

PBnet PERSONAL ONLINE BANKING eSTATEMENT AGREEMENT

This PBnet Personal Online Banking eStatement Agreement (this "Agreement") modifies and amends that certain "Understanding Your Deposit Account" agreement entered into by you and Preferred Bank (the "Bank") in connection with your account(s) you currently maintain at the Bank. Definitions used in this Agreement; the words "we", "our", and "us" mean Preferred Bank. "You" and "your" mean account owner(s) authorized to receive eStatements under this Agreement. "Account" or "accounts" mean your deposit accounts at the Bank. "Business day" means Monday through Friday, excluding Federal holidays.

BY AUTHORIZING eSTATEMENT DELIVERY FOR YOUR ACCOUNT:

- 1) You are enrolling in the eStatement service and you are affirmatively consenting to receive your periodic account statement(s) electronically.
- 2) You are agreeing to discontinue the receipt of a paper statement(s) for the checking, savings and money market accounts listed above.
- 3) You are agreeing to receive regulatory and other notices through the Bank's website.

TECHNICAL REQUIREMENTS FOR USING eSTATEMENTS

To access and retain your eStatements you will need the following:

- 1) Internet access and an Internet e-mail account and address;
- 2) You must be currently enrolled in and maintain an active account on the Bank's online banking service known as "PBnet Personal Online Banking";
- 3) Microsoft Internet Explorer 5.0 or higher or Netscape Communicator or Navigator 4.06 or higher with 128-bit encryption;
- 4) Adobe Acrobat Reader 6.0 or higher;
- 5) Access to a printer or the ability to download information in order to keep copies of your eStatements for your records.

ACCESS TO YOUR eSTATEMENTS

An email notification will be sent to you at the email address provided by you to let you know when your eStatement is available for viewing. Your eStatement for your current statement cycle will be available no later than 3 business days after your cycle date. Your normal cut-off date will not change when you elect to receive eStatements. eStatements will be available for viewing for you for at least 12 months after the date it is posted on the online banking web site as long as your account and online banking remain active during that time. You may find it advisable to print or download eStatements for permanent retention. For a fee, paper copies of eStatements are available upon request. You may request a paper copy by contacting us as provided below (see "How to Contact Us" below). You may view the reverse side of your statement containing important disclosures by visiting our Disclosures page of preferredbank.com.

HOW TO DISCONTINUE ELECTRONIC DELIVERY OF eSTATEMENTS

At any time you may revoke your consent to electronic delivery and instead receive paper statements. To revoke your consent, notify us by telephone or in writing (see "How to Contact Us" below).

PASSWORD SECURITY

Your Access ID and password that are used to access any online banking services, including PBnet Business Online Banking, should be kept confidential; to protect the security of your banking information you must not disclose or share your password with any third party. YOU ARE RESPONSIBLE FOR KEEPING YOUR PASSWORD, ACCOUNT NUMBERS, AND OTHER DATA CONFIDENTIAL.

YOUR RESPONSIBILITY TO NOTIFY US REGARDING ERRORS, IRREGULARITIES, OR UNAUTHORIZED ACCESS

You must promptly review your eStatements and any accompanying items. Notify us immediately (see "How to Contact Us" below) of any suspected error, alteration, or other irregularity (i) with your eStatements; or (ii) with your account, including unauthorized access. Telephoning us immediately is the best way to keep your losses down, although you may also need to notify us in writing to preserve your rights. Notification of suspected errors, alterations, or other irregularity within your eStatement must be given within sixty (60) calendar days of the eStatement in which the suspect item appears. This time period begins on the eStatement email notification date, regardless of when you access and/or review your eStatement.

YOUR RESPONSIBILITY TO UPDATE YOUR ELECTRONIC CONTACT INFORMATION'

We will send all notices, attachments, and/or documents via email to the last known email address provided by you. You agree to promptly notify the Bank if there is a change in your email address or any other information needed to contact you electronically (see "How to Contact Us" below).

HOW TO CONTACT US

If you need to contact the Bank in any of the circumstances described above, or for any other reason, you may contact us using any of the following options:

- 1) If you are an online banking customer, by sending us an email message through preferredbank.com in the Contact Us area of the website. (do not include your account number or non-public information in the email, as the email is not secure.)
- 2) By telephone at 213-891-1188.
- 3) In writing by US Mail at: Preferred Bank, Attn: Online Banking Department, 601 S. Figueroa St. 29th Floor, Los Angeles, CA 90017

FEES FOR eSTATEMENTS

The Bank does not currently charge fees for electronic delivery of eStatements. We reserve the right to impose or change fees for electronic delivery and charge your deposit account for these fees at any time after providing such notice to you as may be required by law or regulation.

AMENDMENT AND TERMINATION OF THE eSTATEMENT AGREEMENT BY PREFERRED BANK

We may amend or change the eStatement Agreement at any time and will provide to you any notice or request for authorization required by law or regulation. If no notice or request for authorization is required by law or regulation, your continued acceptance of eStatements after the effective date of such change will constitute your acceptance of and agreement with such amendment(s). We may terminate this Agreement, and immediately either refuse to provide, or revoke access to, eStatements at any time with or without cause or prior notice. If we terminate your access to our online banking service you will no longer receive eStatements. Neither termination nor discontinuation of your access to our online banking service shall affect your liability or obligation under this Agreement.

LIMITATION OF LIABILITY

We will use our best efforts to deliver your eStatements in a timely manner and in accordance with any applicable time required by law. However, we shall incur no liability if we are unable to deliver you eStatements because of circumstances including (but not limited to) the following:

- 1) Our online banking system is not functioning properly, and you know or have been advised by us of the malfunction, or
- 2) Your equipment or Internet access is not working properly, or
- 3) Internet service is interrupted (e.g. due to traffic or other disruptions), or
- 4) Circumstances beyond our control (including, but not limited to; fire, flood, interruption in telephone service or other communication line, interference from an outside force, legal restriction or delays in mail service) which prevent proper delivery, and we have taken reasonable precautions within our control to avoid such circumstances. To the extent permitted by law or regulation, we hereby disclaim all other warranties, express or implied, including warranties of merchantability and fitness for a particular purpose, and in no event shall we be liable for any special indirect, incidental, or consequential damages whatsoever resulting from the loss or use of data, whether or not advised of the possibility of such loss or damage.

PLEASE NOTE: The amount of activity on your account and the size of your image file may affect your ability to receive your electronic statement. Limitations imposed by your internet provider or your download speed may also be a factor in your ability to receive the image file.

AGREEMENT REGARDING YOUR USE OF eSTATEMENTS

You agree not to alter or use the eStatements for any unauthorized, fraudulent, or other illegal purpose. By applying for and accessing eStatements, you agree to be bound by any and all laws, rules, regulations and official issuances applicable to eStatements now existing or which may hereafter be enacted, issued, or enforced, as well as such other terms and conditions governing the use of other facilities, benefits or services that that Bank may from time to time make available to you in connection with eStatements. This Agreement is subject to all applicable laws and regulations, recognized banking customs, the Bank's fee schedule in effect at the time an online banking service is used, and other requirements as set forth in "Understanding Your Deposit Account" agreement and disclosure statement, as amended from time to time. In addition, this Agreement shall be deemed null and void upon closing of an account and all online banking services established for and available to such accounts shall be immediately terminated.