you and your accounts at any Payee (for example, to resolve payment posting problems or for verification).

## **Termination of Bill Pay**

We may, at our sole discretion, terminate your use of the Service without prior notice. If we terminate your use of Bill Pay, some of your online bill payment information may be deleted, such as pending and recurring payments are your sole responsibility. If you decide to stop using the Service, we strongly suggest that you cancel all future bill payments at the same time, either by deleting those payments yourself or by calling Live Oak Bank at 866-518-0286. This will ensure that future payments made by you will not be duplicated.

## **Third-Party Service Providers (“Vendors”)**

We use one or more unaffiliated third-party service providers (referred to as “Vendors”) to act on our behalf in maintaining the Service and to process your payments and electronic bills.

However, we are the sole party liable to you and any third party for any payments or transfers conducted using the Service. You agree that we have the right under this Agreement to delegate to Vendors all of the rights and performance obligations that we have under this Agreement, and that the Vendors will be third party beneficiaries of this Agreement and will be entitled

to all the rights and protections that this Agreement provides to us. We and our Vendors may share with each other information about you and your Eligible Account for the purpose of providing the Service, including making payments, and obtaining repayment of advances and payment of fees and expenses. All of our Vendors are required to implement appropriate measures to protect the privacy and security of your non-public personal information. Payments processed as paper checks (other than Laser Drafts) may show that they are drawn by our Vendor rather than by you or Live Oak Bank.

### **Prohibited Payments**

You agree that you are independently responsible for complying with all applicable laws in all of your activities related to your use of the Service, regardless of the purpose of the use. The following types of payments are prohibited, and we have the right - but not the obligation - to monitor for, block, cancel, and/or reverse such payments:

- a. Payments that violate any law, statute, ordinance or regulation,
- b. Payments that violate the terms in the Agreement,
- c. Payments that impose an unreasonable or disproportionately large load on our infrastructure,
- d. Tax payments and court ordered payments.
- e. Unlawful internet gambling transactions or other unlawful activity.
- f. Transactions that would result in payments to beneficiaries listed on the specifically Designated National lists from the U.S. Department of Treasury,
- g. A payment that would violate (or cause Live Oak Bank to violate) any economic sanctions laws or regulations of the United States, including those issued by the Office of Foreign Asset Control of the U.S. Department of the Treasury, Executive Order of the President, or a directive of the U.S. Department of Treasury.

In no event shall we or our Vendors be liable for any claims or damages resulting from your scheduling of prohibited payments. We have no obligation to research or resolve any claim resulting from a prohibited payment. All research and resolution for any misapplied, mis-posted or misdirected prohibited payments will be your sole responsibility and not ours.

### **Text Messages, Calls and/or Emails to You**

By providing us with a telephone number (including a wireless/cellular, mobile telephone number and/or email address), you consent to receiving calls from us and our Vendors at that number and/or emails from us for our everyday business purposes (including identify verification). You acknowledge and agree that such telephone calls include, but are not limited to, live telephone calls, prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system from us or our affiliates and agents. You further consent to receiving text messages from us at that number, and/or emails from us for marketing purposes in connection with the Service and consistent with our Privacy Policy. Please review our Privacy Policy for more information at [www.liveoakbank.com](http://www.liveoakbank.com).

### **Receipts and Transaction History**

You may view your transaction history by logging into the Service and looking at your transaction history. You agree to review your transactions by this method instead of receiving receipts by mail.

### **Notices to You**

You agree that we or our Vendor may provide notice to you by posting it on the web site, sending you an in-product message within the Service, emailing it to an email address that you have provided, mailing it to any postal address that you have provided, or by sending it as a text message to any mobile phone number that you have provided, including but not limited to the mobile phone number that you have listed in your Service setup or customer profile.

### **Taxes**

It is your responsibility to determine what, if any, taxes apply to the transactions you make or receive, and it is your responsibility to collect, report and remit the correct tax to the appropriate tax authority. We are not responsible for determining whether taxes apply to your transaction, or for collecting, reporting, or remitting any taxes arising from any transaction.

### **Intellectual Property**

All other marks and logos related to the Service are either trademarks or registered trademarks of us or our licensors. In addition, all page headers, custom graphics, button icons, and scripts are our service marks, trademarks, and/or trade dress or those of our licensors. You may not copy, imitate, or use any of the above without our prior written consent, which we may withhold in our sole discretion, and you may not use them in a manner that is disparaging to us or the Service or display them in any manner that implies our sponsorship or endorsement. All right, title and interest in and to the Service, the portion of the web site through which the Service is offered, the technology related to the web site and Service, and any and all technology and any content created or derived from any of the foregoing, is our exclusive property or that of our licensors.

## ACH ORIGATION TERMS AND CONDITIONS

**Definitions.** *You* and *your* refer to the Originator(s). *We*, *us*, and *our* refer to the Originating Depository Financial Institution (ODFI). *Account* refers to your account with us, which will receive debits and/or credits pursuant to this Agreement. *ACH* refers to Automated Clearing House. *ACH Rules* refers to the Operating Rules of the National Automated Clearing House Association as amended from time to time and any superseding operating rules of local ACH Association(s).

Except as otherwise provided, terms in this Agreement have the meanings provided in the ACH Rules.

References to Sections and Subsections of the ACH Rules include any pertinent superseding local rules and any provisions dealing with the same subject matter in any subsequently amended ACH Rules, even if they are entitled differently or have different numbers or other designations. *Initiate* includes reinitiate. *Uncompleted entry* means an entry you initiate and we process, but which is returned, reversed, or otherwise not completed.

**ACH Origination.** You authorize us to transmit, and to debit or credit the amounts of, entries to the accounts of Receivers through the ACH system. You agree to be bound by the ACH Rules, including all the Originator obligations under the ACH Rules. You also agree to satisfy and be solely responsible as between you and us for:

- (A) all the requirements of the ACH Rules related to the Authorization and Notice of Entries found in Section 2.3, all of the requirements related to Authorization by Notification for Specific Types of Entries found in Section 2.5, and the RDFI Notice to Receiver requirements in Section 3.1; and
- (B) all the requirements necessary for us not to be in breach of the ODFI warranties specified in the ACH Rules, except for those in the Subsections entitled The ODFI has Verified the Identity of Originator or TPS that Uses Unsecured Electronic Network, ODFI Warranties for Entries through its Sending Points, Audits of Rules Compliance and Subsections 2.5.2.5(b), 2.5.2.5(c), and 2.5.17.4(c). which are our sole responsibility, except that you will not be responsible for any failure solely on our part to comply with U.S. law, including our obligations under programs administered by OFAC and FinCEN, and except that you will not be responsible for inaccurate transmission by us of information you accurately provided.

**Data Security.** You agree to receive, store, and transmit data relating to this service in a secure manner using up-to-date, commercially-reasonable measures to protect against breaches. You agree to satisfy any requests we make regarding compliance with the ACH Rule entitled Secure Transmission of ACH Information Via Unsecured Electronic Networks, requiring all banking information to be encrypted or transmitted in secure sessions subject to changing commercial technology standards. You agree to cooperate in a timely fashion with our requests and procedures relating to actual or potential security breaches.

**Legal Violations, Breach of Rules or Agreement.** You acknowledge that entries cannot be initiated that violate U.S. laws, including, but not limited to, programs administered by OFAC and FinCEN, or other laws, including the laws and payment system rules of the receiving countries, and you agree to indemnify and hold us harmless with respect to any entries you initiate that violate such laws. If you breach this Agreement, including any breach of the ACH Rules, we may terminate or suspend this agreement, or take any other action necessary for us to remain in compliance with the rules and the law. In addition to our other remedies, you will indemnify and hold us harmless with respect to any fines or liabilities we may incur as a result of your breach.

**Debits and Credits to Account.** We will debit the Account:

- (A) for all credit entries initiated and processed,
- (B) for all uncompleted debit entries,
- (C) for all adjustments to debit entries initiated and processed, and
- (D) for all fees and related taxes and other amounts due.

We will credit the Account:

- (A) for all debit entries initiated and processed,
- (B) for all uncompleted credit entries, and
- (C) for all adjustments to credit entries initiated and processed.

For debit entry credits, we may delay availability by reasonable notice to you after the delay is imposed. If the settlement date should fall on a day that either we or the RDFI are not processing ACH transactions, availability may be delayed accordingly. The fact that we have made funds available to you does not preclude our right to debit the account later if an entry is subsequently returned, disputed, or determined to be unauthorized, improper or incorrect.

**Account Balance.** We will not be required to process initiations unless there are sufficient available funds. If there is ever a negative balance in the Account, you will be indebted to us for the amount of the negative balance and will immediately deposit funds sufficient to eliminate the negative balance, and we will be entitled (without prior notice and unless prohibited by law) to apply such indebtedness against the funds in any other accounts you have with us and to collect on such indebtedness by any lawful means.

**Process Obligation.** We will process entries received in accordance with this Agreement:

- (A) as to entries for which we are the RDFI as well as the ODFI (on-us entries) and not involving an ACH Operator, by debiting or crediting the Receivers' accounts on the effective entry dates, and

(B) as to other entries, by transmitting them to an ACH Operator in accordance with the ACH Rules no later than the Transmittal Deadline, using or not using Third-Party Service Providers as we deem appropriate. (Upon your request, we will provide you the conditions under which Third-Party Service Providers will be used.)

We are required to process entries only if they are received by us in accordance with this Agreement, and we can reject any that are not so received. We will give you notice of such rejection no later than the Business Day we would otherwise have transmitted them to an ACH Operator, or in the case of on-us entries which we do not involve an ACH Operator, no later than the effective entry dates. We are entitled to reject on-us entries for any of the reasons RDFIs can return them. We may also, at our discretion, delay the processing of any entries that we reasonably believe to be unauthorized or fraudulent, until we have contacted you and confirmed their validity. We will have no liability for interest or otherwise for rejecting entries in accordance with this paragraph.

**Acknowledgment Entries.** If we have specifically agreed to support requests for Acknowledgment entries, you understand it is your sole responsibility to enter into agreements with the Receiver and arrange with the Receiver's RDFI as necessary to ensure that requests for acknowledgment will be honored. If you receive an Acknowledgment entry that is erroneous or incorrect, you may request that we send a refusal entry as permitted by ACH Rules. We have no obligation to monitor for any failure by the RDFI to send a requested Acknowledgment entry.

**Returns and Notifications of Change.** We will process and forward Returns or Notifications of Change promptly. You agree that you will use any Returns and Notifications of Change as a basis for review and ongoing improvement to authorization and enrollment procedures to prevent against future Returns and Notifications of Change. For any Notifications of Change or Returns you receive, you will maintain procedures to promptly investigate and make any corrections in accordance with the timing requirements of the ACH Rules. Any ACH system codes in the Notification of Change are defined in the ACH Rules. The ACH Rules and we will establish, from time to time, various threshold levels for returns, rejections, or errors that, if exceeded, will constitute breach of this Agreement. For example, except as otherwise established by us or the ACH Rules, returns bearing an unauthorized reason code for any type of entry may not exceed one-half percent (0.5%) of the total number of entries initiated.

**Security Procedures.** Security procedures are offered for your and our protection, and you agree to implement and follow the security procedures provided. You must safeguard your security procedures and not let anyone other than authorized persons have access to your security procedures. You will notify us immediately of any suspected unauthorized access. If you refuse or fail to follow a security procedure that we have offered and you later suffer a loss due to unauthorized or fraudulent transactions that could have been prevented had you accepted and implemented a security procedure we offered, you agree that you will be solely liable for the loss. You affirm that there are no circumstances relevant to the determination of a commercially reasonable security procedure except as described in this Agreement. You agree that the security procedures provided to you are reasonable for your particular circumstances.

**Unauthorized Initiations.** You are solely responsible for avoiding unauthorized initiations. Unless otherwise required by law or provided by the ACH Rules, you will be bound by all initiations purporting to be yours, even if they are not authorized by you, if we receive and process them in accordance with this Agreement.

**Inconsistent Names and Numbers.** Any inconsistencies in your initiations between Receivers' names and identifying numbers, or between RDFIs' names and identifying numbers, will be resolved in favor of the numbers, and you will be bound thereby.

**Article 4A Notice.** You acknowledge you have received the following notice regarding each credit entry subject to Article 4A of the Uniform Commercial Code of the state or jurisdiction whose laws govern this Agreement:

- (A) The entry may be transmitted through the ACH;
- (B) The rights and obligations of the Originator concerning the entry shall be governed by the laws of the state or jurisdiction whose laws govern this Agreement;
- (C) Credit given by the RDFI to the Receiver as provided in ACH Rules Subsection 3.3.1 (Availability of Credit Entries to Receivers) is provisional until the RDFI has received final settlement through a Federal Reserve Bank or otherwise has received payment as provided in Section 4A-403(a) of Article 4A; and
- (D) If the RDFI does not receive such payment, the RDFI is entitled to a refund from the Receiver in the amount of the credit to the Receiver's account, and the Originator will not be considered to have paid the amount of the credit entry to the Receiver.

**Reversing Files and Entries.** If you initiate, or ask us to initiate, a reversing and/or correcting file or a reversing entry, we will not be required to proceed with it unless:

- (A) you deliver your request and the required information to us at least 24 hours (not including any period that is not a Banking Day for us) before the deadline for our transmitting the same to the Originating ACH Operator under the ACH Rules, and
- (B) you agree to indemnify us to the full extent of the indemnification required of us under the ACH Rules.

**Exposure Limits.** We are required to establish, monitor, and enforce exposure limits and update them from time to time. The exposure limits are based on risk factors specific to your account and will be effective immediately upon their establishment or change. We will communicate these exposure limits to you (if applicable), and we will notify you promptly after they are established or changed (if applicable).

**Information.** You will promptly provide us with any information, explanations, and copies we request which are necessary for us to comply with the ACH Rules or which are pertinent in any way to your initiation of entries. We can audit your compliance with this Agreement and the ACH Rules, and you will give us access to your premises and records and provide us with all information we request in connection with such audits.

**Irreconcilable Conflicts.** This Agreement supersedes your account agreement to the extent they cannot be reconciled. You expressly waive any account agreement provision relating to signatures for withdrawal.

**Limitation on Responsibility.** We will not be responsible for failure to act or delayed action under this Agreement if the failure or delay is the result of legal constraint, interruption of transmission or communication facilities, equipment failure, third party delays, war emergency conditions, or other circumstances beyond our control.

**Limitation on Damages.** Unless otherwise required by law, we will not under any circumstances be liable to you for interest; attorneys' fees; litigation expenses; or consequential, special, incidental, indirect, or punitive damages.

**Fees.** You will pay us the designated fees, even if we reject entries as provided. We can change the fees you are required to pay or the amounts by giving you 30 days written notice. In addition, you will pay us the amount of any taxes due on such fees (not including any income taxes we owe).

**Notices.** Except as otherwise provided, all notices will be in writing addressed to the party's address stated herein, unless such address has been changed by 30 days written notice actually received. We may change the terms of this Agreement -- including, for example, setting new or changing existing transaction limitations or other security limitations -- by reasonable advance written notice to you at the address herein, and your continued use of the service thereafter will constitute agreement to the amended terms. Notices, other than changes in addresses, will be effective on mailing, postage prepaid and properly addressed, whether or not received, provided the mailing is documented.

**Duration and Termination.** This Agreement will continue until it is terminated. If you breach the terms of this Agreement or the ACH Rules, we can terminate or suspend this Agreement immediately by giving you written notice. Either party can terminate this Agreement without fault by giving 30 days written notice to the other.

**Waiver.** We can waive rights under, and violations of, this Agreement without affecting other rights under, or other violations of, this Agreement.

**Assignment.** You are not entitled to assign this Agreement or your rights and obligations without our consent.

**Benefit.** This Agreement is for your benefit and our benefit only, and no other entities have rights hereunder.

**Invalidity.** The invalidity or illegality of any provision of this Agreement will not affect the remainder of this Agreement, which will continue to be in effect.

**Headings.** Headings are for reference purposes only and are not a part of this Agreement.

**Governing Law.** This Agreement will be governed by the laws of the state or jurisdiction provided in our address.

**Time Periods and Deadlines Extended.**

Notwithstanding anything in this Agreement to the contrary, all deadlines and time periods are automatically extended to the extent necessary for compliance with U.S. laws, including programs administered by OFAC and FinCEN, or other laws, including, but not limited to, the laws and payment system rules of the receiving countries.

This may result in delays in processing, settlement, and/or availability if, for example, we determine that enhanced scrutiny or verification is necessary.

**Unlawful Internet Gambling Notice.** Restricted transactions as defined by Federal Reserve Regulation GG are prohibited from being processed through this account or relationship.

## AGGREGATION - MX MINIMUM TERMS AND CONDITIONS

This User agreement contains the terms and conditions for your use of digital money management tools and services that we may provide to you and that involve accessing third party account information ("Services"). Hereinafter "you" "your" means the User and "us" "we" "our" or "Financial Institution" refers to Client (protecting MX as its third party service provider).

1. **Provide Accurate Information.** You represent and agree that all information you provide to us in connection with the Services is accurate, current, and complete. You agree not to misrepresent your identity or account information. You agree to keep account information secure, up to date and accurate. You represent that you are a legal owner, or an authorized user, of the accounts at third party sites which you include or access through the Services, and that you have the authority to (i) designate us and our service providers as your agent, (ii) use the Services, and (iii) give us and our service providers the passwords, usernames, and all other information you provide.
2. **Content You Provide.** Your use of the Services is your authorization for Financial Institution or its service providers, as your agent, to access third party sites which you designate in order to retrieve information. You are licensing to Financial Institution and its service providers any information, data, passwords, usernames, PINS, personally identifiable information or other content you provide through the Services. You authorize us or our service providers to use any information, data, passwords, usernames, PINS, personally identifiable information or other content you provide through the Services or that we or our service providers retrieve on your behalf for purposes of providing the Services, and for other permissible business purposes. Except as otherwise provided herein, we or our service providers may store, use, change, or display such information or create new content using such information.
3. **Power of Attorney.** You grant Financial Institution and its service providers a limited power of attorney as provided below to access information at third party sites on your behalf. Third party sites shall be entitled to rely on the authorizations, agency, and the power of attorney granted by you or through your account. For all purposes hereof, you hereby grant Financial Institution and its service providers a limited power of attorney, and you hereby appoint them as your true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, in any and all capacities, to access third party sites to retrieve information, use such information, as described herein, with the full power and authority to do and perform each and every act and thing required and necessary to be done in connection with such activities, as fully to all intents and purposes as you might or could do in person. You understand and agree that the Services are not sponsored or endorsed by any third party site. **YOU ACKNOWLEDGE AND AGREE THAT WHEN FINANCIAL INSTITUTION OR ITS SERVICE PROVIDERS ACCESS AND RETRIEVE INFORMATION FROM THIRD PARTY SITES, THEY ARE ACTING AS YOUR AGENT, AND NOT AS THE AGENT OR ON BEHALF OF THE THIRD PARTY SITES.**
4. **Third Party Accounts.** With respect to any third party sites we may enable you to access through the Services or with respect to any non- Financial Institution accounts you include in the Services, you agree to the following:
  - a. You are responsible for all fees charged by the third party in connection with any non- Financial Institution accounts and transactions. You agree to comply with the terms and conditions of those accounts and agree that this User agreement does not amend any of those terms and conditions. If you have a dispute or question about any transaction on a non-Financial Institution account, you agree to direct these to the account provider.
  - b. Any links to third party sites that we may provide are for your convenience only, and Financial Institution and its service providers do not sponsor or endorse those sites. Any third party services, which you may be able to access through the Services, are services of the listed institutions. We nor our service providers have responsibility for any transactions and inquiries you initiate at third party sites. The third party sites you select are solely responsible for their services to you. We nor our service providers are liable for any damages or costs of any type arising out of or in any way connected with your use of the services of those third parties.
5. **Limitations of Services.** When using the Services, you may incur technical or other difficulties. We nor our service providers are responsible for any technical or other difficulties or any resulting damages that you may incur. Any information displayed or provided as part of the Services is for informational purposes only, may not reflect your most recent transactions, and should not be relied on for transactional purposes. We and our service providers reserve the right to change, suspend or discontinue any or all of the Services at any time without prior notice.
6. **Acceptance of User Agreement and Changes.** Your use of the Services constitutes your acceptance of this User agreement. This User agreement is subject to change from time to time. We will notify you of any material change via e-mail or on our website by providing a link to the revised User agreement. Your continued use will indicate your acceptance of the revised User agreement. The licenses, user obligations, and authorizations described herein are ongoing.
7. **Aggregated Data.** Anonymous, aggregate information, comprising financial account balances, other financial account data, or other available data that is collected through your use of the Services, may be used by us and our service providers to conduct certain analytical research, performance tracking and benchmarking. Our service providers may publish summary or aggregate results relating to metrics comprised of research data, from time to time, and distribute or license such anonymous, aggregated research data for any purpose, including but not limited to, helping to improve products and services and assisting in troubleshooting and technical support. Your personally identifiable information will not be shared with or sold to third parties.
8. **Ownership.** You agree that Financial Institution and its service providers, as applicable, retain all ownership and proprietary rights in the Services, associated content, technology, mobile applications and websites.

9. **User Conduct.** You agree not to use the Services or the content or information delivered through the Services in any way that would: (a) be fraudulent or involve the sale of counterfeit or stolen items, including but not limited to use of the Services to impersonate another person or entity; (b) violate any law, statute, ordinance or regulation (including without limitation those governing export control, consumer protection, unfair competition, anti-discrimination or false advertising); (c) create liability for Financial Institution or its service provider or cause Financial Institution to lose the services of our service providers; (d) access the information and content programmatically by macro or other automated means; or (e) use the Services in such a manner as to gain unauthorized entry or access to computer systems.
10. **Indemnification.** You agree to defend, indemnify and hold harmless Financial Institution, its third party service providers and their officers, directors, employees and agents from and against any and all third party claims, liabilities, damages, losses or expenses, including settlement amounts and reasonable attorneys' fees and costs, arising out of or in any way connected with your access to or use of the Services, your violation of these terms or your infringement, or infringement by any other user of your account, of any intellectual property or other right of anyone.
11. **Disclaimer.** The Services are not intended to provide legal, tax or financial advice. The Services, or certain portions and/or functionalities thereof, are provided as strictly educational in nature and are provided with the understanding that neither Financial Institutions nor its third party providers are engaged in rendering accounting, investment, tax, legal, or other professional services. If legal or other professional advice including financial, is required, the services of a competent professional person should be sought. Financial Institution and its third party providers specifically disclaim any liability, loss, or risk which is incurred as consequence, directly or indirectly, of the use and application of any of the content on this site. Further, Financial Institution and its third party providers are not responsible for any investment decisions or any damages or other losses resulting from decisions that arise in any way from the use of the Services or any materials or information accessible through it. Past performance does not guarantee future results. Financial Institution and its third party providers do not warrant that the Services comply with the requirements of the FINRA or those of any other organization anywhere in the world.
12. **DISCLAIMER OF WARRANTIES.** YOU AGREE YOUR USE OF THE SERVICES AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR RISK AND IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE, AND OUR SERVICE PROVIDERS, DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE USE OF THE SERVICES, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. WE, AND OUR SERVICE PROVIDERS, MAKE NO WARRANTY THAT THE SERVICES (i) WILL MEET YOUR REQUIREMENTS, (ii) WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (iii) THE RESULTS THAT MAY BE OBTAINED FROM THE SERVICES WILL BE ACCURATE OR RELIABLE, (iv) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION, OR OTHER MATERIAL OBTAINED BY YOU THROUGH THE SERVICES WILL MEET YOUR EXPECTATIONS, OR (v) ANY ERRORS IN THE SERVICES OR TECHNOLOGY WILL BE CORRECTED. ANY MATERIAL DOWNLOADED OR OTHERWISE OBTAINED THROUGH THE USE OF THE SERVICES IS DONE AT YOUR OWN DISCRETION AND RISK AND YOU ARE SOLELY RESPONSIBLE FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA THAT RESULTS FROM THE DOWNLOAD OF SUCH MATERIAL. NO ADVICE OR INFORMATION, WHETHER ORAL OR WRITTEN, OBTAINED BY YOU FROM FINANCIAL INSTITUTION OR ITS SERVICE PROVIDERS THROUGH OR FROM THE SERVICES WILL CREATE ANY WARRANTY NOT EXPRESSLY STATED IN THESE TERMS.
13. **LIMITATION OF LIABILITY.** YOU AGREE THAT FINANCIAL INSTITUTION AND ITS THIRD PARTY SERVICE PROVIDERS WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER LOSSES, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, RESULTING FROM (i) THE USE OR THE INABILITY TO USE THE SERVICES AT OUR WEBSITE/MOBILE APPLICATION OR OF ANY THIRD PARTY ACCOUNT PROVIDER'S WEBSITE/MOBILE APPLICATION; (ii) THE COST OF GETTING SUBSTITUTE GOODS AND SERVICES, (iii) ANY PRODUCTS, DATA, INFORMATION OR SERVICES PURCHASED OR OBTAINED OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO, THROUGH OR FROM THE SERVICES, (iv) UNAUTHORIZED ACCESS TO OR ALTERATION OF YOUR TRANSMISSION OR DATA, (v) STATEMENTS OR CONDUCT OF ANYONE ON THE SERVICES, (vi) THE USE, INABILITY TO USE, UNAUTHORIZED USE, PERFORMANCE OR NON-PERFORMANCE OF ANY THIRD PARTY ACCOUNT PROVIDER SITE, EVEN IF THE PROVIDER HAS BEEN ADVISED PREVIOUSLY OF THE POSSIBILITY OF SUCH DAMAGES, OR (vii) ANY OTHER MATTER RELATING TO THE SERVICES.
14. **Export Restrictions.** You acknowledge that the Services and any software underlying such Services are subject to the U.S. Export Administration Regulations (15 CFR, Chapter VII) and that you will comply with these regulations. You will not export or re-export the software or Services, directly or indirectly, to: (1) any countries that are subject to U.S. export restrictions; (2) any end user who has been prohibited from participating in U.S. export transactions by any federal agency of the U.S. government; or (3) any end user who you know or have reason to know will utilize them in the design, development or production of nuclear, chemical or biological weapons. You further acknowledge that the Services may include technical data subject to export and re-export restrictions imposed by U.S. law.
15. **Other Terms.** You may not assign this User agreement. A determination that any provision of this User agreement is unenforceable or invalid shall not render any other provision of this User agreement unenforceable or invalid.

## SCHEDULE OF FEES/SCHEDULE OF LIMITATIONS - CONSUMER ACCOUNTS

### SCHEDULE OF FEES - CONSUMER ACCOUNTS

**Live Oak Bank Checking Account Fees:**

Fee Type	Fee Description	Fee Amount
Account Fees	Service Charge	No Charge
	Online Banking/Bill Pay Fee	No Charge
Transaction Fees	Checks Paid/Deposits	No Charge - There are no fees or monthly limitations on transactions on this account
	ACH, ATM, Debit Card	No Charge - There are no fees or monthly limitations on transactions on this account
	Cash Deposit Fees	No Charge - There are no fees or monthly limitations on transactions on this account
	POS Foreign Transaction Fee	3% of transaction amount
Insufficient Funds Fee	Non-Sufficient Funds (NSF) Fee	\$25
ATM	ATM Fees	No charge - There are no ATM fees when you use an Allpoint ATM
Miscellaneous Fees	Stop Payment Fee	\$25
	Returned Item Fee	\$10
	Legal Actions (tax levies, garnishments, etc.)	\$50 minimum
	Incoming Wire	\$15
	Outgoing Wire	\$19
	Debit Card Replacement	No Charge
	Expedited Debit Card	\$25
	Cashier's Check	No Charge



**Live Oak Bank Savings Account Fees:**

Fee Type	Fee Description	Fee Amount
Account Fees	Service Charge	\$10 per month Unless the following balance requirements are met: Minimum Balance: \$2,500 Average Minimum Daily Balance: \$2,500
	Online Banking Fee	No Charge
Transaction Limit/Fees	Fee for each transaction after the Reg D six (6) permitted transactions per monthly statement cycle	\$10 for each transaction after the six (6) permitted transaction limitation per monthly statement cycle
Miscellaneous Fees	Stop Payment Fee	\$25
	Returned Item Fee	\$10
	Legal Actions (tax levies, garnishments, etc.)	\$50 minimum
	Incoming Wire	\$15
	Outgoing Wire	\$19

**Live Oak Bank Certificates of Deposits (CDs) Account Fees:**

Fee Type	Fee Description	Fee Amount
Account Fees	Online Banking Fee	No Charge
	Monthly Interest Disbursements Fee	No Charge
Early Withdrawal Penalties	Early Principal Withdrawal of a CD with a term less than 24 months	90 Days of Simple Interest
	Early Principal Withdrawal of a CD with a term 24 months or greater	180 Days of Simple Interest

**SCHEDULE OF LIMITATIONS - CONSUMER ACCOUNTS**

**Live Oak Bank Consumer Account Limitations:**

Limit Type	Limit Description	Limit Amount
Transaction Limitations	Point-of-Sale (POS) Limit	\$10,000 per day
	Bill Pay Limit	\$250,000 per day
	ACH Transfer Limit	\$250,000 per day
	PTP Transfer Limit	\$1,000 per single transaction \$5,000 daily limit
	Mobile Remote Deposit Capture (RDC) Limit	\$10,000 per month
	ATM Limit	\$1,000 per day