

 Online  
Banking  
Agreement  
& Electronic Funds  
Transfer Disclosure



**AGREEMENT & DISCLOSURE**



# NOVB Online Banking Agreement and Electronic Funds Transfer Disclosure

This Agreement, which includes a Fee Schedule and Enrollment Form, is a contract which establishes the rules which cover your electronic access to your accounts at North Valley Bank (the "Bank") through NVB Online Banking. By using the services contemplated by this Agreement, you accept all of the terms and conditions of this NVB Online Banking Agreement. Please read it carefully.

The terms and conditions of the Deposit Account Agreement & Disclosure applicable to each of your Bank accounts as well as your other agreements with the Bank continue to apply except to the extent that they are inconsistent with the terms in this Agreement, in which case the terms of this Agreement will control.

**DEFINITIONS:** The following definitions apply to this Agreement:

- "Account" means a deposit account you maintain at the Bank.
- "Business days" means Monday through Friday (except Bank holidays) for purposes of EFT activity, even though certain branches may be open on Saturdays.
- "EFT" means an electronically initiated transfer of funds (other than a wire transfer) involving one or more of your deposit accounts. EFTs include deposits, withdrawals or transfers to or from your accounts that are initiated by you or by a third party acting on your behalf or pursuant to your instructions. However, EFTs initiated with a Visa® Debit Card, as well as those initiated by third parties (such as transactions initiated by third parties and processed through an Automated Clearing House, or "ACH"), and those initiated by you other than by means of the Internet Banking System available through the Bank are discussed and covered by your basic Deposit Account Agreement and Disclosure and are not addressed or covered by this Online Agreement and Electronic Funds Transfer Disclosure.
- "Mobile Banking" means accessing the System and System Services through a PDA.
- "PDA" means a wireless computer, often of hand-held size, used to enter, store and display schedules, appointments, addresses, phone numbers and other personal data; to send and receive electronic messages and to access the Internet, or some combination of the foregoing, but, for the purposes herein, at a minimum, to access the Internet through a browser that supports xhtml pages.
- "System" means the Internet banking equipment, software applications and processes maintained by the Bank in order to provide the services contemplated by this Agreement.
- "System Services" means those services provided within our Online Banking and Bill Payment Services.
- "We," "our," "us" and "Bank" refer to North Valley Bank.
- "You" and "your" refer to the account holder authorized by the Bank to use the System Services and anyone else authorized by that account holder to exercise control over the account holder's funds through those services.

**ACCESS:** To use the System, you must have at least one checking account at the Bank, access to a computer or PDA, a communications link or other equipment necessary to access the Internet and an e-mail address, as well as an Internet browser (Internet Explorer 6.0 or higher, Netscape Navigator 6.1 or higher, Mozilla Firefox 1.0 or higher or Opera 7.54 or higher). Once you have filled out the online Enrollment Form and our system has verified your account information and approved your application, you will either be given immediate access or we will send to you, by U.S. mail, confirmation of acceptance of your enrollment, along with your temporary User Code and password.

The System can be used to access only the Bank accounts that are in your portfolio and on which you are a signer. We undertake no obligation to monitor transactions through the System to determine that they are made on behalf of the account holder.

**SYSTEM SERVICES:** You can use the System to do any of the following (not all of these services may be available through a PDA):

- Check the balance of your Bank accounts and view Bank account histories. Note, however, that balance and activity information may include recent deposits that have not finally cleared the banking system and, therefore, may still be subject to reversal in the event of their dishonor.
- Transfer funds between your Bank accounts.
- View check and statement images.
- If you have enrolled for our BillPay Service, pay bills from your Bank Accounts in the amounts and on the dates you direct.

**HOURS OF ACCESS:** You can use the System seven days a week, twenty-four hours a day, although some or all of the System Services may occasionally be unavailable due to emergency or scheduled System maintenance. We will post notice of any extended periods of scheduled non-availability on the System website.

**YOUR PASSWORD:** For security purposes, you are required to change your password upon your initial log-in to System. You determine what password you will use – it will be recognized by the System, but none of our staff or anyone else will have the capability to extract or otherwise learn your password. For access other than through a PDA, your password must be at least 6 characters in length and utilize both upper and lower case alpha and numeric characters. For access through a PDA, instead you must use a personal identification number “mobile PIN” consisting of 4 numeric characters. Your password or mobile PIN should not be associated with any commonly known personal identification, such as your social security number, address, birth date, child’s or pet’s name, etc. On the other hand, it should be something that you can memorize, because your access to the System will be revoked after three unsuccessful attempts to log-on, and you will then have to contact us to regain access to the System. For access through a PDA, in addition to your mobile PIN, you will also need to use a single-use password; whenever you log into the System through your PDA, a text message or email will be sent to you, containing a password/link for your use the next time you access the System through your PDA. (After that next use, the password/link will be deactivated, but you will receive another single-use password through another text message or email.)

You authorize us to act on instructions received through the System under your log-in name or mobile PIN and password, and you accept responsibility for the confidentiality and security of your log-in name, mobile PIN and password and agree to change your password regularly (the Bank will assign you a new password for PDA access after each use of an assigned password.) We cannot overemphasize the importance of changing your password frequently and of not writing your password down, as it could be used on the System to access your accounts by anyone who finds the password and knows your log-in name.

**SECURITY:** You understand the importance of your role in preventing misuse of your accounts through the System and you agree to promptly examine your paper statements for each of your Bank accounts as soon as you receive them. Your password and log-in ID are intended to provide security against unauthorized entry and access to your accounts through the System. Data transferred via the System is encrypted in an effort to provide transmission security and the System utilizes identification technology to verify that the sender and receiver of all System transmissions can be appropriately identified by each other. Notwithstanding our efforts to insure that the System is secure, you acknowledge understanding that the Internet is inherently insecure and that all data transfers, particularly electronic mail, occur openly on the Internet and potentially can be monitored and read by others. We cannot and do not warrant that data transfers utilizing the System, or e-mail transmitted to and from us, will not be monitored or read by others.

**FEES AND CHARGES:** You agree to pay the fees and charges for your use of the System as set forth in the current fee schedule. You agree that all such fees and charges will be deducted from your Bank checking account. Our Schedule of Fees & Charges describes all of our account and EFT charges. A current Schedule accompanies this disclosure. You agree to pay any additional reasonable charges for services you request which are not covered by this Agreement. You are also responsible for telephone and Internet service fees you incur in connection with your use of the System.

**POSTING OF TRANSFERS:** Transfers will be posted to your account on the day you have designated for the transaction, provided that to be posted on the same day as you initiate them, transactions must be initiated through the System before 6:00 p.m. Pacific Time on a business day. Transfers completed after that time or on a day that is not a business day will be posted on the next business day.

**OVERDRAFTS (ORDER OF PAYMENTS, TRANSFERS, AND OTHER WITHDRAWALS):** If your account does not have sufficient funds (including any available credit under an overdraft facility) to cover all transactions presented for payment or debit transfer on a given business day, we will give first priority to currency and other disbursements that commit the Bank as they are performed, such as over the counter withdrawals, withdrawals in the form of cashiers checks, certain Automated Teller Machine or Point of Sale transactions and deposits that are returned from the payer institution unpaid. Whether all items are honored or some or all of them are dishonored, non-sufficient funds charges may be assessed pursuant to the terms of your deposit agreement for that account.

**LIMITS ON AMOUNTS AND FREQUENCY OF SYSTEM TRANSACTIONS:** The number of transfers from money market and savings are limited pursuant to the terms of the applicable deposit agreement. No more than six payments and transfers are permitted from such accounts per monthly statement cycle. For these purposes, “payments and transfers” include all transfers to another of your accounts (including a transaction account) at the Bank or to a third party by means of a: Preauthorized or automatic transfer. A “preauthorized transfer” includes any arrangement under which we pay a third party from your account based upon written or oral instruction (including an order received through an automated clearing house or any arrangement whereby we pay a third party from your account at a predetermined time or on a fixed schedule).

- Transfer made pursuant to a telephone transfer agreement.
- Transfer made pursuant to this NVB Online Banking Agreement.

**BILLPAY SERVICE THROUGH THE SYSTEM:** *Please refer to the Terms and Conditions of the Bill Payment Service.*

**USING THE SYSTEM TO STOP PAYMENT ON A PAPER CHECK YOU HAVE WRITTEN OUTSIDE OF THE SYSTEM (This feature is only available to customers that utilize the NVB Online Banking product, CashManager):** You may use the System to stop payment on a paper check you have written (non-electronically). To be effective, this type of stop payment request must precisely identify the check number, the amount and the date of the check, and must be placed through the System in time to give us a reasonable opportunity to act on the order before we have paid the item.

**NOTE FOR ALL STOP PAYMENT ORDERS:** To control our costs and, therefore, keep our stop payment fee at a reasonable level, we use our computer to stop payment on checks you direct us not to pay. As a result, regardless how you communicate your stop payment order to us, and regardless of whether the payment to be stopped was to be made with a paper check you have written or a paper draft processed or to be processed through the System, *even a small error in the information you provide us about the item can cause the computer to miss the item and you agree that we will not be responsible if this occurs.* If you are unsure about any of the information you give us in your Stop Payment Order, please let us know. If you do so, we may be able to implement manual protections to identify and stop payment on the item before it is paid; however, we may impose a greater Stop Payment Order fee in view of the extra efforts that will be required to monitor your account. You understand that our automated stop payment order system may not be effective to stop payment of a paper check or draft if, after it has been issued, the item is converted into an ACH item.

If you make your stop payment request online or by telephone, we may also require you to put your request in the form of a signed paper writing and get it to us within fourteen (14) days after you call or online instruction is received.

Our usual Stop Payment Order fee will apply to all orders placed through the System for checks you have written outside of the System. No Stop Payment Order fee will apply to cancellations and stop payment orders made with respect to payments initiated through the System.

Each Stop Payment Order will remain in effect for six (6) months and then will automatically expire. If the check is still outstanding after that time, another Stop Payment Order may be placed for an additional fee (see Schedule of Fees). If you wish to renew your instruction, we suggest that you do so shortly before the initial (or renewal) stop payment order will expire.

**DISCLOSURE OF ACCOUNT INFORMATION:** Please refer to the Privacy Policy and Disclosure at the beginning of our *Deposit Account Agreement & Disclosure* which accompanies this Agreement for a discussion about the information we might disclose in connection with your use of the System.

**PERIODIC STATEMENTS:** You will not receive a separate System statement. Payments and transfers to and from your accounts using the System will appear on the respective periodic paper or electronic statements for your Bank accounts. These statements will contain information regarding each transaction made under this Agreement, including the amount and date of the transfer or payment, the number of each account involved in the transfer or payment, the payee of each payment, all fees for use of the System, beginning and ending account balances, the address and telephone number to call if you have questions or there are errors on your statement, and other information about your accounts.

**CHANGE IN TERMS:** We may change any term of this Agreement at any time. Such changes may include, among other things, changes to our fee schedule (including adding new fees where none existed before), changes in the System Services, addition of new terms to this Agreement or elimination of some of the provisions in this Agreement. If the accounts you have linked to the System are maintained primarily for personal, family or household purposes and the change will or might result in increased fees for any System service, increased liability for you, fewer types of available electronic fund transfers, or stricter limitations on the frequency or dollar amount of transfers, we will give you notice at least twenty one (21) days before the effective date of any such change, unless an immediate change is necessary to maintain the security of an account or the System.

Our notification of a change in terms will be sent to you by regular mail or e-mail or it will be available electronically through the Bank's System. If advance notice of the change is not required and disclosure does not jeopardize the security of the account or the System, we will notify you of the change in terms no later than by the thirtieth (30th) day after the change becomes effective. If you decide not to accept a change in terms applicable to the System, you must terminate your enrollment (see Your Right to Terminate) before the change becomes effective.

We reserve the right to waive, reduce or reverse charges or fees in individual situations. Changes to fees applicable to specific accounts are governed by the applicable deposit agreements and disclosures.

**IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS, INCLUDING BILL PAYMENTS:** Telephone us at (866-869-6673) or write us at P.O. Box 994630, Redding, CA 96099-4630 as soon as you can if you think your statement is wrong, or if you need more information about a transfer listed on your statement. We must hear from you no later than sixty (60) days after we sent the FIRST paper statement upon which the problem or error appeared. When you contact us:

- Tell us your name and account number.
- Describe the error or 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.
- Tell us the dollar amount of the suspected error and approximately when the error took place.
- If the suspected error relates to a bill payment made via the System BillPay Service, tell us the account number used to pay the bill, the payee name, the date the payment was sent, payment amount, and the payee account number for the payment in question.

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

We will determine whether an error occurred within ten (10) business days (twenty [20] business days for new accounts) after we hear from you and if an error has occurred will correct any error promptly. If we need more time, however, we may take up to forty five (45) days (ninety [90] days for error or questions involving new accounts, a transaction initiated outside of the United States or a transaction at a point-of-sale terminal) to investigate your complaint or question. If we do this, you will have the use of the funds in question after the 10 business days (20 business days for new accounts). If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account during the investigation. Your account is considered a new account for the first thirty (30) days after the first deposit is made, unless you already have an established account with us before this account is opened.

If we decide that there is no error, we will send you a written explanation within three business days after completing our investigation. You may ask for copies of the documents that we used in our investigation.

**OUR LIABILITY FOR FAILURE TO MAKE A TRANSFER:** If we do not complete a transfer to or from your account, including a bill payment, on time or in the correct amount, according to our agreement with you when you have properly instructed us to do so, we will be liable to you for your losses or damages caused as a result only to the extent provided by law. For example, the law does not make us liable:

- If, through no fault of ours, you do not have enough money in your account to make a transfer.
- If a legal order directs us to prohibit withdrawals from the account.
- If your account is closed, or if it has been frozen.
- If the transfer would cause your balance to go over the credit limit of an established line of credit or the credit limit for any credit arrangement set up to cover overdrafts.
- If any electronic terminal, telecommunication device, or any part of the System is not working properly and you knew about the problem when you started the transfer.
- If you have not provided us with complete and correct payment information for the BillPay Service, including, without limitation, the name, address, your payee-assigned account number, payment date, and payment amount for the payee on a bill payment.
- If you have not properly followed the on-screen instructions for using the System.
- If circumstance beyond our control (such as fire, flood, interruption in telephone service or other communication lines) prevent the transfer, despite reasonable precautions that we have taken. There may be other exceptions stated in our Agreement with you.

**YOUR LIABILITY FOR UNAUTHORIZED TRANSFERS:** Contact us AT ONCE if you believe your password has been lost, stolen, used without your authorization, or otherwise compromised, or if someone has transferred or may transfer money from your accounts without your permission. An immediate telephone call to us is the best way to keep your possible losses down. You could lose all the money in your accounts (plus your maximum overdraft line of credit, if any). However, if you are an individual, and the unauthorized transfer was made from an account used primarily for personal, family and household purposes the following limitations on your liability apply, depending upon the type of unauthorized use.

If you contact us within two (2) business days, you can lose no more than \$50 if someone used your password without your permission.

If you do NOT contact us within two (2) business days after you learn of the loss, theft, compromise, or unauthorized use of your password, and we can prove we could have stopped someone from using your password to access your accounts 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, contact us at once. If you do not tell us within sixty (60) days after the statement was sent to you, you may not get back any money you lost through transactions made after the sixty (60) day time period 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 hospital stay) kept you from contacting us, we will extend the time periods.

If you believe your password has been lost, stolen, or otherwise compromised, or that someone has transferred or may transfer money from your account without your permission, call 866-869-6673 or write us at P.O. Box 994630, Redding, CA 96099-4630.

**SPECIAL PROVISIONS FOR BUSINESS ACCOUNTS:** If your account is a Business Account, the limitations on our liability contained in the *In Case of Errors or Questions About Your Electronic Transfers, Including Bill Payments and Our Liability for Failure to Make a Transfer* sections of this Agreement and Disclosure will not apply to you or your account, even if similar provisions are found on the monthly account statements we send to you. Similarly, your liability will not be limited by your liability for unauthorized transfers section of this Agreement and Disclosure.

Instead, you agree that the precautions built into the NVB Online Banking system, including those relating to User Code and password protocols, are commercially reasonable for you and your accounts, and that we will not be responsible for any transfers or payments that are made based upon the use, proper or otherwise, of your User Code and password. You additionally agree that we will have no liability to you if we fail to make a transfer you have initiated through our NVB Online Banking service, regardless of the reason for the failure.

**DISCLAIMER OF WARRANTY AND LIMITATION OF LIABILITY:** We make no warranty of any kind, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, in connection with the System Services provided to you under this Agreement. We do not and cannot warrant that the System will operate without errors, or that any or all the System Services will be available and operational at all times. Consequently, you agree that our liability in connection with your use of the System shall be limited to the circumstances and, where there is an amount limitation, the amount limitation specified above in the event that you incur a loss through your use or someone's unauthorized use of the System to affect your accounts.

**YOUR RIGHT TO TERMINATE:** You may cancel your System Service at any time by providing us with written notice in person, by postal mail, e-mail, or fax. Your access to the System will be suspended within 3 business days of our receipt of your instructions to cancel the service. You will remain responsible for all outstanding fees and charges incurred prior to the date of cancellation.

**OUR RIGHT TO LIMIT ACCESS TO THE SYSTEM OR TO TERMINATE:** We reserve the right to terminate this Agreement or limit your use of the System at our discretion at any time and for any reason with or without cause and without prior notice. Examples of when we may cancel this Agreement and the use of the System without prior notice include, but are not limited to:

- If you have insufficient funds in any one of your Bank accounts to cover a transaction you have initiated. The System may be reinstated, in our sole discretion, once sufficient funds are available to cover any fees, pending transfers, and debits;
- If you do not contact us to designate a new Primary Checking Account before or when you close your Primary Checking Account;
- If we believe such action is necessary to protect the security of the Bank or of your accounts;
- If you breach this or any other agreement we may have with you;
- If there are conflicting claims as to the funds in any of your account(s);
- If you have not accessed the System for a period of 120 calendar days or longer.

**COMMUNICATIONS BETWEEN THE BANK AND YOU:** Unless this Agreement provides otherwise, you can communicate with us in any one of the following ways:

- Secure Message: Secure messages are provided for you to ask general questions about your account(s) and provide general feedback. Secure Messages are accessible utilizing the "Contact Us" link on the System. To ensure the security of your account information, we recommend that you use a Secure Message when asking specific questions about your accounts.
- E-mail: You can contact us by standard e-mail, but please remember that standard e-mail may not be secure and account information which you include in such e-mail messages is more vulnerable to interception by third parties. For this reason we will never initiate communications with you by standard e-mail, nor will we process banking transactions initiated by e-mail rather than through the System.
- Telephone: You can contact us by calling any one of our branch locations or 866-869-6673.
- Facsimile: You can contact us by a fax sent to your local branch.
- Postal Mail: You can write to your local branch or P.O. Box 994630, Redding, CA 96099-4630.
- In Person: You may visit us in person at any of our locations.

**CONSENT TO ELECTRONIC DELIVERY OF NOTICES:** You agree that any notice or other type of communication provided to you pursuant to the terms of this Agreement, and any future disclosures required by law, including electronic fund transfer disclosures, may be made electronically by:

- E-mail addressed to your e-mail location as specified in your enrollment application or as you later notify us if there has been a change. To assure that you receive such notices, you agree to notify us immediately of any change in your e-mail address.
- Posting the notice electronically through the Bank's System.

**MISCELLANEOUS PROVISIONS:** This Agreement is subject to applicable federal laws and the laws of the State of California (except to the extent this Agreement can and does vary such rules or laws). If any provision of this Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. The headings in this Agreement are for convenience or reference only and will not govern the interpretation of the provisions.

Any waiver (express or implied) by either party of any default or breach of this Agreement must be in writing and shall not constitute a waiver of any other or subsequent default or breach.

You may not assign this Agreement. This Agreement is binding upon your heirs and Bank's successors and assigns.

Certain of the obligations of the parties pursuant to this Agreement that by their nature would continue beyond the termination, cancellation or expiration of this Agreement shall survive termination, cancellation or expiration of this Agreement.

This Agreement, the online Enrollment Form and Fee Schedule and the Deposit Account Agreement & Disclosure applicable to each of your Bank accounts, collectively constitute the entire agreement between you and the Bank with respect to the subject matter hereof and there are no understandings or agreements relative hereto which are not fully expressed herein.