

BILL PAY TERMS AND CONDITIONS AGREEMENT

Introduction

This is your bill paying agreement with Mechanics Bank.

You may use Mechanics Bank bill paying service, iPay, to direct Mechanics Bank to make payments from your designated checking account to the "Payees" you choose in accordance with this agreement. The terms and conditions of this agreement are in addition to the account agreements disclosures and other documents in effect from time to time governing your account. This Agreement explains the terms and conditions for accessing accounts and conducting transactions at Mechanics Bank ("Institution", "we", "us" and "our") via our on-line Online Banking site(s) ("Online Banking"). "You" or "your" means each person who accepts the bill paying agreement or is otherwise authorized to use the Service. "Merchant" means anyone, including the Financial Institution, you designate, and the Financial Institution accepts as a payee.

The Bill Paying Process

Single Payments – A single payment will be processed on the business day (generally Monday through Friday, except holidays) that you designate as the payment's processing date, provided the payment request is received prior to the cut-off time set by the Financial Institution, which is currently **4:00 p.m. Central**.

A single payment submitted after the cut-off time on the designated process date will be processed on the next business day. If you designate a non-business date (generally weekends and certain holidays) as the payment's processing date, the payment will be processed on the first business day following the designated processing date. The Financial Institution reserves its right to change the cut-off time by giving you notice if it changes.

Recurring Payments – When a recurring payment is processed, it is automatically rescheduled by the system. Based upon your selected frequency settings for the payment, a processing date is calculated for the next occurrence of the payment. If the calculated processing date is a non-business date (generally weekends and certain holidays), it is adjusted based upon the following rules:

- If the recurring payment's "**Pay Before**" options is selected, the processing date for the new occurrence of the payment is adjusted to the first business date prior to the calculated processing date.
- If the recurring payment's "**Pay After**" option is selected, the processing date for the new occurrence of the payment is adjusted to the first business date after the calculated processing date.

Note: If your frequency settings for the recurring payment specify the 29th, 30th, 31st as a day of the month for processing and that day does not exist in the month of the calculated processing date, then the last calendar day of that month is used as the calculated processing date.

Single and Recurring Payments

The system will calculate the Estimate Arrival Date of your payment. This only an estimate, so please allow ample time for your payments to reach your "Payees".

Cancelling a Payment

A bill payment can be changed or cancelled any time prior to the cutoff time on the scheduled processing date.

Returned Payments

In using the Service, you understand that the Service and/or the United States Postal Service may return payments for several reasons, such as, but not limited to, the Service account number is not valid; the Service is unable to locate account; or Payee account is paid in full. The Service will use its best efforts to research and correct the returned payment or void the payment and credit your Payment Account. You may receive notification from the Service.

Funds Availability

Please see our Funds Availability Policy on our Mechanics Bank website.

Fees and Charges

There is no charge for the Internet Banking iPay Bill Pay Product.

Additional Charges for Customer requested Services and Other Items

These charges will only be assessed if you request one or more of the services listed here. There will be NO Charge for any item if needed to correct a Financial Institution error.

- Stop Payment\$ 28.00
- Overnight Carrier Delivery Charge per item \$ 19.95
- Email Payments P2P (Person to Person) \$ 1.00

The Financial Institution reserves the right to charge you for research time involving payments no longer available in your screen history. You will be informed of any such charges before they are incurred.

Security & Protecting Your Account

We are strongly committed to protecting the security and confidentiality of our customer accounts information. We use several techniques to help secure our Online Banking service, including the following:

- You can only access Institution with certain browsers that have a high security standard.
- Your account numbers are never displayed in full - only the last 4 digits can be viewed.
- You must have a valid Online Banking User ID and password to logon.
- If no action is taken for 5 minutes, you will be automatically logged off the Online Banking service.

Virus Protection

Institution is not responsible for any electronic virus that you may encounter using the On-line Fund Services. We encourage you to routinely scan your computer and diskettes using reliable

virus protection product to detect and remove viruses. If undetected and unrepaired, a virus can corrupt and destroy your programs, files and hardware.

LIABILITY

- You are solely responsible for controlling the safekeeping of, and access to your Personal identification Number (PIN).
- If you want to terminate another person's authority, you must notify the Financial Institution and arrange to change your password.
- You will be responsible for any Bill Payment request you make that contains an error or is a duplicate of another Bill Payment.
- The Financial Institution is not responsible for a Bill Payment that is not made if you did not properly follow the instructions for making a Bill Payment.
- The Financial Institution is not liable for any failure to make a Bill Payment if you fail to promptly notify the Financial Institution after you learn that you have not received credit from a Merchant for a Bill Payment.
- The Financial Institution is not responsible for your acts or omissions or those of any other person, including, without limitation, any transmission or communications facility, and no such party shall be deemed to be the Financial Institution's agent.
- You are liable for all transactions you make or that you authorize another person to make even if that person exceeds his or her authority.
- In any event, the Financial Institution will not be liable for any special, consequential, incidental, or punitive losses, damages, or expenses in connection with this Agreement or the Service, even if the Financial Institution has knowledge of the possibility of them.
- The Financial Institution is not liable for any act, failure to act or delay in acting if it is caused, in whole or in part, by any cause beyond the Financial Institution's reasonable control.

AMENDMENT AND TERMINATION

The Financial Institution has the right to change this Agreement at any time by notice mailed to you at the last address shown for the Account on the Financial Institution's records, by posting notice in branches of the Financial Institution, or as otherwise permitted by law.

The Financial Institution has the right to terminate this Agreement at any time. You may terminate this Agreement by written notice to the Financial Institution. The Financial Institution is not responsible for any fixed payment made before the Financial Institution has a reasonable opportunity to act on your termination notice. You remain obligated for any payments made by the Financial Institution on your behalf.