

## CARDHOLDER AGREEMENT AND DISCLOSURE

### IMPORTANT—PLEASE CAREFULLY READ

#### LIFE FREEDOM CARD

This Cardholder Agreement and Disclosure (this “Agreement”) covers your rights, our rights, and rights of our affiliates and representatives, relating to your election to participate in the Life Freedom Card Program (the “Program”), and the issuance to you, and your use of, the Life Freedom Card (the “Card”). By accepting and using this Card, you agree to be bound by the terms and conditions contained in this Agreement. In this Agreement, “Card” means the Life Freedom Card issued to you by Palm Desert National Bank. “Issuer” means Palm Desert National Bank. “Card Account” means the records we maintain to account for the value of claims associated with the Card. You acknowledge and agree that the value available on the Card is limited to the funds that you have loaded onto the Card, or have been loaded onto the Card on your behalf. “You” and “your” means the person or persons who have received the Card and are authorized to use the Card as provided for in this Agreement. “We,” “us,” and “our” mean Palm Desert National Bank, our successors, affiliates or assignees. The Card will remain the property of Palm Desert National Bank and must be surrendered upon demand. The Card is nontransferable, and it may be canceled, repossessed, or revoked at any time without prior notice subject to applicable law. Please read this Agreement carefully and keep it for future reference.

By using, or authorizing any other person to use, your Card, you hereby understand and agree to the following terms and conditions:

**1. Receipt of Payment via the Card.** Benefits Management or employer (your “Company”) will transfer funds due to you (the “Funds”) to an account maintained at Palm Desert National Bank, Member FDIC (the “Bank”). You can in turn access your Funds through your use of the Card.

**2. Availability of Funds.** Your Funds will become available to you via the Card after your Company has transferred those Funds to the Bank. You may use your Card only to the extent that you have available Funds. You can call 1-866-622-3098 to determine whether the transfer has occurred or to get your current card account balance.

**3. No Interest on Your Funds.** You will not receive any interest on your Funds.

**4. Card Services.** We generally offer the following array of services to Cardholders (“Cardholder Services”)

- **Automated Teller Machine (“ATM”) Services.** You may use your Card at an ATM that bears the network logos that appear on the back of your Card or to inquire about the amount of Funds available to you.

- **Merchant Services.** You may use your Card to purchase goods and services at any retail or other establishment that displays the network logo that appears on the back of your Card.

**5. Fees.** We do not charge the cardholder fees for the use of this card. However, an ATM or a merchant may impose a convenience fee or surcharge for the use of their terminal to withdraw cash or make a purchase.

**6. Personal Identification Number (“PIN”).** You will choose, or we will assign to you, a confidential PIN, which will enable you to identify yourself when using your Card. Your PIN is a security feature that functions as your signature, identifying you as the proper user of the Card and authorizing any transaction that you make via the Card. You shall not reveal the PIN to unauthorized users of the Card and you assume full responsibility for any and all transactions made by such unauthorized users. If you voluntarily give your Card and/or PIN to another person, you have authorized such person to use your Card and access your Funds, and you will be responsible for their use of your Card.

**7. Limitations on the Card.** The following limitations apply to your card:

- The minimum deposit to the card is one dollar (\$1.00).
- The maximum deposit to the card is one thousand dollars (\$1,000.00).

- The maximum value of the Card Account may not at any time exceed one thousand dollars (\$1,000.00)
- Your ATM withdrawals cannot exceed one hundred dollars (\$100.00) during any 24-hour period.
- Your POS purchases cannot exceed five hundred dollars (\$500.00) during any 24-hour period.
- You may be denied the use of the Card if you:
  - Exceed the daily ATM and/or POS limits;
  - Do not have adequate funds in your Card Account;
  - Do not enter the correct PIN on the third attempt;
  - Use the Card or Card Account in contradiction to this agreement or applicable laws.

**8. Receipts at Electronic Terminals.** You should get a receipt at the time you use your Card at an ATM, or to purchase goods or services through a merchant at retail or other establishment.

**9. Periodic Card Statements.** Under the Electronic Fund Transfer Act, you can request periodic statements from your company or employer. You can choose to receive the following information in paper form or electronically:

- Monthly statements, unless there are no Card transactions during a particular month.
- Amendments to this agreement, including, without limitation, any changes in the Cardholder Services Schedule and fees set forth thereon or any other terms or conditions of your use of the Card; and
- All other disclosures, notifications and information relating to the Card and the terms of your use of the Card.

**10. Your liability for unauthorized Transfers.** You shall notify us immediately if you believe that your Card has been lost or stolen or that someone has learned your PIN or Card number. Telephoning us is the best way of minimizing your possible losses. You could lose all of your Funds. If you notify us within two (2) business days, you can lose no more than \$50.00 if someone used your Card without your permission. If you do not notify us within two (2) business days after you learn of the loss or theft of your Card, and if we can prove that we could have stopped someone from using your Card without permission if you had promptly notified us, you could lose as much as \$500.00. You shall notify us immediately if your Card statement shows transfers or transactions that you did not make or authorize. If you do not notify us within sixty (60) days after the statement was delivered to you, and if we can prove that we could have stopped someone from taking or using the money if you had notified us in time, you may not get back any money that you lost after the sixty (60) days.

**11. Our Liability for Failure to Complete Transactions.** If we do not properly complete a Card transaction for you on time and in the correct amount, we could be liable for your losses or damages. However, there are some exceptions.

- If through no fault of our own, you do not have adequate Funds available to complete the transaction;
- If an ATM where you are making a withdrawal does not have enough cash;
- If an electronic terminal where you are making a transaction does not operate properly, and you knew about the problem when you initiated the transaction;
- If circumstances beyond our control (such as fire, flood or communications or computer failure) prevent the completion of the transaction, despite our reasonable efforts;
- If access to your account has been blocked after you have reported your Card lost or stolen;
- If a merchant refuses to accept your card;
- If there is a hold on your Card Account for any reason;
- If your Funds are subject to legal process or other encumbrance restricting their transfer; or
- If your transfer authorization terminates by operation of law.

There may be other applicable exceptions not listed above, but stated elsewhere in other agreements between you and us.

**12. Error Resolution.** In case of errors or questions about electronic Card transactions, please notify us as soon as possible if you think your statement or receipt is wrong, or you need more information about a transaction listed on a statement or receipt. You can notify us via telephone at 1-866-622-3098 or via courier or mail at 2640 Cordova Lane, Rancho Cordova, CA 95670. We must hear from you no later than sixty (60) days after we sent you the first statement on which the problem or error appeared. When you notify us:

- Tell us your name and Card number.
  - Describe the error or transaction that you are unsure about, and explain as clearly as possible why you believe that it is an error or why you need more information.
  - Tell us the dollar amount of the suspected error and where and when the transaction took place.
- If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

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

- We will tell you the results within three (3) 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.

**13. Confidentiality.** We may disclose information to third parties about your Card transaction history:

- Where it is necessary for completing transactions;
- In order to verify the existence and conditions of your Card and Funds for a third party, such as a credit bureau or merchant;
- In order to comply with government agency or court orders, or other legal reporting requirements;
- If you give us your written permission; or
- Within our organization and to the Bank, information concerning your Card transaction history may be shared within our organization and with the Bank. Other information you have given us in connection with obtaining a Card, or information we may receive from other third party, also may be shared within our organization and with the Bank.

**14. Business Days.** Our business days are Monday through Friday, 8:00 am–5:00 pm, PST, with the exception of any state or federal banking holidays.

**15. Cancellation.** You may cancel your Card and this Agreement at any time by notifying Benefits Management or Company or by contacting us directly. In addition, we may cancel this Agreement, the Card and the related services at any time, which cancellation will be effective upon two days' prior written notice to you or your Company.

**16. Amendment.** We may amend or change the terms of this Agreement at any time and from time to time. We will notify you thirty (30) days prior to the effective date of any such changes.

**17. Severability.** In the event that any provision of this Agreement is determined to be invalid, illegal or unenforceable, such determination shall not affect the other provisions of this Agreement.

**18. Governing Law.** This agreement shall be governed by, and construed in accordance with, the laws of the State of California and any actions or proceedings with respect to this Agreement or any services hereunder shall be brought only before a federal or state court in the State of California.