



## BUSINESS CERTIFICATE OF DEPOSIT ACCOUNT APPLICATION

### Applicant Information

Name: \_\_\_\_\_

Business Name: \_\_\_\_\_

Existing Checking or Savings Account Number: \_\_\_\_\_

### CD Details

Deposit Amount: \$ \_\_\_\_\_

#### Term Length

- 3-Month
- 6-Month
- 12-Month
- 14-Month
- 24-Month

#### Interest Payment Option

- Quarterly Interest Disbursement
- Interest Disbursement at Maturity

### Terms and Conditions

1. I acknowledge that I have read and agree to the terms and conditions provided by the Bank for this Certificate of Deposit.
2. I understand that early penalties may apply if funds are withdrawn before the maturity date.
3. I confirm that all information provided in this application is true and accurate to the best of my knowledge.

Printed Name: \_\_\_\_\_

Business Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



## **BUSINESS CERTIFICATE OF DEPOSIT ACCOUNT TERMS & CONDITIONS**

**SCOPE OF THE AGREEMENT.** This Business Certificate of Deposit (CD) Account Terms & Conditions (“Agreement”) in addition to the Privacy Policy, Regulation CC Funds Availability Policy Disclosure, and Schedule of Usage Fees, along with any other documentation applicable to your Accounts, governs your CD Account(s) and the use of our internet banking services, as applicable. By using Small Business Bank’s internet banking system, or authorizing others to use the internet banking system, you acknowledge that you received and understand the terms of this Agreement and agree to the Terms and Conditions of this Agreement and all of the agreements that also govern other Small Business Bank Accounts you may have with us. This agreement is subject to and shall be governed under applicable federal laws and the laws of the state of Kansas.

**DEFINITIONS.** As used in this Agreement, the following words have the meanings given below:

**Account(s)** means Business Certificate of Deposit (CD) Account(s) with Small Business Bank owned by you. This term includes Accounts established by any partnership, corporation, association, or other entity operated on a for-profit basis; all corporations and associations operated on a not-for-profit basis; and any individual who intends to use the Account for carrying on a trade or business.

**Annual Percentage Yield (APY)** is a percentage rate reflecting the total amount of interest paid on the account, based on the interest rate and frequency of compounding.

**Banking Day** means that part of any Business Day on which we are open to the public for carrying on substantially all of our banking functions.

**Business Days** are Monday through Friday, except federal holidays.

**Effective Date** means the date in which the certificate of deposit is issued.

**Grace Period** means the period following the Renewal Date during which the Account holder may withdraw funds without being assessed a penalty.

**Initial Term** means the time period from the Effective Date to the Maturity Date.

**Interest Rate** means the annual rate of interest paid on the Account which does not reflect compounding.

**Maturity Date** means the date in which the certificate of deposit comes due.

**Renewal Date** means the date in which the certificate of deposit automatically renews for an additional term that is equivalent to the Initial Term. The Renewal Date will always be the same date as the previous Maturity Date.

**We, Our, Us, and Bank** refer to Small Business Bank.

**You, Your, and Account Owner** refer to the business customer named on the Account.

**TYPE OF CD ACCOUNT.** This Business Certificate of Deposit Account is only available to business customers. When you open a certificate of deposit account with us, you agree to leave your funds in the account until the maturity date of the account. We often refer to a certificate of deposit account as a “CD”



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or a “time deposit”. A certificate of deposit account or time deposit account is neither transferable nor negotiable.

**BALANCE TO OPEN ACCOUNT.** The **minimum dollar amount** required to open this account is **\$1,000** in new money, while the **maximum dollar amount** to open the account is **\$249,000** in new money. New money is money that is not currently on deposit at Small Business Bank. Funds transferred from an existing Small Business Bank account may not be eligible.

**INTEREST RATE.** The Interest Rate and Annual Percentage Yield will be established on the Effective Date.

**TRANSACTION LIMITATIONS.** You may not make additional deposits into your account after the Effective Date.

**BONUSES.** There are no bonuses payable on this Account.

**DISBURSING OF INTEREST.** You may choose to have the bank credit your interest to your CD account. With this option, we reinvest the interest in your account **quarterly and at maturity**. Alternatively, you may have us regularly disburse the interest from your account **quarterly** by having us transfer the funds to a Small Business Bank business checking or savings account or by mailing a check for the interest quarterly. The annual percentage yield assumes interest will remain on deposit, in the Account, until maturity.

**HOW WE CALCULATE INTEREST.** Your funds earn interest during the term of the certificate of deposit account. We calculate interest as follows:

- The Interest Rate for your Account and the Annual Percentage Yield will each be stated separately on the actual certificate of deposit. You will be paid this rate until the Maturity Date of the certificate. Your certificate will come due on the Maturity Date. The Annual Percentage Yield assumes interest remains on deposit until maturity. A withdrawal will reduce earnings.
- Interest for your Account will be compounded daily and credited to your Account quarterly. The final interest payment will be credited at maturity. We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the ledger balance that we determine is in the account each day. The daily rate is  $1/365$  – or in a leap year we may use  $1/366$  – of the interest rate.
- Interest begins to accrue on the Business Day you deposit any noncash item (for example, checks). Deposits you give us on a weekend or bank holiday are treated as received the next Business Day. Deposits received in the mail will not begin to accrue until the date the deposit is received and deposited by us.

**EARLY WITHDRAWAL PENALTY.** If you withdraw any principal before the maturity date, a penalty equal to ninety (90) days of accrued interest will be charged to your Account. You may withdraw interest any time during the term after it is credited to your account without penalty. Early withdrawal penalties may be imposed whether such withdrawal occurs voluntarily (made by you) or involuntarily (such as by our set off against funds in the account or as a result of an attachment or other legal process).



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We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal.

**RENEWAL POLICY.** The Interest Rate and stated APY applies to the Initial Term only. This Account will automatically renew at maturity for the same time period as the Initial Term. You have a Grace Period of ten (10) calendar days after the Maturity Date to withdraw funds without being charged a penalty.

**SETTING RATES.** We generally set interest rates for new CD accounts based on the term of the CD. We set interest rates at our discretion, and rates for new accounts may change daily. You may obtain current rates by calling us at the number for customer service on your account statement.

### **ESIGN CONSENT**

**CONSENT TO ELECTRONIC DELIVERY OF NOTICES.** When applying to open a business certificate of deposit account, you agree that any notice, disclosure, or other type of communication provided by the Bank pursuant to the terms of this Agreement, and any future disclosures required by law may be made electronically by posting the notice, disclosure, or communication on the Bank's website, via online message, or email. You agree to notify the Bank immediately of any change in your email address.

### **GENERAL REQUIREMENTS**

**GENERAL AGREEMENT.** You can use our internet banking services 24 hours, 7 days a week, except during maintenance periods. We only process banking transactions on Business Days. Transaction processing is subject to our cutoff times as noted in literature at Bank locations or within literature provided within this Agreement, during establishment of Mobile Banking, or during training for Mobile Banking. Cutoff times may change from time-to-time. The information found in this Agreement and disclosures may change from time to time. You understand that your Account is also governed by applicable law. If any of the Terms and Conditions of this Account change in a manner that would adversely affect you, we will provide you with written notice 30 days prior to the change, unless an immediate change is necessary to maintain the security of an Account or the Bank's systems. We reserve the right to amend these terms and modify or cancel the Services without notice, except as may be required by law.

**YOUR CHOICE OF ACCOUNT.** You have instructed us as to the title and type of the Account that you have chosen. You acknowledge that it is your sole responsibility to determine the full legal effect of opening and maintaining the type of Account you have chosen. We have not set forth all laws that may impact your chosen Account. You must determine whether the Account you select is appropriate for your current and future needs. Except as required by law, we assume no legal responsibility to inform you as to the effect of your Account choice on your legal interests.

**USA PATRIOT ACT DISCLOSURE.** To help the government fight the funding of terrorism and money laundering activities, federal law requires the Bank to obtain, verify, and record information that identifies each person who opens an Account as well as those that are owners and/or controlling parties for a business. What this means for you: When you open an Account, we will ask for your name, address, date of birth and other information that will allow us to verify your identity. We may also ask to see your driver's license or other identifying documents. Failure to provide us with the necessary information could result in us being unable to establish a banking relationship.



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**ACCOUNT OPENING.** You agree to supply us with a copy of any chartering or governing documents, including, but not limited to. Articles of Incorporation, Articles of Organization, General Partnership Agreement(s), Operating Agreement(s), Bylaws, Shareholder Agreements, or other related documents requested by us. We reserve the right to require separate written authorization, in a form acceptable to us, telling us who is authorized to act on your behalf. We are authorized to follow the directions of a person designated as having authority to act on the entity's behalf until we receive written notice that the authority has been terminated and have had a reasonable time to act upon that notice.

**ESCROW, TRUST, FIDUCIARY AND CUSTODIAL ACCOUNTS.** If your Account was set up as an escrow Account, trust Account, fiduciary Account or custodial Account, it is your sole responsibility to determine the legal effects of opening and maintaining an Account of this nature. We have no obligation to act as trustee or to inquire into your powers or responsibilities over this Account. We reserve the right to require the documentation necessary under applicable law to maintain, manage, and close this Account. There may be additional terms and conditions that apply to this Account that are governed by a separate agreement.

**TRANSFERS AND ASSIGNMENTS.** You cannot assign or transfer any interest in your Account(s) unless we agree in writing.

**SIGNATURES.** The signature appearing on the Business Certificate of Deposit Account Application is the true and authentic signature of your authorized representative ("Agent"). You authorize us, at any time, to charge you for all checks, drafts or other orders for the payment of money, which are drawn on us regardless of by whom or by what means your Agent's signature may have been affixed so long as the signature resembles the signature specimen in our files. For withdrawal and other purposes relating to your Account, we are authorized to recognize your Agent's signature, and we will not be liable to you for refusing to honor signed instruments or instructions if we believe in good faith that one or more of the signatures appearing on the instrument or instructions is not genuine.

Further, most checks, and other items are processed automatically, i.e., without individual review of each item. Therefore, unless we agree in a separate writing, in our sole discretion, upon your request and due to unique circumstances to conduct individual review of each item, you agree that we are acting within common and reasonable banking practices by automatically processing checks, and other items, i.e., without individual review of each check, or item. You agree to indemnify, defend, and hold us harmless from and against all loss, costs, damage, liability, and other injury (including reasonable attorney fees) that you or we may suffer or incur as a result of this practice.

**DEPOSITS.** Deposits may be made in person, by mail, or in another form and manner acceptable to us. We are not responsible for Transactions mailed until we receive and record them. We may, at our sole discretion, refuse to accept particular instruments as a deposit to your Account. Cash deposits are credited to your Account according to this Agreement and the disclosures. Funds and other items you deposit are handled by us in accordance with our usual funds availability and collection practices and the disclosures. If an item you deposit is returned unpaid, we will debit your Account and adjust any interest earned. You are liable to us for the amount of any check you deposit to your Account that is returned unpaid and all costs and expenses related to the collection of all or part of such amount from you.



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**WITHDRAWALS.** Deposits will be available for withdrawal consistent with the terms of the Disclosures.

**COLLECTION OF DEPOSITED ITEMS.** In receiving items for deposit or collection, we act only as your agent and assume no responsibility beyond the exercise of ordinary care. All items are credited subject to final settlement in cash or credits. We shall have the right to forward items to correspondents including all Federal Reserve Banks, and we shall not be liable for default or neglect of said correspondents for loss in transit, nor shall any correspondent be liable except for its own negligence. You specifically authorize us or our correspondents to utilize Federal Reserve Banks to handle such items in accordance with provisions of Regulation J (12 CFR Part 210), as revised or amended from time to time by the Federal Reserve Board. In the event we are subject to local clearinghouse rules, you specifically authorize us to handle such items in accordance with the rules and regulations of the clearinghouse.

If we permit you to withdraw funds from your Account before final settlement has been made for any deposited item, and final settlement is not made, we have the right to charge your Account or obtain a refund from you. In addition, we may charge back any deposited item at any time before final settlement for whatever reason. We shall not be liable for any damages resulting from the exercise of these rights. Except as may be attributable to our lack of good faith or failure to exercise ordinary care, we will not be liable for dishonor resulting from any reversal of credit, return of deposited items or for any damages resulting from any of those actions.

This provision also applies to any remotely created check that you may deposit into your Account. A remotely created check, as defined in the Federal Reserve Board's Regulation CC - Availability of Funds and Collection of Checks ("Regulation CC"), means a check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose Account the check is drawn. By having a deposit Account with us, you certify that all remotely created checks deposited to your Account(s) will be expressly and verifiably authorized by the payer. And we reserve the rights to refuse for deposit any such remotely created check if we have any reason to believe that the item is fraudulent in any manner and to obtain from you the payer's express, verifiable authorization for any such item.

**ACH AND WIRE TRANSFERS.** This Agreement is subject to Article 4A of the Uniform Commercial Code - Funds Transfers, as adopted in the state of Kansas. If you send or receive a wire transfer, you agree that Fedwire® Funds Service may be used. Federal Reserve Board Regulation J is the law that covers Transactions made over Fedwire® Funds Service. When you originate a funds transfer for which Fedwire® Funds Service is used, and you by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person, or Account other than the one named.

If you are a party to an Automated Clearing House ("ACH") entry, you agree to be bound by the rules and regulations of the National Automated Clearing House Association ("NACHA") Operating Rules, the Rules of any local ACH, and the Rules of any other system through which the entry is made.

**CHOICE OF LAW.** We may accept on your behalf payments to your Account which have been transmitted through one or more Automated Clearing Houses ("ACH") and which are not subject to the Electronic Funds Transfer Act and your rights and obligations with respect to such payments shall be





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construed in accordance with and governed by the laws of the state of Kansas, unless it has otherwise specified in a separate agreement that the law of some other state shall govern.

**CLAIMS.** In response to any garnishment, attachment, restraining order, injunction, levy, citation to discover assets, judgment, reclamation, other order of court or other legal process ("Claim(s)"), we have the right to place a hold on, remove from your Account(s) and/or remit to the designated third-party(ies) any amount on deposit in your Account as set forth in and required by such Claim(s). In addition, we may charge against your Account(s) any fee authorized by law in connection with the Claim(s) or as otherwise set forth in the Schedule of Usage Fees.

**DEATH OR INCOMPETENCY.** Neither the death nor legal adjudication of incompetence of your Agent revokes our authority to accept, pay, or collect items until we know of the fact of death or of an adjudication of incompetence and have a reasonable opportunity to act on it. In the event that your business is organized as a sole proprietorship, we may continue to process checks drawn on the Account on or after the date of death or adjudication of incompetency up to the date of our receipt of notice thereof, unless otherwise ordered to stop payment by an authorized person on the Account or by a court of competent jurisdiction. In the event your business is organized as a corporation, limited liability company, general partnership, limited partnership, or otherwise, we will act in accordance with the governing documents of your business organization that you provide us.

**DORMANT ACCOUNTS.** You understand that if your Account is dormant or inactive, your Account, if interest-bearing, will continue to earn and we may charge fees specified in the Disclosures, to the extent permitted by the law. You agree that we are relieved of all responsibility if your Account balance is escheated (that is, turned over to the state) in accordance with state law.

**ADDITIONAL FEES | SERVICE CHARGES.** You agree to pay us and are responsible for any fees as provided in the Schedule of Usage Fees or Schedule of Fees and Charges located here [Schedule-of-Usage-Fees.pdf \(smallbusinessbank.com\)](#) and in our mobile application.

**INTERNATIONAL TRANSFERS.** If your transfer originates from a financial agency that is outside of the territorial jurisdiction of the United States, it may be subject to additional review for compliance with the rules of the Office of Foreign Assets Control (OFAC). If additional review is required, the International Transfer will not be available to you until it passes final verification.

**PREAUTHORIZED CHECKS OR DRAFTS.** You should guard information about your Account (such as your routing number and your Account number) as carefully as you would guard blank checks. If you voluntarily give such information about your Account to a party which is seeking to sell you goods or services, without physically delivering a check to it, any debit to or withdrawal from your Account it initiates will be deemed authorized by you.

**RESTRICTIVE LEGENDS.** We are not required to honor any restrictive legend on checks you write unless we have agreed to the restriction in a writing signed by an Officer of the Bank. Examples of restrictive legends are "two signatures required", "must be presented within 90 days" or "not valid for more than \$1,000.00."

**SET-OFFS AND SECURITY INTEREST.** If you ever owe us money as a borrower, guarantor or otherwise, and it becomes due, we have the right under the law (called "set-off") and under this Agreement



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(by which you grant us a security interest in your deposit Account and any other Accounts held by you) to use your Account funds to pay the debt, where permitted by law. The security interest granted by this Agreement is consensual and is in addition to our right of set-off.

**STATEMENTS.** We will provide you with a periodic statement showing the Account activity. The last address you supply us with in writing will be deemed the proper address for mailing this statement to you. The Account holder who receives this statement is the agent for his/her co-Account holder(s) for purposes of receiving the statement and items. You must exercise reasonable care in reviewing your statement and reasonable promptness in notifying us of any discrepancies, such as alterations or forged or unauthorized signatures, even if by the same wrongdoer. Reasonable promptness will not exist if you fail to notify us within 30 days after we mail or otherwise make the statement available to you. If you fail to notify us of any discrepancies, with reasonable promptness, your right to assert such discrepancies will be barred or limited to the extent permitted by law. Additionally, you agree that we will not be liable for discrepancies reported to us after one year after we mail or otherwise make the statement or items available to you, even if we failed to exercise ordinary care. If you do not receive a statement from us because you have failed to retrieve or claim it or have supplied us with incorrect contact information, we may stop sending or providing you notification of the availability of your statements until you specifically make written request that we resume sending your statements or notifications and you supply us with proper contact information.

**STOP PAYMENTS.** You may stop payment on a check drawn against your Account by informing us of the request, provided that we receive the Stop Payment Order in a time and manner that gives us a reasonable opportunity to act on it. The Stop Payment Order must describe the item or Account with reasonable certainty. Upon receipt of your request, a Stop Payment Order remains in effect for six months or until we receive notice of revocation of the Stop Payment Order, whichever occurs first. If the item on which a Stop Payment Order has been placed has not cleared or been returned to you by the payee, you may renew the Stop Payment Order for an additional six months by requesting the extension/renewal within the time period the Stop Payment Order is in effect. You will be charged a fee, as listed in the Schedule of Usage Fees, every time you request a Stop Payment Order, and for each Stop Payment Order renewal you make. You understand that we may accept the Stop Payment Order request from any of the authorized signers of the Account regardless of who signed the check. A release of the Stop Payment Order may be made only by the person who initiated the stop payment request. Our acceptance of a stop payment request does not constitute a representation by us that the item has not already been paid or that we have had a reasonable opportunity to act on the request.

Stop Payment Orders are governed by Article 4A of the Uniform Commercial Code, as adopted by the state of Kansas, NACHA. We have a daily cutoff time by which we must receive any knowledge, notice, Stop Payment Order, set-off or legal process affecting our right or duty to pay a check. That cutoff time is one hour after the opening of the Bank's banking day, following the banking day on which the Bank received the check.

**UNLAWFUL INTERNET GAMBLING.** Restricted Transactions are prohibited from being processed through your Account with us as required by the Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG. A restricted transaction is a transaction or transmittal involving any credit, funds, instrument, or proceeds in connection with the participation of another person in unlawful internet gambling.





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**YOUR RESPONSIBILITY FOR BACK OF CHECK.** All negotiable paper ("checks") presented for deposit must be in a format that can be processed, and we may refuse to accept any check that does not meet this requirement. All endorsements on the reverse side of any check deposited into your Account must be placed on the left side of the check when looking at it from the front, and the endorsements must be placed so as not to go beyond an area located 1-1/2 inches from the left edge of the check when looking at it from the front. It is your responsibility to ensure that these requirements are met, and you are responsible for any loss incurred by us for failure of an endorsement to meet this requirement.