

PINES RESERVE

OVERDRAFT PROTECTION & CREDIT LINE

GIVE YOURSELF THE RESERVE YOU DESERVE

The Pines Reserve account is a revolving line of credit that adds protection to your checking account. Pines Reserve provides automatic coverage of your checks for amounts above your checking account balance, up to your approved credit limit. With Pines Reserve, you can say goodbye to fees for insufficient funds and returned checks, and say hello to forever fail-safe checking.

FREE TO HAVE WHEN YOU NEED IT

Once you activate Pines Reserve, there's no charge for having this revolving line attached to your checking account, available whenever you need it; interest is charged only on the amount borrowed.

REASSURANCE BEYOND CHECKING

You'll find Pines Reserve is also helpful whenever you need extra cash in a hurry. Initiate cash advances against your Pines Reserve account up to your credit limit to help pay for urgent or unexpected expenses. Plus enjoy the convenience of paying it back in full or in monthly installments — whichever fits your needs. You can use Pines Reserve with your Pines Personal Checking account as well, giving you assurance for all of your checking transactions.

BENEFITS OF PINES RESERVE

- Protection against being overdrawn for personal accounts and sole proprietorships
- Avoid overdraft fees
- Line of credit available for emergency situations
- Interest is charged only for the amount drawn and only if the reserve is utilized
- Credit lines from \$500 to \$100,000 are available

Pines Reserve Disclosure Table

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| Daily Periodic Rate | 0.04932 |
| Annual Percentage Rate | 18.00% Fixed Interest Rate |
| Grace Period for Repayment of Credit Advances | None. Interest accrues on each credit advance from the date the extension of credit is posted to your Pines Reserve Line of credit until the date the advance is paid in full. |
| Minimum Advance | \$100.00 per transaction |
| Transaction fee for each day new funds advance | \$7.50 |
| Annual Fee | None |
| Minimum Monthly Payment | 5% of the outstanding balance or \$25.00, whichever is greater. Any outstanding balance less than \$25 is due and payable in full. |
| Payment Due Date | Payment is due 10 days after statement date and is automatically deducted from checking account. |
| Late Charge | \$5 or 6% of the unpaid payment, whichever is greater |
| Overlimit Charge | \$10 may be charged if the credit line exceeds the credit limit by \$500 or 120%, whichever is less. |



Pines Reserve Agreement

This Pines Reserve Agreement ("Agreement") contains the terms and conditions of your Pines Reserve line of credit ("Credit Line" or "Credit Line Account") with Torrey Pines Bank. In this Agreement, the words "Borrower," "you" and "your" mean each person who signed the Pines Reserve Application. The words "Bank," "we" and "us" mean Torrey Pines Bank. By signing the Pines Reserve Application you agree to the following terms and conditions:

1) Use of Your Pines Reserve Line of Credit: The Credit Line is only available as a personal line of credit to individuals, and only in the amount of the credit limit established by the Bank ("Credit Limit"). You can access your Credit Line by either (i) overdrawing your checking account; or (ii) requesting a cash advance from your Credit Line at any Bank branch. If you access your Credit Line by overdrawing your checking account, we will advance funds from your Credit Line to your checking account in \$100.00 increments to cover the overdraft, whether it is caused by check(s), electronic fund transfer(s), cash withdrawal(s), returned item(s), service charge(s) or any other checking account transactions. If you access your Credit Line by requesting a cash advance, the amount of funds requested, up to your available Credit Limit, will be deposited in the checking account associated with your Credit Line.

2) Finance Charge: Finance charges will begin to accrue on the day we advance funds from your Credit Line to your checking account. There is no applicable grace period. Your Credit Line is subject to periodic finance charges. We calculate the periodic finance charges due on your Credit Line based on the "daily balance method" described below: a) We take the beginning balance of your Credit Line each day, add any new advances and subtract any payments or credits and any unpaid finance charges. This gives us the daily balance. b) We then multiply each daily balance by a daily periodic rate of 0.04932% (which corresponds to an ANNUAL PERCENTAGE RATE of 18.00%) to determine the daily finance charge. c) We add together the daily finance charges for each day of the billing period to determine the Total Finance Charge for the monthly billing cycle.

3) Transaction Fee: We will impose a transaction fee of \$7.50 each day that we advance new funds to your checking account from your Credit Line.

4) Payments: The minimum payment due (the "Minimum Payment") each month on your Credit Line will be 5% of the new balance shown on your statement date or \$25.00, whichever is greater, plus any over-limit or past due amount. An unpaid balance of less than \$25.00 is payable in full by the Payment Due Date shown on your statement. You may not make any payment due on the Credit Line by drawing on the Credit Line itself. Unless otherwise agreed or required by applicable law, payments and other credits will be applied first to Finance Charges; then to unpaid principal; then to late charges and other charges. Unless we receive the Minimum Payment by the Payment Due Date, we will automatically deduct funds from your checking account for the amount of the Minimum Payment on the Payment Due Date. Although you may make additional payments to us at any time, we will automatically deduct the full Minimum Payment on the Payment Due Date. If your checking account does not contain sufficient available funds for the Minimum Payment, we may elect not to charge your checking account for the Minimum Payment, in which case you must immediately pay us the total Minimum Payment, plus any applicable late charge, without further demand. If you make a Minimum Payment to us under such circumstances, you must notify us in writing that you are making up for a missed automatic payment. Otherwise, we will deduct the full Minimum Payment, plus any related late charges, from your

checking account automatically once sufficient funds become available. Payments received by us during regular banking hours on banking days will be credited as of the date received. Payments received after regular banking hours or on non-banking days will be credited the next banking day. Saturdays, Sundays and federal holidays are not considered banking days, even if we are open. Your payment must be in U.S. dollars and must be accompanied by your Credit Line Account number. Do not send cash to us by mail.

5) Late Charge: Your minimum payment is due to us by the Payment Due Date shown on your periodic statement. If your payment is late we may charge you 6.000% of the unpaid amount of the payment or \$5.00, whichever is greater.

6) Promise To Pay: You promise to pay the Bank the total of all credit advances and finance charges, together with all costs and expenses for which you are responsible under this Agreement. You will be charged a fee if you pay us with a check, draft, or other item that is dishonored for any reason, unless applicable law prohibits any charge. If we do not receive the Minimum Payment by the Payment Due Date, we will impose a late charge of 6.000% of the unpaid amount of the payment or \$5.00, whichever is greater. Each Borrower has the right to use the Credit Line to the extent of any Credit Limit we establish. Each Borrower will be jointly and severally liable for all amounts owing on the line, including any advances made in excess of the Credit Limit. This means we can require any Borrower to pay all amounts due under this Agreement, regardless of which Borrower accessed the Credit Line Account. Each Borrower authorizes any other Borrower, on his or her signature alone, to cancel the Credit Line, to request and receive credit advances, and to do all other things necessary to carryout the terms of this Agreement.

7) Credit Limit: Your Credit Limit is the maximum amount you may have outstanding on your Credit Line at any one time. You agree not to attempt, request, or obtain a credit advance that will make your Credit Line Account balance exceed your Credit Limit. Your Credit Limit will not be increased should you overdraw your Credit Line Account. If you exceed your Credit Limit, you agree to repay immediately the amount by which your Credit Line Account exceeds your Credit Limit, even if we have not yet billed you.

8) Default: We may declare you to be in default if any one or more of the following events occur: (a) you fail to pay a Minimum Payment when due; (b) you die; (c) you make any false or misleading statements on your Credit Line application; (d) you violate any provision of this Agreement or any other agreement with us; (e) any garnishment, attachment, or execution is issued against any material asset owned by you; (f) you exceed your Credit Limit; (g) you file for bankruptcy or other insolvency relief, or an involuntary petition under the provisions of the Bankruptcy Code is filed against you; (h) you fail to provide us with updated financial information upon request, or you provide us with information that leads us to conclude you are no longer creditworthy; (i) we have evidence or a reasonable belief that an improper use of the associated checking account or the Credit Line has been, or will be, made; (j) your permanent address is no longer in California; or (k) the checking account associated with the Credit Line is closed for any reason.

9) Lender's Rights: If you are in default, we will send notice to you setting forth a time period of at least fifteen days within which such default may be cured. During the cure period we may suspend your Credit Line as

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Pines Reserve Agreement (cont.)

provided below without notice. If such default is not cured during this period, we may either terminate or continue suspension of your Credit Line Account. **a) Suspension:** If we suspend your Credit Line, you will lose the right to obtain further credit advances. All other terms of this Agreement will remain in effect and be binding upon you, including your liability for any further unauthorized use of any Credit Line access devices. **b) Termination:** If we terminate your Credit Line, your Credit Line will be suspended and the entire unpaid balance of your Credit Line Account will be immediately due and payable, without prior notice except as may be required by law, and you agree to pay that amount plus all finance charges and other amounts due under this Agreement. **c) Collection Costs:** We may hire or pay someone else to help collect your obligations under this Agreement if you do not pay. You will pay whatever collection costs we incur, including but not limited to attorneys' fees, expenses for bankruptcy proceedings and appeals. You will also pay any court costs and all other sums provided by law.

10) Termination: Either party may terminate this Agreement without cause at any time by giving fifteen (15) days written notice. If the Credit Line is terminated the entire unpaid balance and all amounts not yet billed will be immediately due and payable without prior notice except as may be required by law. You will continue to be liable for all sums owed on the Credit Line until the outstanding balance is paid in full.

11) Entire Agreement: This document contains the entire agreement governing your Credit Line. It supplements, but does not supersede or change, the terms of your deposit agreement with us.

12) Amendment: We may change the terms of, add new terms to, or delete terms from this Agreement by sending a notice to you at the address shown on our records for your Bank checking account ("Amendment"). If you choose not to accept an Amendment to the Agreement, you may terminate your Credit Line prior to the effective date of the Amendment. Unless we state otherwise, balances existing on the effective date of any Amendment will be subject to the terms of the amended Agreement.

13) Credit Information: Each of you authorizes us to release information about you to third parties as described in our privacy policy and our Fair Credit Reporting Act notice, provided you did not opt out of the applicable policy, or as permitted by law. Upon reasonable request, you agree to furnish us with a current financial statement, new credit application, or both, on forms provided by us. You also agree we may obtain credit reports on you at any time during the term of this Agreement, at our sole option and expense, for any reason, including but not limited to determining whether there has been an adverse change in your financial condition. As required by law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligation.

14) Waiver/Assignment: No delay by the Bank in exercising any of its rights under this Agreement will be a waiver of that right or any other right. We may, at our discretion, waive a right on a particular occasion, but that waiver will not constitute a waiver with respect to any other occasion. You may not assign any rights or delegate any obligations under this Agreement; however your obligations are binding on your heirs and legal representatives. Without prior notice or approval from you, we reserve the right to sell or transfer your Credit Line account to another lender, entity or person.

15) Governing Law: This Agreement will be governed by federal law and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions.

16) Venue: If there is a lawsuit involving this Agreement, you agree to submit to the jurisdiction of the courts of San Diego County, State of California.

17) Your Billing Rights: Keep this notice for future use. This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act. **a) Notify Us in Case of Errors or Questions About Your Statement:** If you think your periodic statement is wrong or if you need more information about a transaction on your periodic statement: you must notify us in writing at the address listed on your statement. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information: (i) your name and Credit Line Account number; (ii) the dollar amount of the suspected error; and (iii) describe the error and explain why you believe there is an error. If you need more information about your periodic statement, describe the item(s) you are unsure about. You can stop the automatic payment from your checking account of any amount on your periodic statement you think is wrong. To stop the payment, your letter must reach us three business days before the automatic payment is scheduled to occur; **b) Your Rights and Our Responsibilities After We Receive Your Written Notice:** We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct. After we receive your letter, we will not try to collect any amount you question, or report you as delinquent for that amount. We will continue to bill you for the amount at issue, including finance charges, and we will apply any unpaid amount against your Credit Limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. If we find that we made a mistake on your bill, you will not have to pay any finance charges related to the questioned amount. If we did not make a mistake, you will have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due. If you fail to pay the amount you owe after the completion of our investigation, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you continue to refuse to pay, we must tell anyone we report you to that you have a question about your bill, and we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is. If we don't follow these rules, we cannot collect the first \$50.00 of the questioned amount, even if your bill was correct.

18) Notices: All notices will be sent to the address as shown in your Credit Line application. Notices will be mailed to you at a different address if you give us written notice of a different address. You agree to advise us promptly if you change your mailing address. You agree that we may obtain the address of your most current residence from the Department of Motor Vehicles and, therefore, waive your rights under the California Vehicle Code Section 1808.21.

19) Caption Headings: Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

20) Severalty: If a court finds that any provision of this Agreement is not valid or should not be enforced, that fact by itself will not mean that the rest of the Agreement will not be valid or enforced.