

Funds Transfer Service Agreement



With the "Funds Transfer **Service**" or the "**Service**," you may transfer funds to and from your Mechanics Bank accounts and other accounts held by you at another financial institution - referred to in this agreement as "**Accounts**."

Any reference to "Mechanics Bank" in this Funds Transfer Service Agreement (referred to throughout as the "**Agreement**") includes any directors, officers, employees, contractors, service providers, agents or licensees of Mechanics Bank. As used in this Agreement, the words "you" and "your" refer to you as the user of the Service; the words "we," "us," "our" and any other variation thereof refer to Mechanics Bank.

Acceptance of Terms

This Agreement sets out the terms and conditions (the "**Terms**") on which our service provider and Mechanics Bank will provide and you may use the Service and forms part of a legally binding agreement between you and Mechanics Bank. When you click on the Terms of Service acceptance box and click "Sign Up Now", you will complete an application to receive the Funds Transfer Service, and you agree to accept the Terms, including any amendments to this Agreement or any changes in the Terms. Your application may be accepted or declined by our service provider and/or Mechanics Bank based on specific criteria. If you do not accept and agree to all of the Terms, you will not be entitled to use the Service. Mechanics Bank reserves the right to change the Terms under which the Service is offered in its sole discretion at any time; however, Mechanics Bank will notify you of any material change to the Terms. In most cases, you will receive the notice on-line the next time you log in; however, Mechanics Bank reserves the right to notify you by e-mail or by conventional mail, in its discretion. You agree that if you continue to use the Service after we notify you of any change, you thereby accept the changes to the Terms and agree to be bound by this Agreement, as amended. If you do not accept and agree to the changes to the Terms, you will not be entitled to use the Service. You can review, download and print the most current version of this Agreement at any time by clicking on "Terms of Service." If you do not agree to the changes, or if at any time you wish to discontinue your use of the Service, you can unsubscribe by clicking on "unsubscribe" under the Unsubscribe Tab, by sending an e-mail to client_services@mechanicsbank.com or by sending a letter to Mechanics Bank at P.O. Box 8070, Walnut Creek, CA 94596. Once your account with Mechanics Bank has terminated for any reason, you will have no further right or access to use the Funds Transfer Service. To use the Funds Transfer Service you must be at least eighteen (18) years old and be a resident of the United States.

Account Validation Authorization

Once you are approved for the Funds Transfer Service we may verify your Accounts that you add to the Service from time to time. You authorize us to validate the Accounts through the use of a test transfer, in which one or more low value payments will be both credited to and debited from the Account. The test credit will always occur before the test debit and will always be of the same or lesser amount, so that the balance in any of your Accounts will never be less than the actual balance.

Once the test transfer is complete we may ask you to access your Account to tell us the amount of the test credit or debit or any additional information reported by your bank with this test transfer. We may also verify Accounts through requiring the entry of information you ordinarily use to access the Account provider's website, or by requiring you to submit proof of ownership of the Account.

Accounts

You understand that in order to complete fund transfers, it is necessary for Mechanics Bank and our service provider to access the websites and databases of your bank and other institutions where you hold Accounts, as designated by you and on your behalf, to retrieve information and effect the fund transfers you request. By using the Service, you represent and warrant to us that you have the right to authorize and permit us to access your Accounts to effect such funds transfers or for any other purpose authorized by this Agreement, and you assure us that by disclosing and authorizing us to use such information you are not violating any third party rights. You warrant and represent that the information you are providing us with is true, current, correct and complete. You hereby authorize and permit Mechanics Bank and our service provider to use information submitted by you to accomplish these purposes and to configure the Service to be compatible with the Accounts.

For as long as you are using the Service, you give to Mechanics Bank and our service provider a limited power of attorney and appoint Mechanics Bank and our service provider as your true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for you and in your name, place and stead, in any and all capacities, to access the Accounts, effect funds transfers as described above, with full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection with effecting Funds Transfers, including verifying the content and authenticity of any funds transfer instruction for the purposes of security procedures applicable to Accounts, as fully to all intents and purposes as you might or could in person. Once Mechanics Bank and/or our service provider has actual knowledge that you wish to cease using the Funds Transfer Service as provided in this Agreement or as otherwise permitted in this Agreement and has a reasonable opportunity to act on such knowledge, this limited power of attorney is automatically revoked; provided, however, that any act done by Mechanics Bank and/or our service provider in good faith before it has actual knowledge of termination by you and has a reasonable opportunity to act on such knowledge shall be deemed to be authorized by you.

You understand and agree that at all times your relationship with each Account provider is independent of Mechanics Bank and your use of the Funds Transfer Service. Mechanics Bank will not be responsible for any acts or omissions by the financial institution or other provider of any Account, including without limitation any modification, interruption or discontinuance of any Account by such provider.

YOU ACKNOWLEDGE AND AGREE THAT WHEN MECHANICS BANK AND OUR SERVICE PROVIDER IS EFFECTING A FUNDS TRANSFER FROM OR TO ANY OF YOUR ACCOUNTS, MECHANICS BANK AND OUR SERVICE PROVIDER IS ACTING AS YOUR AGENT, AND NOT AS THE AGENT OR ON BEHALF OF ANY THIRD PARTY. YOU AGREE THAT MECHANICS BANK, ITS AFFILIATES, SERVICE PROVIDERS AND PARTNERS SHALL BE ENTITLED TO RELY ON THE FOREGOING AUTHORIZATION, AGENCY AND POWER OF ATTORNEY GRANTED BY YOU.

YOU AGREE THAT WE SHALL NOT BE LIABLE FOR ANY COSTS, FEES, LOSSES OR DAMAGES OF ANY KIND INCURRED AS A RESULT OF (1) OUR ACCESS TO THE ACCOUNTS; (2) OUR DEBIT AND/OR CREDIT OR INABILITY TO DEBIT AND/OR CREDIT THE ACCOUNTS IN ACCORDANCE WITH YOUR FUNDS TRANSFER INSTRUCTIONS; (3) ANY INACCURACY, INCOMPLETENESS OR MISINFORMATION CONTAINED IN THE INFORMATION RETRIEVED FROM THE ACCOUNTS; (4) ANY CHARGES IMPOSED BY ANY PROVIDER OF ACCOUNTS AND (5) ANY FUNDS TRANSFER LIMITATIONS SET BY THE FINANCIAL INSTITUTIONS OR OTHER PROVIDERS OF THE ACCOUNTS.

Not all types of accounts are eligible for funds transfer. Be sure to check with your other financial institutions for restrictions regarding transfers among your retirement (401k, IRA, etc.), savings, trusts, loans, custodial, business, corporate and other account types. We are not responsible for any costs or losses incurred from funds transfers that are not permitted under such restrictions by the provider of your Account or those imposed by applicable law.

Your Liability of Unauthorized Transfers and Errors and Questions

Please see your Account Agreement for details regarding unauthorized transfers and errors and questions about a funds transfer.

Business Days

The Service processes Next Day transfers Monday through Friday and Standard transfers Sunday through Friday, excluding Federal holidays.

Types of Transfers

You may use Funds Transfer to transfer funds between any two of your Accounts about which you have provided the necessary information to funds transfer. Transfers can be between Accounts within Mechanics Bank or to and from an unrelated financial institution.

Some of these services may not be available at all times. We may from time to time make available additional or new features to the Service. You will be approved or declined for any such additional service at our sole discretion and additional terms and conditions may apply. Please ensure that you have sufficient funds to effect any funds transfers from your Accounts. We may at any time decline to effect any funds transfers we believe may violate applicable law.

Frequency of Transfers

We do not limit the number of funds transfers you may make; however, you may not exceed the dollar amount limits or violate rules governing the applicable Accounts. We may from time to time for security and risk management reasons modify the limit, the frequency and the dollar amount of transfers you can make using our Service.

Dollar Amount of Transfers

You may not make funds transfers in excess of dollar limits described on the Service. We reserve the right to change from time to time the dollar amount of funds transfers you are permitted to make using our Service. Without limiting the foregoing, in the event that your use of the Service has been suspended and reinstated as provided herein (see "**Suspension and Reinstatement of Funds Transfer Service**," below), you understand and agree that your use of the Service thereafter may be subject to lower dollar amount limitations than would otherwise be permitted by us.

Transfers Subject to the Rules of the Accounts

Additionally, all funds transfers are also subject to the rules and regulations governing the relevant Accounts. You agree not to effect any funds transfers from or to an Account that are not allowed under the rules or regulations applicable to such accounts including, without limitation, rules or regulations designed to prevent the transfer of funds in violation of OFAC regulations.

Rejection of Transfers

We reserve the right to decline to effect any funds transfers, to submit funds transfer instructions or orders or to carry out change or cancellation requests.

Authorization

You authorize us to select any means to execute your funds transfer instructions. You understand that to effect your Funds Transfer instructions we utilize the Automated Clearing House (ACH), using applicable ACH Rules, we debit one of your Accounts and credit another of your Accounts. **If the debit side fails to post to the senders account or is returned for any reason and the credit side has been released and cannot be collected, you authorize our service provider to collect from the Account to which the credit side of the funds transfer was sent.** We reserve the right to resubmit a debit, or a portion of the debit, in the event of an insufficient or uncollected funds return and if we cannot collect the amount credited. To effect this collection, you understand and authorize us to debit the credited Account or the debited Account in either the same dollar amount as the original funds transfer or a portion of the debit. There may be a fee associated with such collection imposed by the financial institution holding the Account.

You understand and agree that we may from time to time impose additional charges in connection with your funds transfer transactions. Mechanics Bank will notify you of such fee in advance of the transaction. If you choose to proceed with the transaction, you authorize Mechanics Bank to debit your account in the amount indicated.

In the event that a debit to any of your Accounts, or any portion of any such debit, has failed and the credit side of such transaction has been released and cannot be collected, and we are unable to debit either the debited or the credited Account as set forth above, we reserve the right, and you hereby authorize us, to debit any of your other Accounts to the extent necessary to offset any resulting deficiency. We do not undertake to notify you in such event, other than by posting any such transfer or transfers to the applicable Account in accordance with this Agreement (see "**Documentation**," below).

You understand and agree that in the event we are unable to execute your funds transfer request utilizing the ACH, we may utilize other established payment mechanisms in order to complete your Funds Transfer instructions, such as wire transfer or check.

Suspension and Reinstatement of Funds Transfer Service

In the event that we at any time incur a problem with your use of the Service, including without limitation a fail in Funds Transfer Service to debit any of your Accounts or to collect with respect to any of your funds transfers as described above, and without limiting any other right or remedy that we may have under this Agreement or otherwise, we reserve the right to suspend your right to use the Service, immediately and without prior notice to you. You understand and agree that such action is reasonable for us to take in order to protect us from loss. In the event of such suspension, you may request

reinstatement of your service by contacting us using any of the methods provided for under this Agreement (see **"Acceptance of Terms,"** above). We reserve the right in our sole discretion to grant or deny reinstatement of your use of the Service. In the event we agree to reinstate you, we reserve the right to, and ordinarily will, initially reinstate your Service subject to lower per-transaction and monthly dollar limits and/or with other restrictions than otherwise might be available to you. Based upon your subsequent usage of the Service, Mechanics Bank in its sole discretion may thereafter restore your ability to effect transfers subject to such higher limits as may then be in effect (see **"Dollar Amount of Transfers,"** above).

Documentation

You may access a statement of all funds transfers effected or pending at any time by clicking on the Activity tab. If a funds transfer could not be completed, Mechanics Bank and/or our service provider, upon learning that the funds transfer has failed, will make a reasonable effort to complete the transfer again. If the funds transfer fails a second time, we will notify you to contact your financial institution or other provider of the relevant Account to learn more about the failure.

Your Responsibility for Errors

You understand that we must rely on the information provided by you and you authorize us to act on any instruction which has been or reasonably appears to have been sent by you, to submit funds transfer instructions on your behalf. You understand that financial institutions receiving the funds transfer instructions may rely on such information. We are not obliged to take any further steps to confirm or authenticate such instructions and will act on them without getting further confirmation. You understand that if you provide us with incorrect information or if there is any error in your instruction we will make all reasonable efforts to reverse or delete such instructions, but you accept full responsibility for losses resulting from any of your errors, duplication, ambiguities or fraud in the information that you provide. If any information you provide is untrue, inaccurate, not current or incomplete, without limiting other remedies, Mechanics Bank reserves the right to recover from you any costs or losses incurred as a direct or indirect result of the inaccurate or incomplete information.

No Unlawful or Prohibited Use

As a condition of using the Service, you warrant to us that you will not use the Service for any purpose that is unlawful or is not permitted, expressly or implicitly, by the terms of this Agreement or by any applicable law or regulation. You further warrant and represent that you will not use the Service in any manner that could damage, disable, overburden, or impair the Service or interfere with any other party's use and enjoyment of the Service.

You agree that these warranties and representations will remain in full force and effect even if this Agreement terminates for any reason.

Service Changes and Discontinuation

We may modify or discontinue the Service, with or without notice, without liability to you, any other user or any third party. We reserve the right, subject to applicable law, to terminate your right to use the Service at any time and for any reason, including without limitation if we, in our sole judgment, believe you have engaged in conduct or activities that violate any of the Terms or the rights of Mechanics Bank and/or our service provider, or if you provide us with false or misleading information or interfere with other users or the administration of the Services. We reserve the right to charge a fee for the use of the Service and any additional services or features that we may introduce. You understand and agree that you are responsible for paying all fees associated with the use of our Funds Transfer Service.

Security Procedures

To provide additional security for certain fund transfers, the Service may require the use of a One Time Passcode sent to the phone number on your Funds Transfer profile or require you to answer questions onscreen to verify your identity (Knowledge Based Authentication). You will be prompted to validate a phone number for receiving One Time Passcodes upon login to Funds Transfer or during the transaction flow if one has not already been validated.

You understand that the financial institution at which an Account is maintained may contact us to verify the content and authority of funds transfer instructions and any changes to those instructions. You understand that, as your agent, we may provide to such financial institution such information as may be required to verify the instructions and may constitute a valid security procedure under the rules governing such Account.

Deviating from Security Procedures

You agree to allow us to authorize any financial institution at which you have an Account to accept funds and transfer instructions in accordance with any authorization procedures as may be agreed from time to time between you and such financial institution, or between us, on your behalf, and such financial institution, without verifying the instructions under the established security procedures, regardless of whether such security procedures were agreed by you directly or by us on your behalf. In addition, you agree that we may authorize such financial institutions to charge and debit your accounts based solely on these communications.

Account Number Policy

If funds transfer instructions identify a bank or beneficiary by name and account number, the relevant financial institution may execute those instructions by reference to the number only, even if the number does not correspond to the name. You understand that such financial institutions may not investigate discrepancies between names and numbers. In addition, you agree that we have no responsibility to investigate discrepancies between names and numbers.

Means of Transfer

You authorize us to select any means we deem suitable to provide your funds transfer instructions to the applicable financial institution. These choices include banking channels, electronic means, funds transfer systems, mail, courier, or telecommunications services, intermediary banks and other organizations. You agree to be bound by the rules and regulations that govern the applicable funds transfer systems, such as CHIPS or automated clearing house (ACH) as published by the National Automated Clearinghouse Association (NACHA). We shall make all reasonable efforts to ensure that your transfer requests are processed on time; however, we reserve the right to hold funds beyond the normal period and if any interest is earned will be the property of Mechanics Bank.

Our Liability

If we do not provide a funds transfer instruction on time, if we cause an incorrect amount to be removed from an Account or if we cause funds from an Account to be transferred to any account other than the Account specified in the applicable funds transfer instruction, we shall be responsible for returning the improperly transferred funds and/or for directing any misdirected funds to the proper Account. Mechanics Bank is not responsible or liable if your financial institution's system fails and we are unable to complete the transfer. Except as otherwise required by law, Mechanics Bank shall in no other event be liable for any losses and damages other than those arising from gross negligence or willful misconduct on our part or if we breach a representation or warranty of Mechanics Bank hereunder.

You agree that your transfer instructions constitute authorization for us to complete the transfer. You represent and warrant to us that you have enough money in the applicable Accounts to make any funds transfer you request that we make on your behalf through the Service. You understand and agree that we are not liable under any circumstances for any losses or damages if, through no fault of ours, you do not have enough money to make the funds transfer and the funds transfer is not completed or is later reversed or if your financial institution does not permit the transfer or the funds transfer would exceed the credit limit on any applicable overdraft line.

You also understand and agree that we are not responsible for any losses or damages if circumstances beyond our control (such as fire or flood) prevent us from making a funds transfer or if the Mechanics Bank website was not working properly and you knew about the breakdown when you started the funds transfer.

Limitation of Warranty and Liability

YOU UNDERSTAND AND AGREE THAT OUR FUNDS TRANSFER SERVICE IS PROVIDED "AS-IS." EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT OR AS REQUIRED BY LAW, WE ASSUME NO RESPONSIBILITY FOR THE TIMELINESS, DELETION, MIS-DELIVERY OR FAILURE TO STORE ANY USER COMMUNICATIONS OR PERSONALIZATION SETTINGS. YOU UNDERSTAND AND EXPRESSLY AGREE THAT USE OF THE FUNDS TRANSFER SERVICE IS AT YOUR SOLE RISK, THAT ANY MATERIAL AND/OR DATA DOWNLOADED OR OTHERWISE OBTAINED THROUGH THE USE OF THE FUNDS TRANSFER SERVICE IS DOWNLOADED OR OBTAINED AT YOUR OWN DISCRETION AND RISK AND THAT YOU WILL BE SOLELY RESPONSIBLE FOR ANY DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA THAT RESULTS FROM THE DOWNLOAD OR THE OBTAINING OF SUCH MATERIAL AND/OR DATA.

EXCEPT AS EXPRESSLY SET FORTH ON THE MECHANICS BANK WEBSITE OR IN THIS AGREEMENT, WE DISCLAIM ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON- INFRINGEMENT OF INTELLECTUAL PROPERTY OR THIRD PARTY RIGHTS, AND WE MAKE NO WARRANTY OR REPRESENTATION

REGARDING THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE FUNDS TRANSFER SERVICE, THE ACCURACY OR RELIABILITY OF ANY INFORMATION OBTAINED THROUGH THE FUNDS TRANSFER SERVICE, THE ACCURACY OF ANY INFORMATION RETRIEVED BY US FROM THE ACCOUNTS OR THAT THE FUNDS TRANSFER SERVICE WILL MEET ANY USER'S REQUIREMENTS, BE UNINTERRUPTED, TIMELY, SECURE OR ERROR FREE.

EXCEPT AS DESCRIBED IN THIS AGREEMENT, WE WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND RESULTING FROM THE USE OF OR THE INABILITY TO USE THE FUNDS TRANSFER SERVICE, ANY INACCURACY OF ANY INFORMATION OR AMOUNT RETRIEVED BY US FROM THE ACCOUNTS, ANY BREACH OF SECURITY CAUSED BY A THIRD PARTY, ANY TRANSACTIONS ENTERED INTO BASED ON THE FUNDS TRANSFER SERVICE, ANY LOSS OF, UNAUTHORIZED ACCESS TO OR ALTERATION OF A USER'S TRANSMISSIONS OR DATA OR FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES, INCLUDING BUT NOT LIMITED TO DAMAGES FOR LOSS OF PROFITS, USE, DATA OR OTHER INTANGIBLES, EVEN IF WE HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Indemnification

You agree to indemnify, defend and hold harmless Mechanics Bank, its affiliates, partners, officers, directors, employees, consultants, service providers and agents from any and all third party claims, liability, damages and/or costs (including, but not limited to, attorney's fees) arising from your use of the Funds Transfer Service, our reliance on the information, instruction, license and/or authorization provided by you under or pursuant to this Agreement, your violation of the Terms or your infringement, or infringement by any other user of your Funds Transfer account, of any intellectual property or other right of any person or entity.

Miscellaneous

You understand and agree that if there is any conflict between the terms of this Agreement and the Account Agreement, the terms of the Account Agreement shall govern as between the conflicting terms.

You understand and agree that our service provider is not a bank, a broker-dealer firm, or any other kind of financial institution. You represent and warrant that you are who you claim to be; that you are the rightful owner of all Content and the Accounts linked for the purposes of the Funds Transfer Service; and that you are rightfully authorizing us to access the Accounts.

You agree that our rights and remedies arising out of any breach of your representations and warranties in this Agreement, the limitations on our liability and our rights to indemnification under this Agreement are continuing and shall survive the termination of this Agreement, notwithstanding the lack of any specific reference to such survivability in these provisions. Mechanics Bank's failure to enforce the strict performance of any provision of this Agreement will not constitute a waiver of Mechanics Bank's right to subsequently enforce such provision or any other provisions of this Agreement.

The most current version of this Agreement appears on our website, including any amendments that we may make from time to time. This Agreement may be amended, or any of Mechanics Bank's rights waived, only if Mechanics Bank agrees in writing to such changes, or you continue using the Funds Transfer Service following receipt of notice of any changes proposed by Mechanics Bank. All notices to you shall be in writing and shall be made either via e-mail, conventional mail or messages delivered through the Services, at Mechanics Bank's discretion. All notices to Mechanics Bank must be made in writing and sent to Mechanics Bank at P.O. Box 8070, Walnut Creek, CA 94596. This Agreement is personal to you and you may not assign it to anyone.

If either of us has any dispute or disagreement with the other regarding this Agreement that we cannot resolve amicably, both parties agree that the sole and exclusive remedy shall be binding arbitration in accordance with the then-current rules and procedures of the American Arbitration Association. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its conflict of law provisions or your actual state or country of residence. If for any reason a court of competent jurisdiction finds any provision or portion of the Terms to be unenforceable, the remainder of the Terms will continue in full force and effect.

This Agreement shall take effect immediately upon the acceptance of your application for the Funds Transfer Service by us.