

**AGENDA FOR REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
INVERNESS, FLORIDA, CITY HALL, 212 WEST MAIN STREET
March 18, 2025 - 5:30 PM**

NOTICE TO THE PUBLIC

Any person who decides to appeal any decision of the Governing Body with respect to any matter considered at this meeting will need a record of the proceedings and, for such purpose, may need to provide that a verbatim record of the proceeding is made, which record includes testimony and evidence upon which the appeal is to be based (Section 286.0105, Florida Statutes).

Accommodation for the disabled (hearing or visually impaired, etc.) may be arranged with advance notice of seven (7) days before the scheduled meeting, by dialing (352) 726-2611 weekdays from 8 AM to 4 PM.

ENCLOSURES*

- 1) INVOCATION, PLEDGE OF ALLEGIANCE & ROLL CALL**
- 2) PLEASE SILENCE ELECTRONIC DEVICES**
- 3) ACCEPTANCE OF AGENDA**
- 4) PRE-SCHEDULED APPEARANCES / RECOGNITIONS**
- 5) PUBLIC HEARINGS / WORKSHOPS**
 - a) 2024 Inverness Community Redevelopment Agency Annual Report
- 6) OPEN TO THE PUBLIC**

The public is invited to speak. (Speaking time limit: Individual - 3 minutes; Group/Organization - 5 minutes)
- 7) CITY ATTORNEY REPORT**
- 8) CONSENT AGENDA**
 - a) Bill Listing
 - b) Council Minutes - 03.04.2025
- 9) CITY CLERK'S REPORT**
 - a) Reorganization of City Council*
- 10) CITY MANAGER'S REPORT**

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- a) Banking Services Bid Award
- b) Traffic Calming Improvements Ella Avenue and Zephyr Street
- c) Project and Program Updates
 - Liberty Park Boardwalk Rehab
 - Pine St. Stormwater and Parking Lot Improvements
 - Turner Camp - Middle School Traffic
 - Recap of recent events
 - Upcoming events
 - Other

11) MAYOR & COUNCIL SUBJECTS / REPORTS

- a) Mayor Plaisted
- b) Councilwoman Bega
- c) Councilwoman Hepfer
- d) Councilwoman Lizanich
- e) Councilman Davis
- f) Councilman Craig

12) NON-SCHEDULED PUBLIC COMMENT

(Speaking time limit: Individual - 3 minutes; Group/Organization - 5 minutes)

13) ADJOURNMENT

- a) **DATES TO REMEMBER**
 - Teen's Night Out
Thursday, March 20, 2025 from 5:30pm – 7:00pm
Depot Pavilion
 - Pan Am Dragon Boat Races
Saturday, March 22, 2025 from 8:00am – 4:00pm
Wallace Brooks Park
 - Rotary Highland Brew Fest
Saturday, March 22, 2025 from 2:00pm – 7:00pm
Depot Pavilion

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DRC – Clean Air Ride

Saturday, March 22, 2025 from 7:00am – 3:00pm

Bike Trail

Mopar Car Show

Saturday, March 29, 2025 from 7:00am – 4:00pm

Wallace Brooks Park

Inverness City Council Regular Meeting

Tuesday, April 1, 2025 @ 5:30pm

Inverness Government Center

Agenda Memorandum - *City of Inverness*

March 18, 2025

TO: Elected Officials

FROM: Eric Williams, City Manager

SUBJECT: 2024 Inverness Community Redevelopment Agency Annual Report

CC: Susan Jackson, City Clerk, Alexis Koter, Finance Director, Christopher Shoemaker, Director of Community Development

Enclosures: 1. ICRA 2024 Annual March 31 Report
2. Encl Public Notice March 2024 Inverness CRA Report

On October 16, 1990, the Inverness City Council, through Resolution 90-06, created the City's first Community Redevelopment Agency (see CRA area below in red). On the same day, the City Council also created the Inverness Community Redevelopment Agency (ICRA) consisting of seven board members to serve as the governing body of the Agency. The governing body is appointed by the City Council with the responsibility of implementing the Community Redevelopment Plan.

Beginning in 2014, the City of Inverness made significant changes to its community redevelopment plan and expanded the CRA from 47 acres to 1,203 acres. (see area in blue). This change added 1,156 acres to the CRA to include the Medical Arts District south and west of downtown and the US Hwy 41 North corridor to the White Lake Drive area.

Community Redevelopment Agencies in Florida are required by state law to prepare five annual reports:

1. Annual Audit
2. Annual Fees and Updates to the Office of Special District Accountability at the Florida Department of Economic Opportunity, now Florida Commerce
3. Comprehensive Annual Financial Report
4. Annual March 31 Report to the Public (posted online)
5. Annual Budget and Board, contact information updated and posted online each September

The subject areas of the 2024 ICRA Annual March 31 Report are listed below:

1. Introduction and Background
2. Tax Increment Financing and CRA Regulatory Framework.
3. History of the Inverness CRA and 2014 Expansion
4. Bond Issue, Completed Bond Projects and Cost
5. 2024 Statement of Revenues, Expenditures and Fund Balance
6. 2024 Update on Projects Approved in the 5-year Capital Improvement Plan

The formal approval and adoption process for the 2024 Report included a presentation and hearing by the ICRA on March 6, 2025. The ICRA approved the 2024 Annual March 31 Report

and recommended approval to the City Council. The Council scheduled and advertised a public hearing for this evening to receive public comments and consider approval of the 2024 Annual March 31 Report.

Recommended Action

1. Open the public hearing
2. Allow staff to present
3. Those for, Those against
4. Motion and second to approve Inverness Community Redevelopment Agency 2024 Annual March 31 Report as presented and transmit to Florida Commerce, the Citrus County BOCC, and post to City website
5. Deliberates the matter
6. Vote the matter
7. Close the Public Hearing

If you wish to discuss this further, please contact me at your convenience.

Eric C. Williams
City Manager

2024 CRA ANNUAL REPORT



Prepared By: Community Development Department

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Other Reporting Requirements

No Funds were expended for affordable housing for low-income or moderate income residents.

Introduction

“A city proud of its past...

...and ready for the future.”

The 2024 Inverness Community Redevelopment Agency (ICRA) Report is one of five annual reports required by section 163.371, Florida Statutes. The redevelopment agency is required to prepare an annual report of its activities for the preceding fiscal year. The report must include a complete financial statement setting forth the assets, liabilities, income and operating expenses by March 31st.

The 2024 ICRA report is presented to the ICRA for approval on March 6th and the City Commission on March 18th. The approved report is directed to Citrus County, to the Florida Division of Economic Opportunity Department of Commerce, and posted to the City of Inverness website.

Background

Florida law (Chapter 163, Part III), provides the statutory authority for local governments to designate Community Redevelopment Areas to address redevelopment needs. This may include substandard or inadequate structures and infrastructure, insufficient roadways, inadequate parking and lack of affordable housing among other needs.

It is also used to leverage public funds to promote private sector activity in the targeted area. Establishment of the Downtown Entertainment District, Corridor Studies and Shoreline improvements are examples of projects that also promote private investment in the area.

To form a CRA the local government must survey the proposed redevelopment area to document existing conditions and prepare a Finding of Necessity. If the Finding of Necessity determines that the required conditions exist, the local government may create a Community Redevelopment Area to provide the tools needed to foster and support redevelopment of the targeted area.

Formation of a CRA starts with a public meeting and requires the following actions:

- I. Adopt the Finding of Necessity. This will formally identify the blight conditions within the targeted area and establish the area boundary.

- II. Develop and adopt the Community Redevelopment Plan. The plan addresses the unique needs of the targeted area and includes the overall goals for redevelopment in the area, as well as identifying specific projects.
- III. Create a Redevelopment Trust Fund. Establishment of the Trust Fund enables the Community Redevelopment Agency to direct the real property tax revenues back into the identified area.

ICRA Established 1990

Following a finding of necessity and the creation of a community redevelopment plan, the Inverness City Council, through Resolution 90-06, created the City's first CRA on October 16, 1990. On the same day, the City Council also created the Inverness Community Redevelopment Agency (ICRA) consisting of seven board members to serve as the governing body of the Agency. The governing body is appointed by the City Council with the responsibility to implement the Community Redevelopment Plan.

CRA [SEE-R-A], noun: A dependent special district in which any future increases in property values are set aside to support economic development projects within that district. There are currently over 220 Community Redevelopment Areas in the State of Florida (Florida Redevelopment Association).

The Council also created the CRA Trust Fund to finance the redevelopment plan. Inverness uses tax increment financing which is a unique tool available to cities and counties for redevelopment activities. It is used to leverage public funds to promote private sector activity in the targeted area. The dollar value of all real property in the Community Redevelopment Area is determined as of a fixed date, also known as the "frozen value." Taxing authorities, which contribute to the tax increment, continue to receive property tax revenues based on the frozen value. These frozen value revenues are available for general government purposes. However, any tax revenues from increases in real property value, referred to as the "increment," are deposited into the Community Redevelopment Agency Trust Fund and dedicated to the redevelopment

The Inverness Community Redevelopment Agency (ICRA) is administered by a seven-member CRA "Board" created by the City as authorized by the Inverness Code of Ordinances Chapter 2, Article 5. The Board is comprised of individuals appointed by the City Council. This seven-member board meets the first

Thursday of each month at 5:00 P.M., in the City Council Chamber 212 West Main Street, Inverness, FL 34450. Members include:

- Thomas Slaymaker, Chairman
- Charles Davis, Vice-Chairman
- Cindy Devires, member
- Anissa Crowder Slaymaker, member
- Janet Bega, Member
- Deborah Wheatley, Member
- Vacant, Member

The funds used to finance ICRA activities are generated from the 1,204 acre district via tax increment financing. The ICRA must maintain separate trust fund and expend those funds only in that district.

The ICRA is responsible for developing and implementing the Community Redevelopment Plan that addresses the unique needs of the area. The plan identifies the goals for area and the projects needed to achieve those goals. These projects are identified in the Annual Report which is updated on an annual basis to address changing conditions in the CRA.

What is Tax Increment Financing?

Tax increment financing is a specific tool available to local government in Florida for redevelopment activities. The dollar value of all real property in the Community Redevelopment Area is determined as of a fixed date, also known as the “frozen value.” Taxing authorities, which contribute to the tax increment, continue to receive property tax revenues based on the frozen value. These frozen value revenues are available for general government purposes. However, any tax revenues from increases in real property value, referred to as “increment,” are deposited into the Community Redevelopment Agency Trust Fund and dedicated to the redevelopment area.

CALCULATING THE TAX INCREMENT

The general formula used to calculate increment revenues is:

$$I = \frac{r(0.95n - i)}{1,000}$$

where:

- I** = the increment revenues
- r** = the tax rate (millage) in the current year
- 0.95n** = 95% of the assessed valuation for the current year
- i** = the assessed valuation in the base year

There are two fundamental ways TIF can be used. One is where TIF revenues are used on a “pay as you go” basis (where the annual stream of revenue is used to fund small projects), and another is “pay as you use” financing (where TIF revenues are used to pay debt service costs over the life of a project lasting 10 or more years).

It is important to note that property tax revenue collected by the School Board and any special district are not affected under the tax increment financing

process. Further, unlike in some states, Florida taxing entities write a check to the CRA trust fund, after monies are received from the tax collector. In California, the increment is sent to the CRAs directly out of collected county tax revenues, before they are distributed to each taxing entity.

The tax increment revenues can be used immediately, saved for a particular project, or can be bonded to maximize the funds available. Any funds received from a tax increment financing area must be used for specific redevelopment purposes within the targeted area, and not for general government purposes.

CRA Regulatory Framework

The City of Inverness Community Redevelopment Agency (CRA) operates under the authority of Florida state laws and City of Inverness Ordinances and Resolutions. This regulatory framework is designed to ensure accountability, transparency, and effectiveness in serving the public. Below are key statutes, resolutions and ordinances governing our CRA's activities, responsibilities, and operational guidelines.

Statutory Authority

Chapter 163, Part III, Florida Statutes - Community Redevelopment Act of 1969

F.S. 163.330 - 163.370: This chapter provides the foundation for Community Redevelopment Agencies in Florida, empowering them to address issues in slum and blighted areas. It outlines the CRA's purpose, powers, and requirements for establishing redevelopment areas and plans.

Chapter 189, Florida Statutes - Uniform Special District Accountability Act

F.S. 189.069: This statute mandates specific transparency requirements for all special district websites, including requirements for budgets, audits, and public meetings.

F.S. 189.015 - 189.016: These sections outline the requirements for public meeting notices, as well as guidelines for budget postings and amendments.

Chapter 189, Florida Statutes - Special district Online Registration Requirements

The City of Inverness CRA is registered with the Department of Economic Opportunity (DEO) as a Special District, with an up-to-date profile of its purpose, boundary, and operational status.

Chapter 189, Section 069 - Special District Public Facilities Report

F.S. 189.069 This statute mandates that special districts are required to include a link to a code of ethics on their official websites.

Chapter 286, Florida Statutes - Sunshine Law (Public Records and Open Meetings)

F.S. 286.011: Known as the "Sunshine Law," this statute ensures that CRA meetings and records are accessible to the public, promoting transparency and open government.

Local Resolutions and Ordinances

The City of Inverness CRA is governed by resolutions and ordinances passed by the Inverness City Council, which established the CRA's purpose and defined its redevelopment areas. CRA was Established by Resolution 90-06 on October 16, 1990 which included 46 acres and creation of the 7 member Inverness Community Redevelopment Agency (ICRA) to serve as the governing body.

CRA Update Plan and Expansion by: Resolution 2014-18 at which expanded the service area to a total of 1,203 total acres

Expanded By: Ordinance 2014-703 on June 17, 2014

Adoption of Expanded Area by Ordinance 2015-710 on June 11, 2015

City of Inverness Code of Ordinances Chapter 2 Article V.

Section 2.201. - Name

Section 2-202.- Powers

Section 2-203.- Redevelopment Trust Fund to finance the redevelopment plan

Annual Reporting Requirements

Community Redevelopment Agencies in Florida are required by state law to prepare five annual reports:

1. Annual Audit
2. Annual Fees and Updates to the Office of Special District Accountability at the Florida Department of Economic Opportunity
3. Comprehensive Annual Financial Report
4. Annual March 31 Report to the public (posted online)
5. Annual Budget (proposed and adopted) and Board, contact information updated and posted each September online on CRA website

Requirements established by House Bill 7013 as detailed below:

House Bill 7013 Requirements for Special Districts

The Florida Legislature passed House Bill 7013 during the 2024 Legislative Session. This bill established performance measures and standards required for each special district. Beginning October 1, 2024, or by the end of the first full fiscal year after its creation, whichever is later, each special district must:

Establish goals and objectives for each program and activity undertaken by the special district.

Establish performance measures and standards to determine if the special district's goals and objectives are being achieved.

Annual Report and Website Requirement By December 1, 2025, and by each December 1 thereafter, each special district must publish an annual report on the special district's official website describing the following:

The performance measures and standards used by the special district to make this determination; The goals and objectives achieved by the special district; The goals or objectives the special district failed to achieve, if any.

History of the Inverness CRA

Under Florida law (Chapter 163, Part III) local governments are able to designate areas as Community Redevelopment Areas as (CRAs) when certain conditions exist. Examples of conditions that can support the creation of a Community Redevelopment Area include, but are not limited to: the presence of substandard or inadequate structures, a shortage of affordable housing, inadequate infrastructure, insufficient roadways, and inadequate parking. To document that the required conditions exist, the local government must survey the proposed redevelopment area and prepare a Finding of Necessity. If the Finding of Necessity determines that the required conditions exist, the local government may create a Community Redevelopment Area to provide the tools needed to foster and support redevelopment of the targeted area. The provided data for the original CRA included the land use acre for the 45.76 acre district.

CRA Expansion 2014

In 2014, a study was performed to review the immediate and long-term opportunities to continue the successful ICRA work that started in 1990. This review, termed as a Finding of Necessity (FON), identified the need for additional work and resources to continue efforts toward removal of the blighted conditions within the area. Using the FON as the baseline document, the concept of expansion was supported by the Planning and Zoning commission and the ICRA. The result was an updated Community Redevelopment Plan prepared under UCRA oversight with support from the Inverness City Council.

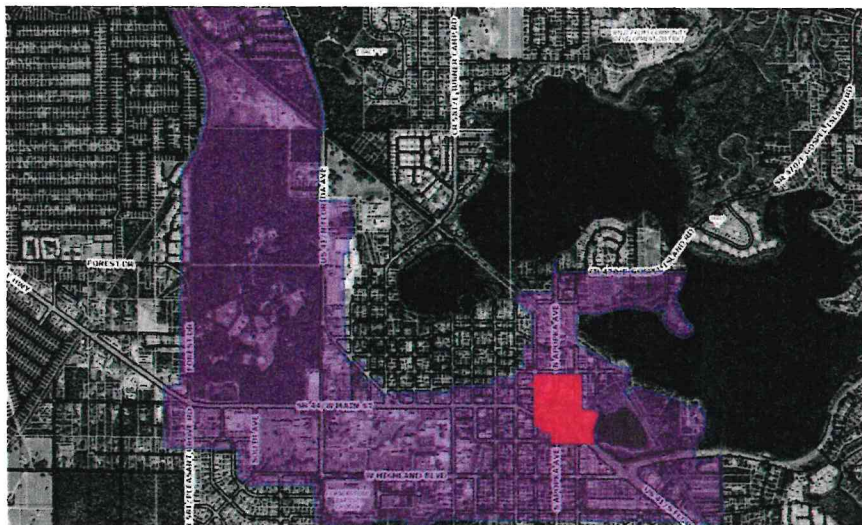
The expanded community redevelopment district significantly increased the land area to approximately 1,203 acres, including the original 46 acres. This added 528 parcels with a 2015 taxable value of \$262,225,961.

Major defined areas for improvement included the White Lake Industrial area, the proposed Medical Arts District around the hospital, additional downtown core revitalization, improved eco-tourism and recreational activities and an overall urban design guideline improvement for future development.

The Inverness Community Redevelopment Plan Final Report (March 2014) utilized the expansion from the original 47 acres to a new 1,203 acre area to estimate future revenues while presenting new goals and objectives for the Agency. The expanded area gave the City the ability to stimulate reinvestment and identify new funding sources.



Pre-Expansion 1990



Post-Expansion 2014

Assessed Base Value & Current Year

Original CRA - 1990	
Current year taxable value in the tax increment area	20,280,404
Base year taxable value in the tax increment area	4,989,361
Current year tax increment value (Line 1 - Line 2)	15,291,043
Prior Year Final Taxable value in the tax increment area	18,942,582
Prior year tax increment value (Line 4 - Line 2)	13,953,221
Expanded CRA - 2014	
Current year taxable value in the tax increment area	194,145,674
Base year taxable value in the tax increment area	105,458,084
Current year tax increment value (Line 1 - Line 2)	88,687,590
Prior Year Final Taxable value in the tax increment area	184,035,263
Prior year tax increment value (Line 4 - Line 2)	78,577,179

The expanded CRA was formally approved during mid-2015. Concurrently, the City also decided to leverage its expanded CRA future revenues with a bond issue (see below) to provide immediate construction funds for a series of down town improvements.

Bond Issue

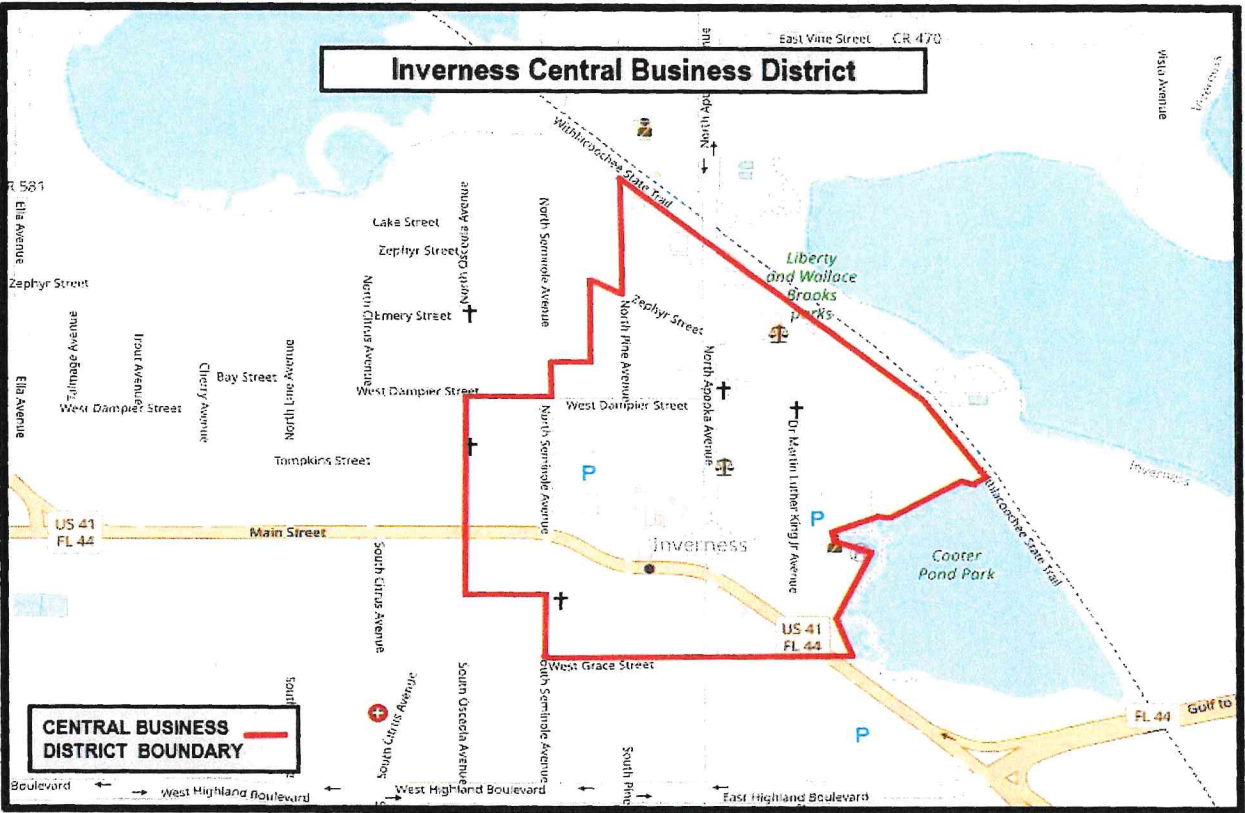
The expanded 1,203 acre CRA area was projected to generate just under a million dollars per year in revenue to the Agency. In 2016, the City leveraged its future CRA revenues with a \$12.9 million dollar bond issue. Combined with an additional \$2.5 million dollars in cash, the City created a \$14.4 million dollar construction account to fund seven major projects and Project Management/Consultant fees.

Source of Funds	
Par Amount of 2017 Bonds	12,980,000
Net Original Issue Premium	398,604
Unspent Proceeds from Prior Note	2,005,005
City Contribution	2,500,000
Agency Contribution	600,000
Total Funding by Source	18,483,609

Use of Funds	
Payment of Prior Note 2017	3,024,593
Construction Account	14,438,672
Restricted Surplus Account	600,000
Cost of Issuance	420,344
Total Funding by Use	18,483,609

Completed Bond Issue Projects - Total \$13,744,542	
Wallace Brooks Park, Located on Lake Henderson, features a boat-friendly dock for motorized and non-motor vessels, as well as a pavilion	2,228,999
Historic Train Station building, permanently relocated closer to the Withlacoochee State Trail, can accommodate a restaurant or retail businesses needing space	1,298,415
The Inverness Visitor's Center	672,304
Liberty Park, located on Lake Henderson, features a large grass event area, public restrooms and the City's 9/11 Memorial	2,546,934
The Depot District features a large covered, open-air building, iconic water tower, stage, outdoor seating, bike parking and trail access	5,758,876
The Military Memorial located just outside of City Hall, features a piece of the fall Saddam Hussein statue from Iraq Brough back by U.S. military personnel	375,637
The City Garden, which opened in 2018, features 22 organic growing beds and a composting site	289,655
Part-time Project Management Staff/Consultant	532,722
Total	13,703,542

Location of Completed Bond Issue Projects



2024 Statement of Revenues, Expenditures & Changes in Fund Balance

Revenues

CDBG Economic Development	
County Tax Increment Financing	766,530.48
FL Safe Interest	72,428.77
City Tax Increment Financing	766,530.48
Total Revenues	1,605,489.73

Expenditures

Downtown Development Expenses	490,589.28
Bond Principal	335,000.00
Bond Interest	410,800.00
Total Downtown Redevelopment Expenses	1,236,389.28
Excess (Deficiency) of Revenue over Expenditures	369,100.45
TRF to Gen - Finance and Admin	286,500
Net Change in Fund Balance	82,600.45
Fund Balance, 10/01/22	2,048,742.65
Fund Balance, 10/01/23	2,131,343.10

Balance Sheet

Assets

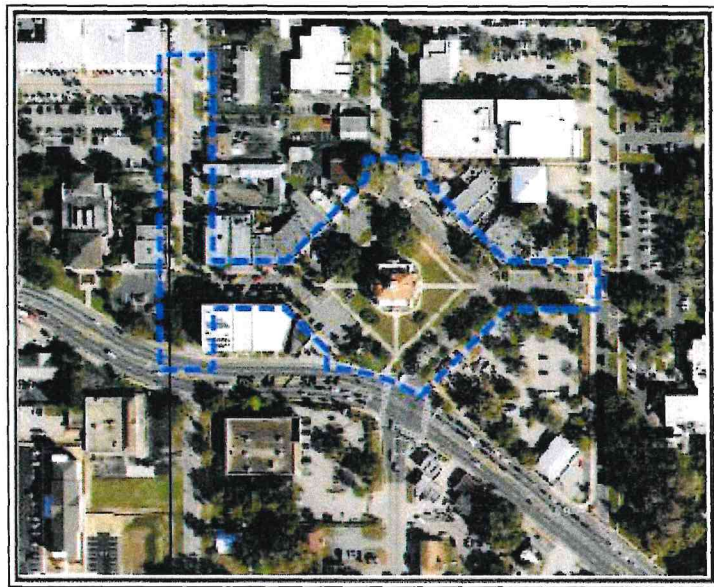
Cash and Investments	2,669,254.66
Total Assets	2,669,254.66
Accounts Payable	34,439.30
Contracts/Retainage Payments	14.68
Total Liabilities	34,453.98
Fund Balance	2,131,343.10
Total Liabilities and Fund Balance	2,165,797.08

2024 ICRA Project Descriptions

Downtown Landscaping Initiative

The downtown landscape was last updated in 2006. Staff have been working with Citrus County to develop a new landscaping approach for the Historic Citrus County Courthouse and the adjacent downtown areas. The scope of work will evaluate the existing landscape improvements within the Courthouse property and adjacent streetscapes and develop an updated streetscaping design. The goal is to update the appearance of both areas with an improved, blended and coordinated landscape theme.

The City engaged Community Land Design Inc. in August 2024 to develop the theme and plans for the updated streetscape effort. The work was advertised for bids in January of 2025 with bid submittals due in February and to the Council for consideration in March. If a bid is approved the work will begin in April and be finished in June of 2025.

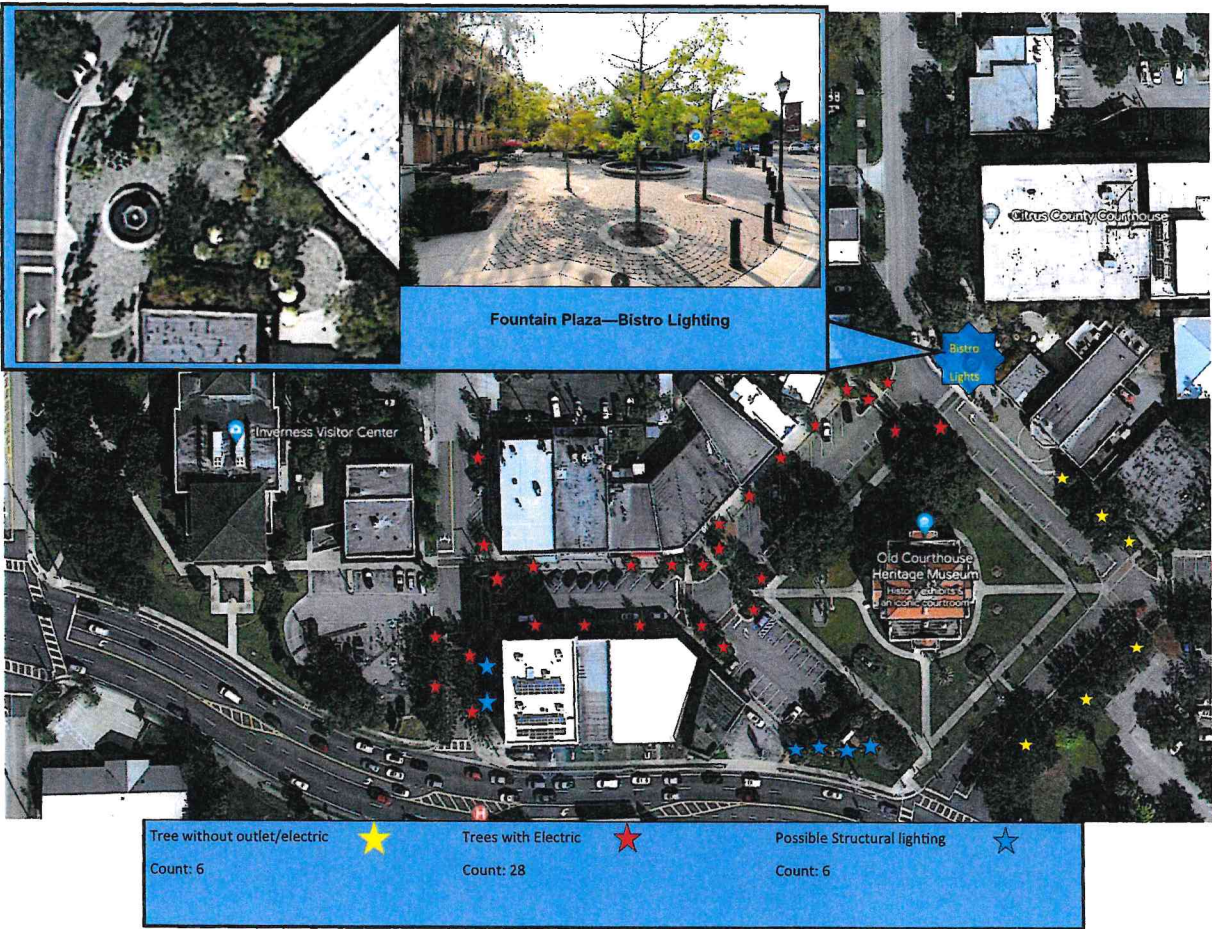


LOCATION MAP

Downtown Lighting Program

This project was designed to add festive lighting to the downtown area by the installation of Wi-Fi controlled changeable color PAR 38 LED bulbs to provide uplighting on the trees and landscaping in the downtown. These bulbs have the capability to change color and beam to reflect the theme of the event. Red and green for Christmas, Green for St. Patrick’s Day, red for Valentine’s Day and other color combinations as desired.

Work included in installation of 48 new in-ground fixtures, 68 bulbs, and 10 Wi-Fi antennas. Control of color and beam is done by the Cree Lighting Wi-Fi application. The project was completed in November of 2025 to coincide with the annual lighting of the City Christmas Tree.





Gateway & Wayfinding Signage

GAI Community Services Group was engaged to develop and design a new street signage system to enhance the City's brand. The new street signage system included a Phase I Gateway signage to enhance the welcome experience into the City. This includes two (2) large monument signs; four (4) portrait monuments and five (5) directional signs. This work was bid with a contract price of \$285,750 and projected completion in June of 2025. A Change Order was made to include a digital message board and directional signage to the Whispering Pines Park on the entry monument sign at Forest Drive at State Road 44 and Forest Drive.

The Phase II Way-finding effort includes 71 signs, and the cost exceeded the project budget. These signs will be located in and adjacent to the downtown business district and points of interest. This second Way-finding phase of the new street signage system be included with the FY 26 project proposals and will complete the project implementation.

Michael Baker

INTERNATIONAL

Improve Livability

As part of the wayfinding program, gateway signage helps create a city's sense of place. Seven gateway locations have been identified, but the two on SR 44 are the most prominent.



Figure 10 Western Gateway



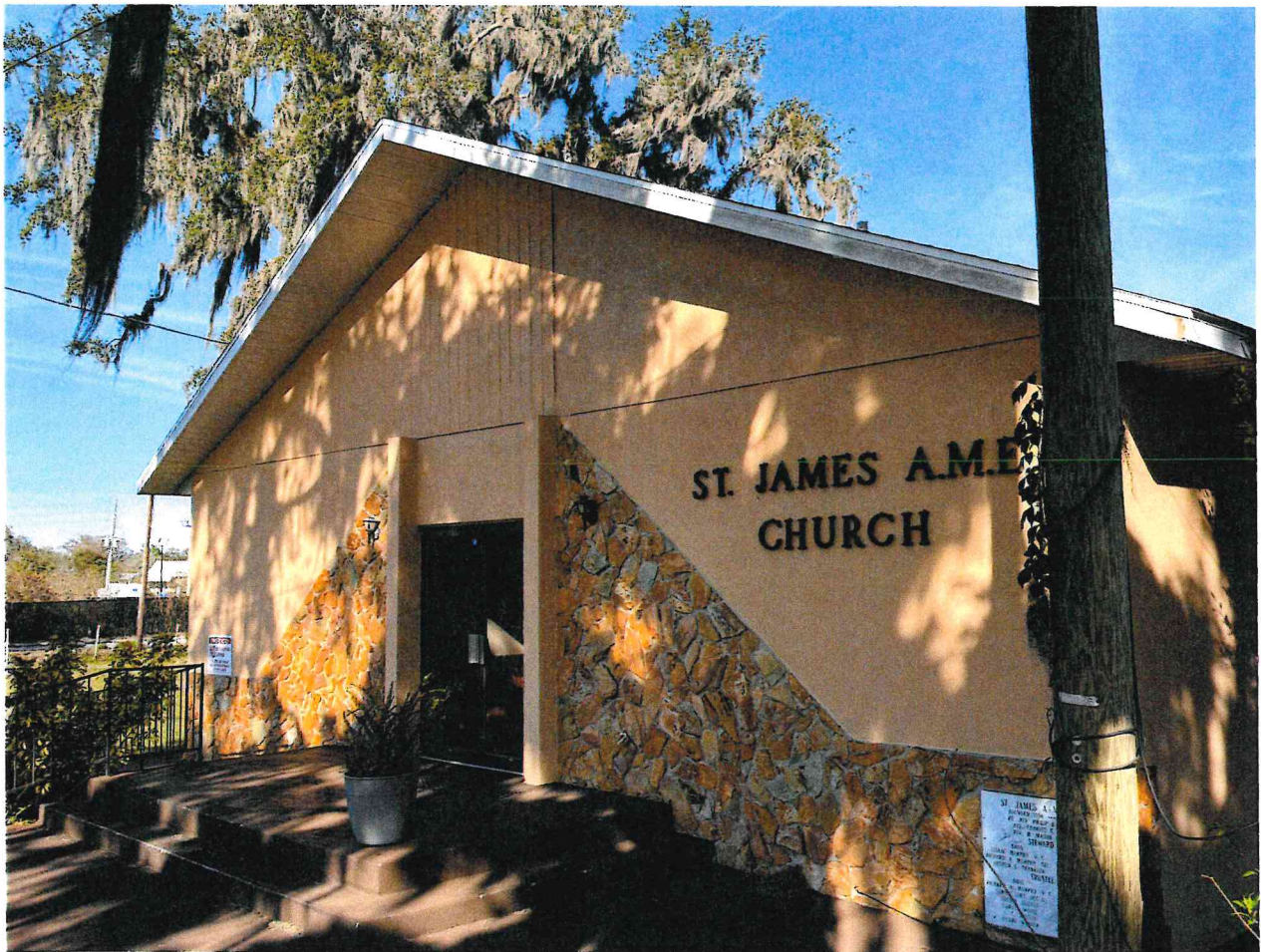
Figure 11 Western Gateway Location Map

The western gateway to the Central Business District is located at the northeast corner of SR-44 and Forest Drive at the southwest corner of Whispering Pines City Park. This gateway features a rest shelter for people who are walking from the park into the CBD or walking/biking from the Florida Trail further south.

Facade Grant Program

The Inverness Community Redevelopment Agency sponsors a Commercial Facade Program to benefit property owners in the Community Redevelopment Area. Matching grants up to \$7,500.00 are available to qualified owners. Eligible improvements which protect the structural integrity of the building and are visible from the public right-of-way include: 1. Lighting; 2. Landscape Improvements; 3. Awnings; 4. Signage; 5. Painting; and 6. Parking Lots.

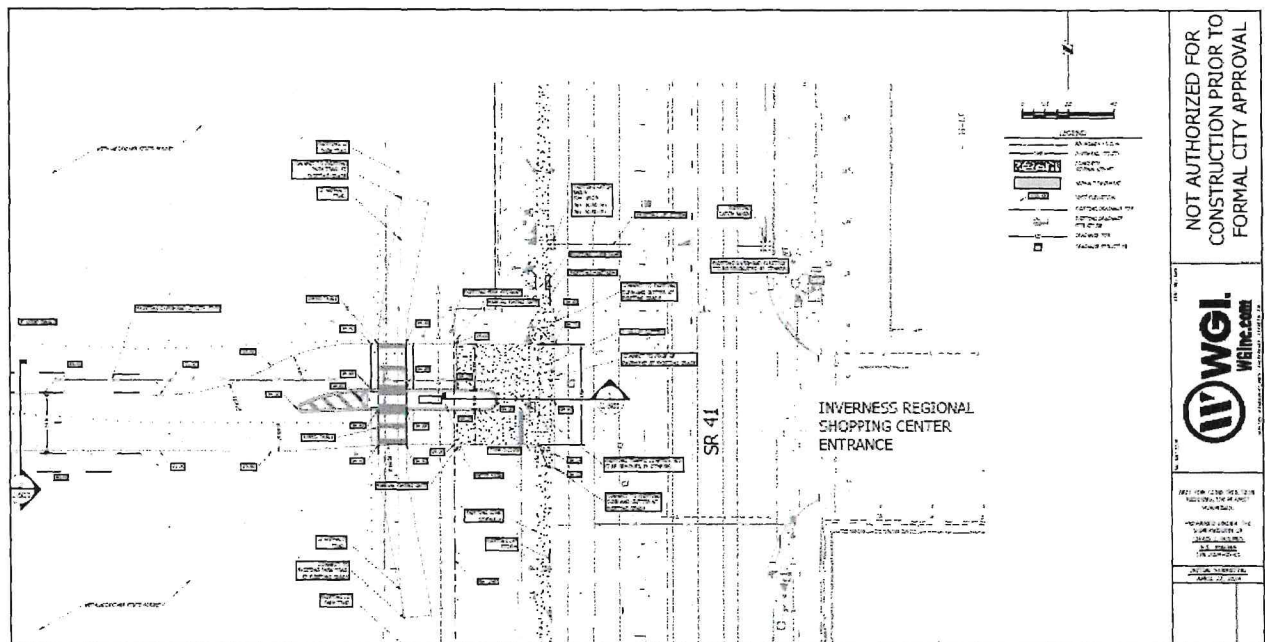
Facade grants were awarded St. James AME Church at 204 North Apopka for a new roof for the historic structure in the amount of \$7,500 and the Bistro Restaurant at 104 West Main Street for a new Awning in the amount of \$737.50.



Whispering Pine Park New Entrance

The Florida Department of Transportation (FDOT) began widening of U.S. Hwy 41 North in 2023. The City has been working with the FDOT in a collaborative effort to construct a new entryway and signage into Whispering Pines Park.

The FDOT will provide a \$1,000,000 legislative appropriation to build out a complete entrance to connection to an existing road within the park. A new sign will also be constructed at the entry. The City is required to have a minimum of \$200,000 in matching funds. The city match is providing funds for the engineering design and permitting of the entry and signage. The Wantman Group was issued a task order for professional services in the amount of \$381,667 for the engineering work the is currently underway.



IGC Parking Expansion

This project altered two existing solid waste compactor pad enclosures to install a new backup power generator and enlarged self-contained trash compactor unit. The smaller footprint of both units allowed the use of 14 additional parking spaces in the east side parking lot. The total project budget was \$202,000. The work was completed under budget with the addition of an automatic transfer switch for a seamless on/off during power outages.





Corridor Study

The City of Inverness engaged Michael Baker International to develop a comprehensive approach to planning improvements to State Route (SR) 44/U.S. Highway (US) 41 that will make it safer, improve livability, and expand the local economy.

The key components of the implementation plan include working with the FDOT and Medical Arts District. Coordination with the FDOT as the SR44/41 Main Street facility will ultimately require a new design and reconstruction to achieve the city's goal of safety and livability.

The most promising opportunity in Inverness is the development of the Medical Art District around HCA Hospital, given the unique arrangement with HCA's lease on the properties there the City will need to be engaged as a critical partner. The corridor plan calls for a working group, starting with the current study. This project had minimum carry forward funding in FY 24 and efforts were confined to coordination with FDOT on change in classification to reduce the speed limit on Hwy 44. Funding may be proposed in FY 26.



Introduction

Inverness is connected to the state of Florida by US- 41 and SR-44. The city is bound by lakes, wildlife management areas, and other communities.

The City of Inverness is positioned at the crossroads of two major highways which makes it well-connected, with larger cities such as Gainesville, Tampa, and Orlando only about an hour away. Thus, as the City considers changes to its main thoroughfares, the significance of these two highways on both county and state traffic cannot be understated. These roads are highly trafficked, with an estimated 35,000 to 40,000 total vehicles per day, including 6,600 heavy trucks.

Given the lakes to the east and the Citrus Wildlife Management area to the southwest, changes to either or both principal highways are not feasible. The City must therefore find a way to work with these roads at their current locations. This study presents possible solutions to improve pedestrian safety and walkability, especially for older adults, while preserving the city's existing charm and interconnectedness.

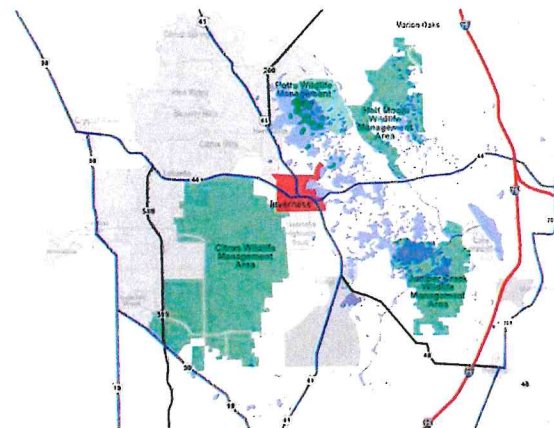


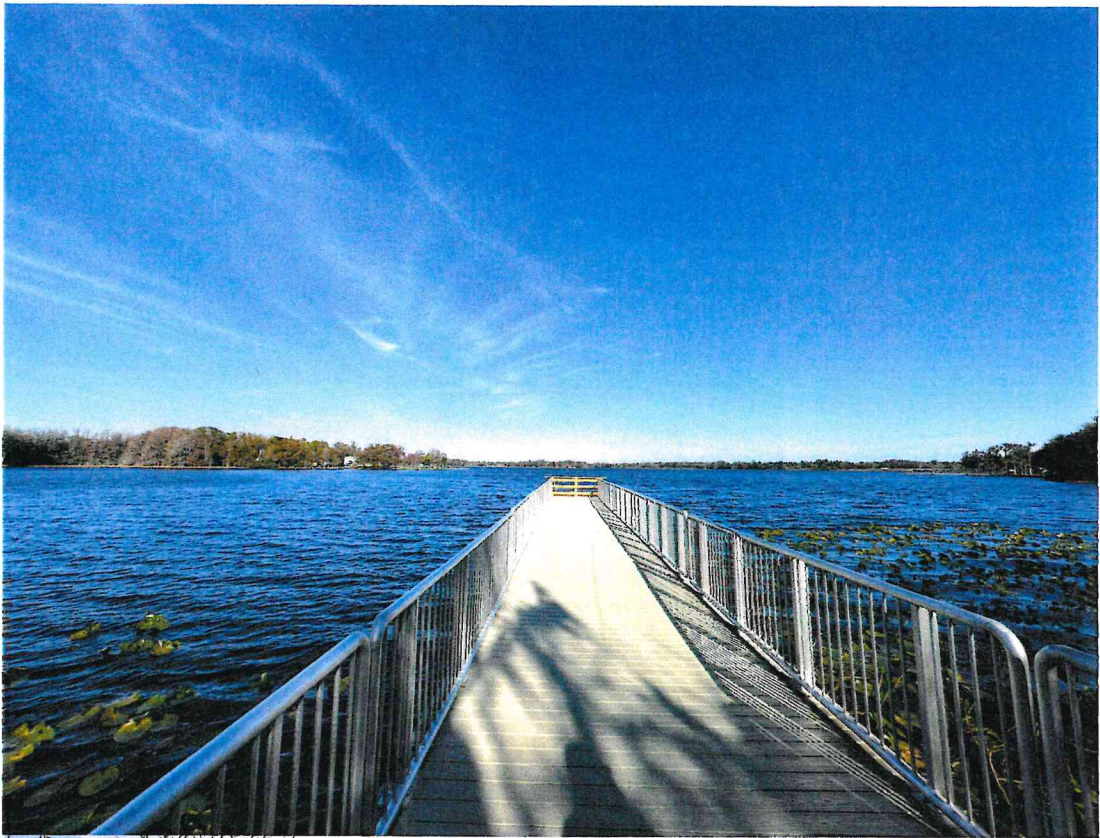
Figure 2 Regional Map

Shoreline Restoration

Work on the shoreline restoration project at Wallace Brooks Park started with hiring an environmental consultant to determine permitting requirements for the project and hiring a contractor to restore the shoreline by removing the vegetation and muck.

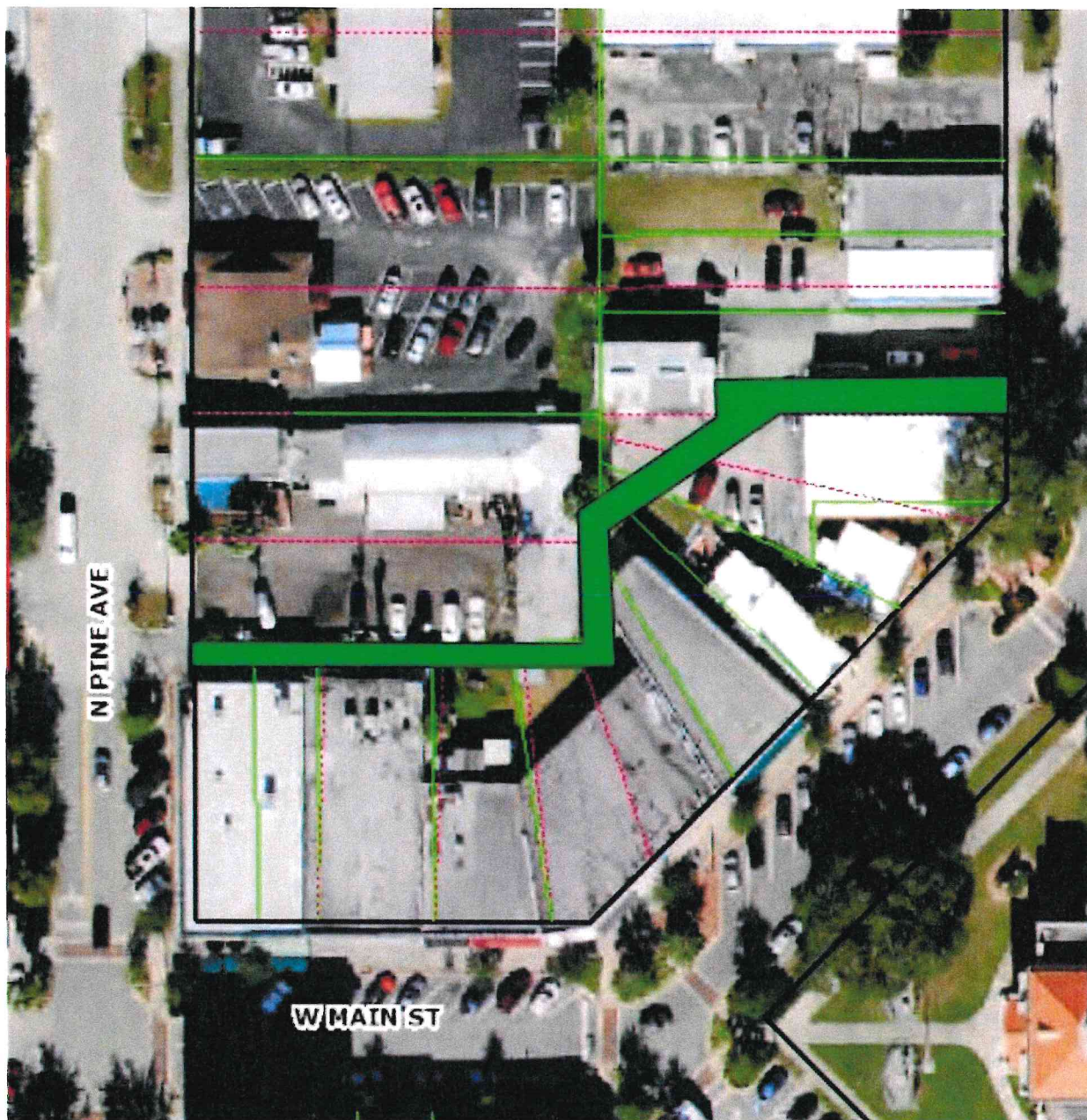
The boat docks will be moved from Wallace Brooks to Liberty Park to provide increased protection from the lakes. The removal of the docks at Wallace Brooks will provide a new swimming area. No Wake and Swimming Area signs and markings will be installed.





City Walk

Ongoing multi-year effort to plan, acquire easements and create a reverse frontage downtown corridor to increase pedestrian mobility and amenities, green space and outdoor dining.



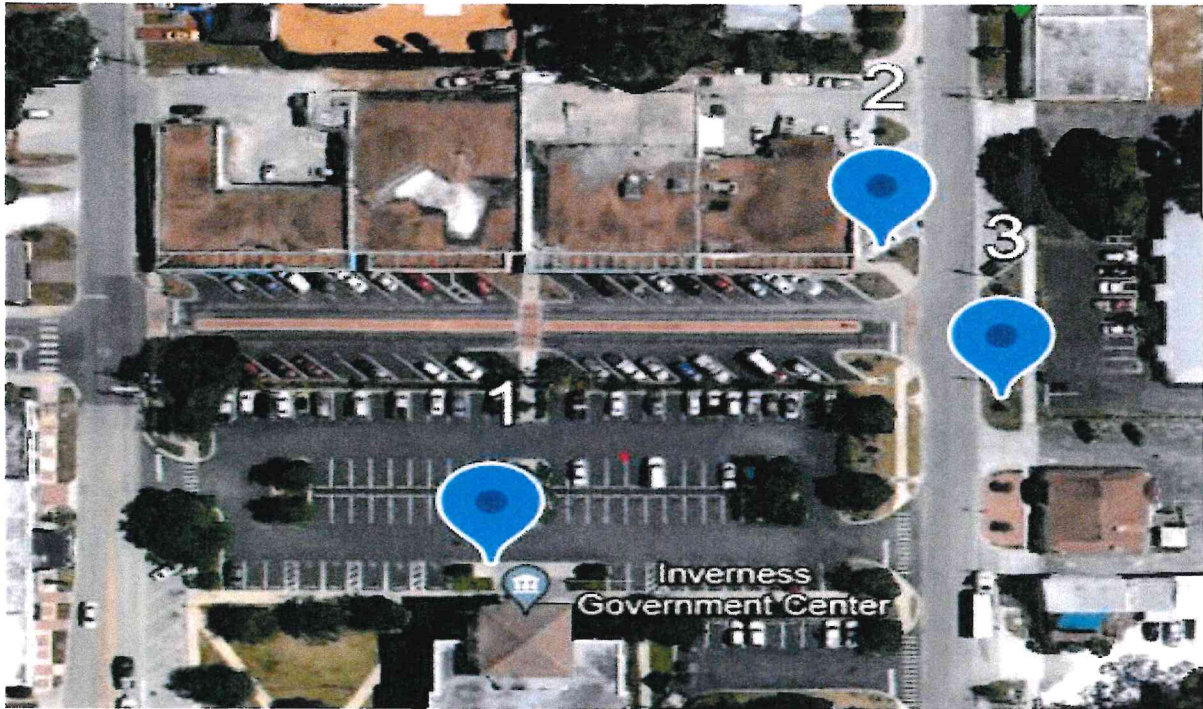
Painted Cooter Turtle Art Project

The Painted Inverness Turtle Project was introduced at the 2023 Festival of the Arts. The Inverness Arts and Cultural Alliance (IACA) engaged a local artist to paint focal points of the City onto a 6-foot cast recycled aluminum turtle and transform it into an attractive piece of art.

The project was expanded to include the fabrication and painting of nine turtles, including five large turtles and four small turtles. A group of professional artists were engaged to paint the turtles with a theme that reflects the city and the location of the artwork. The art work was installed throughout Entertainment District.



Sites 1 - 3 Proposed Installation Locations



Sites 4 - 7 Proposed Installation Locations



Enclosure Public Notice of Hearing to Approve the March 2024 Inverness Community Redevelopment Agency Report.

2/28/25, 10:51 AM

paxton.admanagerpro.com:8364/AMPWeb/TemporaryItems/45186d1b-e1f7-4dab-a6d0-d88f758fe23b/00000248.html

0305 WCRN ICRA 2024 RPT ANNUAL

**NOTICE OF PUBLIC HEARING
CITY OF INVERNESS
COMMUNITY REDEVELOPMENT AGENCY
2024 ANNUAL REPORT**

NOTICE IS HEREBY GIVEN by the Inverness City Council for the City of Inverness, will hold a public hearing on Tuesday, March 18, 2024, at 5:30 p.m., in City Council Chambers, 212 W. Main Street, Inverness, FL 34450 to adopt the City of Inverness Community Redevelopment Agency (ICRA) 2024 Annual Report.

In accordance with Section 163.356(3)(c), Florida Statutes, The City of Inverness Community Development Agency has developed the annual report of its activities for the preceding fiscal year, including a complete financial statement setting forth assets, liabilities, income and operating expenses as of the end of fiscal year 2024. This report has been filed with the City Clerk and is available for inspection during business hours in the office of the City Clerk and in the Inverness Community Development Department located at 212 W. Main Street, Inverness, Florida.

Any person requiring reasonable accommodation to participate in this meeting should contact the City Clerk, Susan Jackson, at 352-726-2611 at least three days in advance so arrangements can be made. For more information contact Chris Shoemaker, Community Development, 352-726-2611x1103.

CASH REQUIREMENTS REPORT

VENDOR	DOCUMENT	INVOICE	VOUCHER	DESCRIPTION	DUE DATE	DUE 09/30/25
		TOTALS FOR ACE HARDWARE CO OF INV INC				3,669.17
		TOTALS FOR COMMERCIAL ENERGY SPECIALISTS				909.64
		TOTALS FOR DUKE ENERGY				1,172.50
		TOTALS FOR WRIGHT EXPRESS				-281.52
				REPORT TOTALS		5,469.79

** END OF REPORT - Generated by Stacey Iddings **

March 4, 2025
5:30 PM

The City Council of the City of Inverness met on the above date in Regular Session at 212 W. Main Street, with the following members present:

President Hepfer
Vice President Davis
Councilwoman Bega
Councilwoman Lizanich
Councilman Craig
Mayor Plaisted

Also present were City Manager Williams, City Attorney Hartley, Staff Members, and City Clerk Jackson.

The Invocation was given by Council President Hepfer and the Pledge of Allegiance was led by the City Council.

ACCEPTANCE OF AGENDA

Councilman Davis motioned to accept the Agenda as presented. Seconded by Councilwoman Lizanich. The motion carried.

PRE-SCHEDULED APPEARANCES

4)a) Nature Coast Bike Fest with Asst. Parks Director Bechtel introducing Mike DeFelice and Roberta Oldread who spoke of the upcoming event. There are a few new additions, music, etc. This is a family friendly event. President Hepfer spoke of the success of the event last year. Councilman Davis stated he had received no complaints of last year's event. Councilwoman Lizanich questioned if they expect more attendees than last year.

4)b) Citrus County Sheriff's Office Quarterly Report with Lt. Fischer providing details of the 4th quarter report regarding tracked crimes, calls for service, arrests, traffic accidents, etc. with the numbers being slightly higher. Community Resource Officer Deputy Ruby provided details from the Community Resource Office regarding arrests, trespassing, traffic, and calls for service. He highlighted the many community events. Mayor Plaisted spoke of recent issues at the parks with Lt. Fischer noting they were trespassed from the park, and if they return, they will be arrested. The CRO shifts are being looked at to be staggered. Councilman Davis encouraged the Elected Officials to keep their eyes and ears open and not to hesitate to contact either Inverness CROs. Spoke of seeing more kids on electric scooters/bikes with Deputy Ruby stating the riders must adhere to all traffic laws. President Hepfer spoke of concerns of seeing groups of young people walking through neighborhoods.

PUBLIC HEARINGS / WORKSHOP

None

OPEN PUBLIC MEETING

Richard Fawcett – Windermere Blvd. spoke of requesting the video/audio of the Town Hall meeting from the City Clerk's Office and using a program to transcribe the audio.

Brother Steven Gerard Sidlovsky – Lorain, Ohio referencing a handout he provided regarding an example of a proposed resolution for the City declaring the City as a safe personhood city.

Marco Wilson – Lake St. suggested a possible moratorium on loud bass music that comes from events at Liberty Park.

Debbie Wheatley – Silverwood praised last year’s bike fest regarding noise and that it was very controlled.

Karen Esty – Wilson St. regarding a recent meeting with a representative from Congressman Bilirakis’ office in pursuit of a sidewalk along Independence Highway. She will need letters of support to accompany the application for funding. Consensus by Council was given for staff to compose a letter of support.

CITY ATTORNEY REPORT

None

CONSENT AGENDA

- a) Bill Listing*
 - Recommendation – Approval
- b) Council Minutes* – 02/11/2025 & 02/18/2025
 - Recommendation - Approval

Councilwoman Bega motioned to accept the Consent Agenda. Seconded by Councilwoman Lizanich. The motion carried.

CITY CLERK’S REPORT

None

CITY MANAGER’S REPORT

10)a) Downtown and Historic Courthouse Landscaping Bid Award* with City Manager Williams stating staff have been working with Landscape Architect Paul Gibbs of Community Land Design, Inc., to develop a new landscaping look for the downtown. Community Development Director Shoemaker made a presentation of details of the projects. The effort was expanded to include the historic downtown courthouse in a cooperative effort with Citrus County. The goal is to improve the appearance of both areas in the downtown with a blended and coordinated landscape theme. Three bids were received for the projects:

<u>Vendor</u>	<u>City Project</u>	<u>County Project</u>
Green Technologies Inc.	\$262,228.00	\$136,751.00
Earthscapes Unlimited, Inc.	\$377,860.00	\$156,700.00
Daly & Zilch, Inc.	\$426,452.00	\$173,297.00

Funding for the City portion of the project would come from the currently adopted ICRA CIP budget, and the additional \$22,228 would be a budget amendment from the Inverness Community Redevelopment Agency (ICRA) Fund balance. Citrus County will be responsible for funding their own portion of the project and making direct payment to the vendor. The work is scheduled to begin in April and be completed in June. Paul Gibbs spoke of his past involvement with streetscapes and provided additional details regarding the projects. Councilwoman Lizanich was happy to partner with the County on the

projects. Councilman Davis spoke of the impressive appearance into the downtown after the projects are completed. Mayor Plaisted questioned the number of trees that would be replaced. Councilman Craig spoke of the growth of ground vegetation with Mr. Gibbs explaining various plants and growth patterns. **Councilwoman Bega motioned to approve the proposal with Green Technologies, Inc. in the amount of \$262,228.00 for the Downtown Inverness and Citrus County Historic Courthouse Streetscape Project RFP 2025-01-CDD as presented and authorize the City Manager to execute the document. Seconded by Councilwoman Lizanich. The motion carried.**

10)b) Liberty Park Playground Shade Structures* with City Manager Williams stating on April 16, 2024, Council approved a proposal by WillyGoat Playgrounds, Inc. (WillyGoat) for the purchase and installation of shade structures at the Liberty Park Playground for \$55,500. While finalizing the logistics of the installation, WillyGoat was unable to supply a Florida Licensed General Contractor and still honor the original quote. After much research and requests with no success, staff reached back out to WillyGoat to get an updated quote for the purchase and installation with a Florida licensed general contractor. They have provided a quote of \$78,000.00, approx. \$22,500.00 higher than what is currently budgeted. Should Council proceed, additional funds would be part of a future budget amendment reallocating surplus funds from completed CIP projects or the Building Reserve. Councilman Davis clarified this project will now provide three shade structures instead of two. Councilman Craig questioned if shade structures were common on playgrounds with City Manager noting it is for both the children and parents. **Councilman Davis motioned to approve the quote for equipment purchase and professional installation with WillyGoat in the amount of \$78,000.00 as presented and authorize the City Manager to execute the document. Seconded by Councilwoman Bega. The motion carried.**

10)d) Project/Program Updates (Verbal)

- Inverness Government Center, Whispering Pines Park Admin Building, and CORE Building with City Manager Williams speaking to the proposed relocations involving tenants in the IGC, WPP Admin. building, and the CORE building, with a proposed new tenant in the IGC. Also, regarding the IGC, the Department of Children and Families will be relocating at the end of their lease. Councilman Davis questioned the use of the Council Chambers. Councilman Craig spoke of security upgrades. Sheriff Vincent was looking forward to working with the City and explained the restructure that took place in January when he was sworn into office. Use of the CORE building will be a visible marker for law enforcement in the City and community policing. He spoke of the move to the CORE building as ideal for a sheriff's office substation. Council consensus was to move forward with the changes at all three locations.
- Big Bass Bluegrass & BBQ with Parks Director Worley providing details for the upcoming weekend event, noting the Chronicle Outdoor Expo will be held at the same time.
- St. Patrick's Day with Parks Director Worley noting the festivities will be on Sunday, March 16 with the parade starting at 4:00pm, using the same route as last year. After the parade, the celebration moves to the Depot Pavilion area.

- Other with City Manager referencing a thank you letter that was received regarding the Senior Games from a pickleball team. Spoke of the recent Little League Opening Day event last Saturday, Market at the Depot, etc.

COUNCIL/MAYOR SUBJECTS

Mayor Plaisted stated there is great stuff going on in our City. Spoke of the parking on Ella during school pickup as a safety issue, with City Manager Williams stating there was a meeting with a School Board member regarding this and they are looking at options.

Councilman Craig stated he was happy with the changes coming to the IGC, WPP Admin. building, and the CORE building, and continuing to work with the Sheriff's Office.

Councilwoman Bega noted the Valerie Players finished the Wedding Singer production, and it was a great success. Spoke of making plans for the upcoming Earth Day in conjunction with Keep Citrus County Beautiful (KCCB) in April.

Councilwoman Lizanich was excited with the partnerships with various County agencies. Enjoyed Little League Opening Day.

Councilman Davis spoke of rebuilding the relationship with County agencies, teaming up with Citrus County Sheriff's Office, etc. Spoke of several events where he has seen the Sheriff attending. Excited about the fishing tournament with so many anglers.

Council President Hepfer stated the Little League Opening Day was wonderful and she enjoyed introducing the various teams. Spoke of the middle school traffic issue with City Manager Williams suggesting Councilman Davis as the City's liaison with the School Board. Happy with the partnerships with County agencies.

CITIZENS NOT ON AGENDA

None

Meeting adjourned at 7:23 p.m.

City Clerk

Council President

Agenda Memorandum - *City of Inverness*

March 18, 2025

TO: Elected Officials
FROM: Susan Jackson, City Clerk
SUBJECT: Reorganization of City Council*
CC:
Enclosures: 1. COUNCIL PRESIDENT VP ROTATION - Current
2. ReOrg Boards March 2024

With reference to the **City Charter, Section 2.10, annually on the third Tuesday in March, City Council Members shall meet for the purpose of reorganization, and at such meeting choose a new president and vice-president.** The protocol for the selection of the Council President and Vice-President has, as best possible, followed a rotational system. The selection of President and Vice-President involves signatories of payment drafts, which is limited to the President, Vice President, City Clerk and City Manager. The signature of an Elected Official must appear on a payment draft with the signature of a Charter Officer, which is part of the “check and balance” of the payment system. Once a President and Vice President are selected, the recognition of their signatures are officially confirmed by passage of a prior Resolution. Appointments for President, Vice President, and committees will commence the next day following this meeting.

Enclosed, you will find a list of past Presidents and Vice-Presidents representing an extended period. Also included is a separate table to identify member appointments to mandatory and elective committees. All positions are open for consideration. (Mandatory appointments are in bold.)

Recommended Action –

City Council is to receive nominations for President and vote the selection; then receive nominations for Vice-President and vote that selection. Following this action, Council should continue to appoint members to mandated boards and committees and, at the same time, discuss committee appointments where the appointment would be acceptable with the member.

Thank you for your support of this matter.

COUNCIL PRESIDENT – VICE PRESIDENT ROTATION

2016/2017	Ryan	McBride
2017/2018	McBride	Bega
2018/2019	Bega	Hinkle
2019/2020	Hinkle	Hepfer
2020/2021	Hepfer	Ryan
2021/2022	Ryan	McBride
2022/2023	McBride	Bega
2023/2024	Bega	Hepfer
2024/2025	Hepfer	Davis
2025/2026		
2026/2027		

Agenda Memorandum – *City of Inverness*

City of Inverness
Council Member Appointment List
(Mandated & Elective)

(Last Update – November 2024)

Community Board	Appointed Elected Official
<i>Citrus County Chamber of Commerce</i>	Councilman Gene Davis
Citrus County Special Library District Governing Board	Councilwoman Crystal Lizanich
Community Charitable Foundation	Councilman Crystal Lizanich Alternate: Councilwoman Linda Bega
Tourist Development Council	Councilwoman Jacquie Hepfer
Withlacoochee Regional Water Supply Authority	Councilman Gene Davis
Keep Citrus County Beautiful (KCCB)	Councilwoman Linda Bega
Hernando/Citrus MPO Representatives	Councilman Gene Davis Optional Alternate: Councilman Tom Craig
<i>Valerie Theatre Board</i>	Councilwoman Linda Bega

Bold type signifies mandated appointment

Italic type signifies requested appointment

NOTE: WRWSA – City of Inverness and City of Crystal River Representatives will serve alternate years. 2022 – Inverness, 2023 – Crystal River, 2024 – Inverness, 2025 – Crystal River, 2026 – Inverness, etc.

Agenda Memorandum - *City of Inverness*

March 18, 2025

TO: Elected Officials

FROM: Eric Williams, City Manager

SUBJECT: Banking Services Bid Award

CC: Susan Jackson, City Clerk, Frank Calascione, Assistant City Manager, Alexis Koter, Finance Director

Enclosures: 1. Banking Services - RFP 2025-01-FIN
2. Brannen Bank Proposal
3. Capital City Bank Proposal

On February 7th an RFP for banking services was released with responses being due March 7th. The primary objective of the RFP was to obtain banking services that will provide the least cost for required banking services, interest earnings on account balances, and efficient/effective customer service.

The following four banks submitted proposals:

Brannen Bank
Capital City Bank
Regions Bank
Seacoast Bank

Staff reviewed all four proposals for completeness and qualification regarding the aforementioned key objectives. Of the four, two stood out for consideration of award: Brannen Bank and Capital City Bank.

Brannen offered the lowest cost for services by a considerable amount compared to that of the other submittals. However, the offered interest rate on total account balances would be significantly less, with some 300 basis points (3%) below the prevailing federal interest rate. Based on current interest rates this would equate to an estimated interest earning on account balances of 1.5%, with a minimum to never be less than 0.15%. Brannen bank is well-established and headquartered in the local community with three branches in Inverness, including a branch directly next to the Government Center. This would allow extremely convenient access to bank leadership and City funds, particularly in the event of an emergency such as a hurricane. Additionally, Brannen is the current banking services provider for the Citrus County School Board, Tax Collector, and Property Appraiser. Currently, the City holds a CD and a Money Market investment accounts with Brannen.

Capital City Bank is the current banking provider for the City and offered the second-lowest pricing with the second best rates for interest earnings within their submittal. Based on the submittal the minimum interest would be 3% interest for total account balances less the minimum balances required for interest forbearance to be more than total costs of banking services provided. Effectively, this would provide a net cost benefit. The City has an established

relationship with the Treasury team mostly based in Tallahassee given they are the current banking services provider.

Based on the review of the submittals, it is recommended that Council deliberate the matter and select either Brannen or Capital City for award of the contract for City Banking Services.

Recommended Action–

1. Allow Staff to present
2. Deliberate the matter
3. Motion, second, and vote to award the bid for banking services to either Brannen Bank or Capital City Bank and authorize the City Manager to execute the agreement.

If you wish to discuss this further, please contact me at your convenience.

Eric C. Williams
City Manager



**BANKING SERVICES
FOR
THE CITY OF INVERNESS
REQUEST FOR PROPOSALS**

RFP NO. 2025-01-FIN

ADVERTISEMENT DATE:

FEBRUARY 7, 2025

PROPOSAL OPENING DATE:

MARCH 7, 2025

City of Inverness, Florida
212 W. Main Street
Inverness, FL 34450

NOTICE TO PROPOSERS

The City of Inverness, (“the City”) pursuant to the policies and procedures of the City is currently accepting **Proposals for Banking Services**. The successful respondent will enter into a (three-year) service contract. The City will reserve the right for annual options to renew for three (3) additional one (1) year periods.

FINANCIAL INSTITUTIONS who are interested in providing this service may obtain a Request for Proposal from the City Clerk in the Administrative Office, 212 W. Main Street, Inverness, FL 34450 between the hours of 8 a.m. and 5 p.m., Monday through Friday. Proposals shall be delivered and addressed to, **City of Inverness, Attn: Office of the City Clerk, 212 W. Main Street, Inverness, Florida 34450** and shall be labeled “SEALED PROPOSAL AUDITING SERVICES RFP # 2024-01-FIN”. **Sealed proposals must be received by the City Clerk no later than 2 p.m. E.S.T., March 7, 2025.**

The City reserves the right to reject any or all proposals, in whole or in part, to waive minor defects in the process, to request additional information from proposing financial institutions, to solicit comparable information on such services from all other banks responding to this request for proposal, and to accept the proposal(s) deemed by the City to be in the City’s best interest.

**CITY OF INVERNESS, FLORIDA
RFP No. 2025-01-FIN
FOR BANKING SERVICES**

I. PURPOSE: The purpose of this Request for Proposal (RFP) is to provide the City with a way to determine the highest qualified and most effective banking institution which, in the City's opinion, is best suited to undertake banking services required by the City. Factors such as capability, experience, location, transaction cost, investment return, range of online services, and the ability to work within established time and budget constraints will be used in the selection process.

Currently the City is requesting proposals for banking services from any bank organized and existing under the laws of the State of Florida. This institution must be certified by the State of Florida, Bureau of Collateral Securities, and Division of Treasury as a Qualified Public Depository per F.S. 280, and have an office or principal branch within Inverness, Florida. The intent of this proposal process is to select at least a bank to provide the banking services as specified in this proposal document.

The RFP indicates the number of transactions anticipated; and although this is the City's best estimate of volume, the City makes no guarantee regarding volume, and nothing contained herein or in any supporting documents shall be construed to guarantee either minimum or maximum volumes. In addition, the City has provided copies of three months of recent bank statements.

II. SCOPE OF WORK:

1. **General Operating Account:** Establish a general operating account for the City. The City's general operating account covers a variety of activities. Daily and weekly deposits will be made by City employees. Upon verification of the deposit, receipt of deposit is to be provided to the City. This is an interest-bearing account. In its response, the bank should specify the interest rate on such account or how the rate is to be determined. This may develop into a combination of a general checking account tied to an investment or money market account held at the bank.

In general, the City is looking for the most beneficial operating account arrangement that will provide the highest level of service support tied to the amount of activity of each account. Some desired services could include, but not be limited to, online bill pay, direct pay (ACH) payments to vendors and employees, direct debit (ACH) payments for utility billing and other miscellaneous receivables, remote check deposit, lockbox payment processing, and direct deposits from vendors.

Given the nature of the City's business, the selected bank would be required to credit the City's account for incoming ACH transfers on a same day basis regardless of the time of receipt during the day.

2. **Wire and Electronic Funds Transfers:** The bank will be required to accept or send wire and electronic funds transfers. The bank should clarify, in writing, the method and policy of handling transfers including cut-off times. The bank will be required to accept verbal and internet requests from an established list of authorized City personnel provided by the City's Finance Director for the execution of transfers of City funds.
3. **Stop Payments:** The bank should have the capability of receiving stop payment orders via the bank's web-based internet site from authorized City personnel with access to all City accounts.
4. **Returned Items:** Checks from customers of the City which have non-sufficient funds should automatically be resubmitted for payment the next banking day before being returned to the City as an NSF check.

5. **Void Checks:** The bank must provide capability for City staff to void city issued checks online.
6. **Positive Pay Service.** The City requires positive pay services with complete indemnification for fraudulent checks. Positive pay including payee verification is required. The proposal must provide a fully automated, web compatible transmission process for positive pay. Transmissions will be made as part of each check run. Manual check information must be able to be input online. Online Positive Pay "Exception Reporting" is required, whereby the exception is not paid by the bank until the City approves payment or payment is refused if the City rejects the exception.
7. **Bank Statements:** Monthly bank statements ending on the last day of each month will be provided for all City accounts. Statements must be made available to the City's Finance Department within five working days following the end of the month. The bank will submit with the statement a printed list of the cleared checks in check number order, identifying the check number, the check amount, and the date each check cleared the bank. Breaks should be obvious where checks in numeric sequence are missing. Digital images of all the canceled checks sorted in numerical order must be included with the statement.
8. **Check Imaging Services:** Check imaging services shall be available online with the capability to search and view for a minimum of 2 years of historical images.
9. **ACH Services:** The bank must be both a sending and receiving bank on the Automated Clearing House (ACH) system (Debits and Credits). The bank should have the capability of receiving ACH files electronically from authorized City personnel.
10. **Account Reconciliation Service:** The bank will provide reconciliation services for all accounts specified in the RFP which shall include a complete recap of transactions by date, a record of interest rate, balance and interest earnings on overnight investments
11. **Branch Deposits:** Ability to make deposits at a local branch is preferred with after-hours drop capability secured by key service. All after hour drop boxes must be secured by camera which runs continuously after hours.
12. **Lockbox Service** – The City utilizes lockbox services to process City utility payments made by mail. A local lock box is preferred and must be maintained under the new banking contract. The processing center sends a file to the City daily via a secure online site. The City uploads the file manually to its accounting system. Unprocessed exception items are to be deposited, and the City prefers that they be available for same day review online rather than mailed. Imaging requirements include checks, OCR coupons and correspondence.
13. **Cost of Services:** It is the intent of the City to obtain the most cost-effective and efficient services. Banking services and documents not detailed on the proposal form will be provided to the City at no cost. The City will provide endorsement stamps and the checks for the General Operating Account. The bank shall provide other banking supplies such as security bank bags, coin wrappers, and deposit slips at no additional cost. The bank will prepare a monthly detailed analysis of the cost of services and shall have the authority to debit the General Operating Account on a monthly basis for the total combined service charge. In its response, the bank may specify other services it can provide with a brief description and anticipated cost of these optional services.
14. **Disaster Recovery:** The bank shall provide information regarding their disaster recovery plan including specific plans related to servicing the Authority in the event of a disaster. Additionally, the bank shall

provide information regarding their ability to provide uninterrupted service.

15. **Employee Benefit Package:** To facilitate the City's employee direct deposit payroll, the bank shall, upon request, provide employees with a checking and/or savings account for direct deposits with no minimum balance requirement and no maintenance fees.
16. **Web-based Internet Access:** The bank must have an established web-based internet site to allow authorized City personnel access to all City accounts. The City anticipates utilizing internet-based banking. The bank should include a listing of the services and advantages it offers regarding internet banking. Banking via the bank's web site shall include access to account activity and balances.
17. **Continuous Services:** The bank will have and maintain sufficient staff to support these requirements on a continuing basis without interruption of service. Server problems or repeated breakdown of electronic service will be just cause for cancellation of the Agreement by the City. The City requires that the bank designate one of its officers as a Relationship Manager to act as a liaison with the City, at no cost, for matters regarding the City's account. The City shall have the right to meet with this proposed Relationship Manager at the Principal Contact Office, and to approve the person so designated or their successor liaison. Should the City object to the person so designated, the bank will replace them with a qualified person, acceptable to the City, forthwith.
18. **Access to Records:** From time to time, authorized City representatives shall require copies of items included in deposits made by the City to resolve balancing issues or disputes with tenants. Such items will be provided to the City immediately upon request. The bank should include in its response the time to provide and cost.
19. **Holiday Closings:** A holiday schedule should be provided.
20. **Cashing Petty Cash Checks:** The bank will cash petty cash checks at no charge to the City or employee cashing the check. Such checks will be identified as such. The bank will require that the employee present a current identification card to cash such checks. The bank, upon request, may be asked to provide coin and cash for events, and if requested, please advise if there are any service fees related to this need.
21. **Optional Banking Services:** As the City continually seeks to improve operations and cash management, it will look to its bank for creativity, expertise, and flexibility. The bank may, in addition to the Required Banking Services, submit optional proposals, such as deposit pick-up services or other services which the bank or the City feels would be in the best interest of the City.

III. ADDITIONAL INFORMATION TO ASSIST PROPOSERS

1. **Daily Balance:** Currently, the average daily balance has fluctuated for the last several months between \$6M and \$10M and is expected to be maintained at a minimum level of approximately \$5M. However, this is subject to change.
2. **Deposits:**
 - i. **Daily Deposits:** Daily deposits include deposits brought to branch location from City Departments, Remote deposit of checks, and lockbox processing. Deposits are made daily Monday through Friday, excluding holidays, and total average approximately \$354,000 per month in checks and cash. Requests for change are frequently included with the deposits.
 - ii. **EFT:** Deposits from EFT transfers average \$1,116,000 per month for an average of 26

items.

3. ***Withdrawals:***

- i. ***Checks:*** The City issues approximately 185 checks for an average of \$1,120,000 per month.
- ii. ***Returned Payments:*** Approximately 12 items are charged back each month.
- iii. ***EFT:*** The City initiates EFT transactions via the internet for payment of items such as FRS, FL Dept. of Revenue, and ADP.

4. ***Additional Accounts:*** The City has additional bank accounts that may be considered by the proposer.

- i. ***Customer Deposit Escrow:*** This is a non-interest-bearing account that will be adjusted monthly to cover customer deposit accounts.
- ii. ***Payroll Account:*** This is a sweep account from which payroll checks are issued. Funding for payroll to be swept from Operating account
- iii. ***Credit Card Cash Account:*** This is an interest-bearing account used for operations. Credit card payments are deposited into this account by a third party and may involve water and sewer utility payments, parking fines, parks and recreation fees, fines and other services payments. Third party also charges credit card fees to this account. Transfers are made from this account to the General Operating Account monthly.
- iv. ***Other Accounts:*** Other smaller accounts may be necessary and should be interest bearing.

IV. **PROPOSAL REQUIREMENTS:** Proposals must be submitted, with an original, five (5) copies, and one (1) digital copy in a **sealed envelope clearly marked** with the name of the bank, **“SEALED PROPOSAL: Banking Service RFP No. 2025-01-FIN”**. Proposals not including the outlined information will be deemed non-responsive and excluded from consideration.

1. ***Title Page:*** Bank’s name, address, and telephone number of the contact person and the date of the proposal.
2. ***Table of Contents:*** A table of contents including page references.
3. ***Transmittal Letter:*** A signed letter of transmittal briefly stating the proposer’s understanding of the work to be done, the commitment to perform the work within the time period, a statement why the bank believes itself to be the best qualified to perform the work and a statement that the proposal is a firm and irrevocable offer for ninety (90) days. The signer must have the authority to bind the proposer to the submitted proposal and must include a declaration of that authority in the letter of transmittal.
4. ***Profile of the Proposer***
 - i. A bank submitting a proposal must be:
 1. A Federal or Florida chartered bank with (a branch located in Inverness, Florida).
 2. A member of the Federal Reserve System.
 3. An approved public depository by the Treasurer of the State of Florida in conformity to the Florida Security for Public Deposits Act (Chapter 280 Florida Statutes).
 - ii. The proposer must submit a summary of the institution’s financial resources including (a) the audited financial statements and annual reports of the bank and its holding company, if any, for the last two years, and (b) a copy of any current credit ratings of the bank or holding company.

- iii. Proposer must have adequate organization, facilities, equipment, and personnel to ensure prompt and efficient services to the City. The City reserves the right before recommending any award to inspect the facilities, organization, and financial condition or to take any other action necessary to determine the ability to perform in accordance with specifications, terms, and conditions.
- iv. Proposer must complete and submit the Banking Services Proposal Summary.
- v. The proposer may submit any other information the proposer believes relevant to the selection of a depository bank.

V. EVALUATION OF PROPOSALS:

1. Each respondent is expected to provide in the same numerical format, as part of its proposal, information to allow review and consideration. Proposals will be evaluated by the City's Selection Committee, with support from the City's Financial Advisor, and this review will include but not be limited to, the following criteria:
 - i. Ability to provide the type and quality of services requested within acceptable time frames, and accessibility to branches and services.
 - ii. Cost of services and investment earnings rate.
 - iii. Financial condition, stability of current conditions, credit ratings, and track record of effective management decisions.
 - iv. Prior experience in providing banking services to Florida governments and comparable authorities including local organizational of the bank's proposed Relationship Manager or Principal Contact officer, and structure available to service the City. Consideration will be important; the communication and interpersonal skills of the Principal Contact Officer and supporting team, with the demonstrated ability to be responsive on an ongoing basis, will be important.
 - v. Other financial services available prior services provided to the City, and ideas provided.

VI. PREPARATION: The proposer(s), if selected for inclusion on a short list, may be required to make a brief oral presentation to the Selection Committee. The proposer should be prepared to answer all questions and discuss, at least, the following key issues during the presentation/interview:

1. The bank's ability to furnish the requested services.
2. The bank's qualifications, including the qualifications/abilities of professional, in-house, support personnel and the Principal Contact Officer.
3. A demonstrated understanding of municipal requirements as they are related to the financial and management operations of a local governments comparable to the City.
4. Related issues as posed by the Selection Committee, Financial Advisor, or City Manager.
5. Online banking services demonstration.

VII. SUBMITTAL REQUIREMENTS: Proposals shall be submitted as follows:

1. The Proposal Summary Form of this RFP shall precede the required information presented in the order in which it is outlined in **Section IV. Proposal Requirements**. Any additional information submitted in support of the proposal shall follow the required information.
2. Each proposal shall contain evidence of proper licensing to perform the required services in the State, County, and the City.
3. Each proposal shall contain a completed Public Entity Crime Form pursuant to Florida Statutes, Sections 287.133, providing that no public entity shall accept any bid from or award any contract to, or transact any business in excess of the threshold amount for Category Two (\$35,000) for a period of thirty-six months from the date placed on the convicted vendor list.
4. Each proposal is subject to the provisions of Florida Statutes, Chapter 112, providing that all proposers must disclose with the RFP submittal the name of any officer, director or agent who is also a public officer or an employee of the City. Further, all proposers must disclose the name of any City officer or employee who owns, directly or indirectly, an interest of five percent or more in the proposing firm.
5. Banking Institutions submitting proposals as a joint venture shall submit to the City, as part of proposals, a copy of any joint venture agreement.
6. Preference may be given by the City to institutions demonstrating a drug-free workplace program whenever two or more proposals, which are equal in respect to quality and service, are received and reviewed by the City. Proposers intending to demonstrate a drug-free workplace program shall provide a certification form with the RFP submittal.
7. Preference may be given to institutions offering broader, well developed online banking services
8. An original and five (5) copies of the proposal shall be submitted in a **sealed envelope clearly marked "SEALED PROPOSAL: Banking Service: RFP No. 2025-01-FIN."**
9. **Sealed proposals** must be received by the City at the following address no later than **2.p.m. E.S.T on March 7, 2025.**

MAILING AND HAND-DELIVERED ADDRESS

City of Inverness, Florida
ATTN: Susan Jackson, City Clerk
212 W. Main Street
Inverness, FL 34450

10. Questions and requests for additional information or for clarification **must be** submitted in **writing** no later than February 28th to:

City of Inverness, Florida
ATTN: Susan Jackson, City Clerk
sjackson@inverness.gov
212 W. Main Street
Inverness, FL 34450

ALL RESPONDENTS SHALL PROVIDE AN E-MAIL ADDRESS AND CONTACT SO THAT ANY CLARIFICATIONS MAY BE SHARED. ALL QUESTIONS AND RESPONSES WILL BE PROVIDED TO EACH FIRM THAT HAS INDICATED TO THE CITY'S FINANCIAL DIRECTOR THAT THEY WILL BE RESPONDING.

11. Only those proposals fulfilling all the requirements outlined in this solicitation will be considered.

12. The Selection Committee will evaluate the proposals from the submission and may ask questions of a clarifying nature, if necessary. The Selection Committee will evaluate each proposal submitted based on all submittals received and recommend the best proposal to the City Manager for award of contract.

13. The proposal, as submitted, will be considered as final submission. The proposal shall remain binding for ninety (90) calendar days. The successful respondent will be expected to enter a three (3) year service contract with the option for the City to renew for three (3) additional one (1) year periods. This invitation for proposal shall be included and incorporated in the final contract. When applicable, a contract may be renewed contingent upon cost factors, mutual agreement, satisfactory performance evaluations, availability of funds, and the approval of the City. The City's performance and obligation to pay for the purchase of services for a period more than one (1) fiscal year under any contractual relationship is contingent upon an annual budget appropriation approved by the City.

14. The City reserves the right to reject any and all proposals, to waive minor defects in the process and to accept the proposal deemed by the City to be in the City's best interest. All issues addressed in the Request for Proposals will be given consideration in determining the successful proposer. **The City may determine that it is in the City's best interest to conduct additional discussions or request additional information from those proposers deemed qualified for any short list.**

15. An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid on a contract to provide goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not award or perform work as a contractor, supplier, subcontractor, or consultant under contract with any public entity, and may not transact business with any public entity.

16. The City reserves the right to terminate this contract if the bank changes ownership, is taken over by FDIC, no longer is a QPD bank per F.S. 280, or experiences any other re-organization or financial distress that may be determined to be detrimental to the City in its absolute sole discretion. Additionally, the contract may be terminated by either party by giving written notice to the other party no later than one hundred twenty (120) calendar days before the proposed termination date. This provision may be exercised only after the contract has been in effect for three (3) calendar months. The Bank shall be entitled to just and equitable compensation for any satisfactory work completed to the termination date. Under no circumstances will any damages be paid because of the termination of this contract.

CITY OF INVERNESS, FLORIDA
RFP No. 2025-01-FIN
BANKING SERVICES
PROPOSAL SUMMARY FORM

Name of Bank: _____

Address: _____

City & State: _____ Zip Code _____

Telephone: () _____ Fax: () _____

Federal Tax Identification Number _____

Name of Official Completing Proposal: _____

Title: _____

1. Type of Bank (Federal or State Charter): _____

2. Is your Bank a member of the Federal Depository Insurance Corp? Yes _____ No _____

3. Is your Bank a member of the Federal Reserve System? Yes _____ No _____

4. Deposits Federally insured up to: _____

5. Authorized Florida Public Depository? Yes _____ No _____

6. Location of home office: _____

7. Hours of Local Branch closest to the City: _____

8. Please attach a list that includes location and business hours for each branch in Citrus County.
Is list attached? Yes _____ No _____

9. List any local government agencies to which you have provided the type of services required herein:

Name: _____ Contact: _____ Telephone: _____

Name: _____ Contact: _____ Telephone: _____

Name: _____ Contact: _____ Telephone: _____

10. Please include a copy of your audited financial statements for the last two years, and recent credit rating reports.
Are copies attached? Yes _____ No _____

11. Please provide a summary of any litigation filed against the respondent in the past three years which is related to the services that respondent provides in the regular course of business.
Is list attached? Yes _____ No _____ N/A _____

13. As an attachment to the **Banking Services Proposal Summary**, please provide details about the following:

- i. Describe the process by which the interest rate to be paid will be calculated and list the last six months' applicable rates. Describe the process by which the interest will be applied to the General Operating Account. If applicable, indicate the minimum interest rate guaranteed.
- ii. Describe your EFT/wire transfer department, where it is located, what the normal cut-off time is for outgoing transfers, and your incoming notification process. List any other EFT fees not specifically covered under Pricing.
- iii. Describe the details of how your bank administers ACH services. Include the methods by which payment files can be processed for drafting our clients' accounts and time frames for receiving and processing these files. Describe any limitations as far as participating financial institutions. List any other ACH fees not specifically covered under Pricing.
- iv. Describe what credit card/purchasing card services you may offer.
- v. Describe your disaster recovery plan to include specific plans related to servicing the City in the event of a disaster. Provide information regarding your ability to provide uninterrupted service.
- vi. Describe your web-based services to include the ability to access account balances and activity, initiate stop payments, and transmit tenant payment files. Describe the security features to include user identification and password maintenance. Include any other features that may be useful to the City. List any other fees not specifically covered under Pricing.
- vii. Describe the process and length of time required to obtain copies of a check, deposit ticket, and/or checks included in a deposit.
- viii. Provide a holiday schedule for the current year.
- ix. Describe your method and policy of handling lockbox activity. Describe any equipment or software required and any associated costs.
- x. Describe your financial condition, stability of current conditions, and track record of effective management decisions. Indicate your rating as reported by a nationally recognized rating agency.
- xi. Include a sample of any service agreements your bank requires.
- xii. Include samples of a monthly bank statement and analysis statement.
- xiii. In addition to the services described proposals for optional services may be submitted for other services that the proposer feels may be of interest to the City. Other services might include, for example, sweep accounts, positive pay services, purchasing cards, and municipal lending services.

In accordance with your request for proposals, instructions and specifications, attached hereto, and subject to all conditions thereof, I (we), the undersigned, hereby agree if this proposal is accepted, to contract with the City of Inverness, Florida to furnish any service requested herein and deliver the same to the City at the specified location.

The undersigned further declares that they have carefully examined the specifications and are thoroughly familiar with them and their provision(s). They further declare that no other person than the proposer herein named has any interest in this proposal or in the contract to be executed, and that it is made without connection with any other person(s) making a proposal for the same services, and it is in all respects fair without outside control, collusion, fraud, or otherwise illegal action.

Name & Title of Authorized Representative: _____
(Printed)

(Signature)

**SWORN STATEMENT PURSUANT TO SECTION 287.133(3) (A), FLORIDA STATUTES,
ON PUBLIC ENTITY CRIMES**

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. THIS SWORN STATEMENT IS SUBMITTED TO the City of Inverness, Florida

By _____
(Print Individual's Name and Title)

For _____ (_____
Print Name of Entity Submitting Sworn Statement)

Whose business is _____

And (if applicable) its Federal Employer Identification Number (FEIN) is _____

2. I understand that a "public entity crime" as defined in Paragraph 287.133 (1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1) (b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Paragraph 287.133(1) (a), Florida Statutes, means:
 1. A predecessor or successor of a person convicted of a public entity crime; or
 2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Paragraph 287.133(1) (e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provisions of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners,

shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (Indicate which statement applies)

_____ Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity, nor any affiliates of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (Attach a copy of the final order)

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR A CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

(Signature)

Sworn and subscribed before me this _____ day of _____, 2025.

Personally _____ known

(Notary)

OR produced identification _____

Notary Public State of _____

My commission expires: _____

(Type of Identification)

DRUG-FREE WORKPLACE CERTIFICATION

A. The below Financial Institution certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violation of such prohibition.
- (b) Establishing an on-going drug-free awareness program to inform employees about:
 - (1) The dangers of drug abuse in the workplace.
 - (2) The employer's policy of maintaining a drug-free workplace.
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs, and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- (c) Making it a requirement that each employee to be engaged in the performance of this contract be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under this contract, the employee will:
 - (1) Abide by the terms of the statement; and
 - (2) Notify the Employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the City, in writing, within 10 calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Consultants of convicted employees must provide notice, including position and title to: City Manager, City of Inverness, Florida, and 212 W. Main Street, Inverness, FL 34450
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is convicted.
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended, or
 - (2) Requiring such employee to participate satisfactorily in drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency.
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B. The Financial Institution may insert in the space provided below the site(s) for the performance of work done in connection with the specific contract:

Place of performance (street address, city, county, state, zip code)

Check [] if there are workplaces on file that are not identified here.

As a duly authorized representative of the Financial Institution, I hereby certify that the Financial Institution will comply with the above certifications.

Financial Institution

Printed Name and Title of Authorized Representative

Signature

Date

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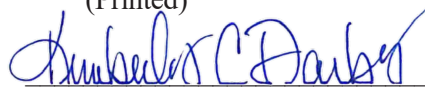
1. Declaration
2. Proposal Summary Form
 - a. Attachments
 - i. Attachment 1 – Item 8
 1. Bank Locations
 - ii. Attachment 2 – Item 9
 1. Local Government Agencies
 - iii. Attachment 3 – Item 10
 1. Financial Statements
 - iv. Attachment 4 – Item 12
 1. Additional Pricing
 - a. Brannen Bank Fee Schedule
 - v. Attachment 5 – Sample Monthly Analysis Statement and Bank Statement
 - vi. Attachment 7 – Brannen Bank Electronic Banking Agreements
 1. Business Online Banking Master Agreement
 2. ACH Origination Agreement
 3. Business Digital Banking Domestic Wire Origination Agreement
 4. Business Digital Banking International Wire Origination Agreement
 5. Positive Pay Agreement
 6. ACH Block-Filter Agreement
 7. Remote Deposit Capture Agreement
 8. Business Resolution
 9. Business Signature Card
 - vii. Attachment 8 – Drug Free Workplace
 - viii. Attachment 9 – Sworn Statement Pursuant to Section 287.133(3) (A), Florida Statutes on Public Entity Crimes

In accordance with your request for proposals, instructions and specifications, attached hereto, and subject to all conditions thereof, I (we), the undersigned, hereby agree if this proposal is accepted, to contract with the City of Inverness, Florida to furnish any service requested herein and deliver the same to the City at the specified location.

The undersigned further declares that they have carefully examined the specifications and are thoroughly familiar with them and their provision(s). They further declare that no other person than the proposer herein named has any interest in this proposal or in the contract to be executed, and that it is made without connection with any other person(s) making a proposal for the same services, and it is in all respects fair without outside control, collusion, fraud, or otherwise illegal action.

Name & Title of Authorized Representative: Kimberly Darby, SVP/Controller

(Printed)



(Signature)



**CITY OF INVERNESS, FLORIDA
RFP No. 2025-01-FIN
BANKING SERVICES**

PROPOSAL SUMMARY FORM

Name of Bank: **Brannen Bank**

Address: **320 US Highway 41 S
Inverness, Florida 34450**

Telephone: **(352) 726-1221**

Fax: **(352) 726-1156**

Federal Tax Identification Number: **59-0153930**

Name of Official Completing Proposal: **Kimberly Darby**

Title: **SVP/Controller**

1. Type of Bank (Federal or State Charter): **State of Florida**
2. Is your Bank a member of the Federal Depository Insurance Corp? **Yes**
3. Is your Bank a member of the Federal Reserve System? **Yes**
4. Deposits Federally insured up to: **\$250,000.00**
5. Authorized Florida Public Depository? **Yes**
6. Location of home office: **Inverness, Florida**
7. Hours of Local Branch closest to the City:

Monday – Thursday

Lobby: 9:00 AM to 4:00 PM

Drive Thru: 8:00 AM to 5:00 PM

Friday

Lobby: 9:00 AM to 5:00 PM

Drive Thru: 8:00 AM to 6:00 PM

Deposit cut-off is “close of business” each day.

8. Please attach a list that includes location and business hours for each branch in Citrus County. Is list attached? **Yes**
9. List any local government agencies to which you have provided the type of services required herein:
Please see attached list.
10. Please include a copy of your audited financial statements for the last two years, and recent credit rating reports. Are copies attached? **Yes**
11. Please provide a summary of any litigation filed against the respondent in the past three years which is related to the services that respondent provides in the regular course of business.
Is list attached? **N/A**

12. **PRICING:** The proposer is required to complete the following pricing list which reflects the estimated requirements of the City and will be the determining factor in evaluating the cost of services. Indicate N/C if there is no charge for an item. If the proposer wishes to incorporate additional service items, please use the blanks provided. Banking services not detailed will be provided to the City at no cost.

SERVICE	ACTIVITY	UNIT PRICE	ACTIVITY CHARGE	REQUIRED BALANCE
Maintenance Fee		\$45.00		
Deposit Assessment				
On-Us Items Deposited				
Transit Items Deposited				
Remote Deposits – Per Item		\$.07		
Monthly Charge – Remote Deposits				
Stop Payment		\$35.00		
Online Stop Payment Discount		\$31.00		
Chargeback Fee		\$7.50		
ZBA Primary				
ZBA Additional				
Debits				
Credits				
Positive Pay Monthly Fee				
Positive Pay Items				
Positive Pay / ARP File Fee				
Treasury Connect Wire Module				
Treasury Connect Outgoing Wire				
Wire Transfer Fee - Incoming				
Treasury Connect ACH Module				
ACH Items Originated		\$.10		
ACH Positive Pay				
ACH File Fee				
ACH Debit				
ACH Credit				
ACH Chargeback Debit				
Treasury Connect Maintenance				
FED EDI Report Maintenance				
FED EDI Additional Account				
Income Wires		\$10.00		
Outgoing International Wires		\$50.00		
Outgoing Domestic Wires		\$15.00		
Online Treasury Management		\$30.00		
External ICL Fee – Monthly		\$150.00		
Items Paid		\$.20		
Lockbox Fee – Monthly		\$100.00		
Lockbox Item Fee		\$.40		
Electronic Debit/Credit		\$.15		

13. As an attachment to the **Banking Services Proposal Summary**, please provide details about the following:

- i. Describe the process by which the interest rate to be paid will be calculated and list the last six months' applicable rates. Describe the process by which the interest will be applied to the General Operating Account. If applicable, indicate the minimum interest rate guaranteed.

The Bank will provide monthly statements of each account containing a complete recap of all transactions processed during the statement cycle.

All accounts will be consolidated into a master analysis statement. This statement will detail all activity and balances for each account. The total Average Collected Balance will be multiplied by the applicable monthly interest rate (calculated as $\text{Interest Rate}/365 * \text{Days in Month}$) to determine total earnings. Total monthly charges will then be deducted from these earnings. The resulting excess earnings will be credited to the General Operating Account.

The Interest Rate is defined as three hundred (300) basis points less than the Rate on Reserve Balances (IORB rate) as released by the Board of Governors of the Federal Reserve. The minimum interest rate will be defined as 0.15%.

	9/30/2024	10/31/2024	11/30/2024	12/31/2024	1/31/2025	2/28/2025
Fed Funds Rate	4.90%	4.90%	4.65%	4.40%	4.40%	4.40%
Less 300bp	-3.00%	-3.00%	-3.00%	-3.00%	-3.00%	-3.00%
Interest Rate	1.90%	1.90%	1.65%	1.40%	1.40%	1.40%

The analysis statements will be produced and delivered within ten (10) days following the end of the month in which the services were rendered and the interest will be posted to the General Operating Account on the same day the analysis is completed.

A copy of an analysis statement is attached; each account will be processed independently and consolidated to the corresponding entity.

- ii. Describe your EFT/wire transfer department, where it is located, what the normal cut-off time is for outgoing transfers, and your incoming notification process. List any other EFT fees not specifically covered under Pricing.

Brannen Bank's Deposit Operations department is located at: 320 US Highway 41 South, Inverness, Florida.

Brannen Bank will accept domestic wire transfer orders via the secure on-line banking portal, only. Any international wire transfer orders will have to be made in person by an authorized signer on the corresponding account. All orders received will be processed within one hour of completed notification. Outgoing wires will be accepted up to 4:00 PM EST, daily. Brannen Bank has on-line capabilities through the Federal Reserve via DirectLine Wires.



Brannen Bank's on-line banking portal offers a secure medium to facilitate domestic orders using dual control and the use of "one-time-pins" (OTP) for each use. Each user will have an independent user-id and password as well as the generation of the OTP. Attached is the sample Wire Transfer agreement for your review.

All incoming wires will posted as they are received and processed. All incoming wires received will be given same day credit.

All incoming and outgoing wires generate an email confirmation when processed. All transactions are available for verification via the secure on-line banking portal.

International Wire Fee – Outgoing: \$50.00

International Wire Fee – Incoming: \$10.00

- iii. Describe the details of how your bank administers ACH services. Include the methods by which payment files can be processed for drafting our clients' accounts and time frames for receiving and processing these files. Describe any limitations as far as participating financial institutions. List any other ACH fees not specifically covered under Pricing.

ACH services are administered from our Deposit Operations department. ACH originated files are submitted via Brannen Bank's secure on-line banking portal via the use of "one-time-pins." All originated files must be uploaded to the portal one day prior to the effective date. The file is verified by the Deposit Operations department and uploaded to the Federal Reserve for processing. If you are originating a debit file, the debits hit your client's accounts on the effective date and your demand deposit account with Brannen Bank is credited on the effective date. If you are originating a credit file (payroll, accounts payable), the credits hit your vendor/employee accounts on the effective and your demand deposit account with Brannen Bank is debited on the date of transmission.

All returns are processed against your Brannen Bank demand deposit account as they are presented from your clients, vendors or employees. Notification of such return items will be via email to a specified person or group email and will occur as the return items are processed.

There are no limitations for participating financial institutions.

- iv. Describe what credit card/purchasing card services you may offer.

Brannen Bank offers several different options for business credit cards. All of which appear to fit the needs of the City. Brannen Bank is happy to extend the City an initial credit limit of \$50,000.00. Brannen Bank's credit card program can accommodate as many users as the City requires.

- v. Describe your disaster recovery plan to include specific plans related to servicing the City in the event of a disaster. Provide information regarding your ability to provide uninterrupted service.



Brannen Bank is fully redundant across two data centers (Texas and Missouri) for core processing and item processing. We are fully redundant across two data centers (Florida and Georgia) for all branch services. Brannen Bank would require more than one catastrophic issue, across various areas of the country, to interrupt service.

- vi. Describe your web-based services to include the ability to access account balances and activity, initiate stop payments, and transmit tenant payment files. Describe the security features to include user identification and password maintenance. Include any other features that may be useful to the City. List any other fees not specifically covered under Pricing.

Brannen Bank's Digital Banking Portal provides the following services:

- **View Account Balances**
- **View Transaction Details & 2 Years of Account History**
- **Submit Stop Payment Requests**
- **Make Internal Transfers**
- **Make Loan Payments, if applicable**
- **Request Loan Advances, if applicable**
- **Create & Manage ACH Payments, including Payment Templates**
- **Create & Manage ACH Collections, including Payment Templates**
- **Upload ACH Pass-Through Files**
- **Create & Upload Domestic Wires, including Wire Templates**
- **Create & Upload International Wires, including Wire Templates**
- **View Online Statements**
- **Manage Business Users**
 - **The Primary Admin is responsible for establishing limits and access rights for all secondary admins and business users. This includes which account(s) can be viewed and which activities listed above that individual has access to perform.**

Security Features:

- **Logging into the Business Digital Banking Portal requires a username, password and a One-Time Passcode (OTP) delivered via email or token.**
- **All ACH Files and Wire Transfers submitted via the Business Digital Banking Portal require a OTP delivered via a Token Security App.**
- **The Primary Admin is responsible for establishing the dual control parameters necessary for their business.**

- vii. Describe the process and length of time required to obtain copies of a check, deposit ticket, and/or checks included in a deposit.

All items are available on the on-line banking portal for two rolling years from the date of the statement in which the items posted. However, in the event a copy is required in excess of that year, the City may contact the Deposit Operations department of Brannen Bank to make the request. Depending on the amount and scope of the research request, the response time may vary from same day up to 10 business days.

- viii. Provide a holiday schedule for the current year.

New Year's Day (January 1)
Martin Luther King's Birthday (Third Monday in January)
Presidents Day (Third Monday in February)
Memorial Day (Last Monday in May)
Juneteenth (June 19)
Independence Day (July 4)
Labor Day (First Monday in September)
Columbus Day (Second Monday in October)
Veterans Day (November 11)
Thanksgiving Day (Fourth Thursday in November)
Christmas Day (December 25)

Note: If January 1, June 19, July 4, November 11, or December 25 fall on a Sunday, the next following Monday is a standard Federal Reserve Bank holiday

- ix. Describe your method and policy of handling lockbox activity. Describe any equipment or software required and any associated costs.

Brannen Bank provides Lockbox services in cooperation with a third-party provider which Brannen Bank has had a relationship with for over 20 years. The service is fully outsourced. Items are mailed to a Post Office Box in Orlando, Florida where they are retrieved daily, processed by agreement (exceptions handled based on agreement), and an electronic file available, on the same day in a web-based portal. Items would be electronically submitted to Brannen Bank daily for insertion into the outgoing cash letter for collection and posting. Brannen Bank would assess monthly fees of \$150.00 for the External ICL file used for transmission and collection as well as \$100.00 monthly for Lockbox service, and \$.40 per item processed. Fees are listed in item 12, Pricing.

- x. Describe your financial condition, stability of current conditions, and track record of effective management decisions. Indicate your rating as reported by a nationally recognized rating agency.

Since 1926, Brannen Bank has prioritized customer safety and security through a robust balance sheet. As of December 31, 2024, the bank's liquidity ratio stood at 40%, positioning it within the top 10% of banks nationwide. This strong liquidity, coupled with an average deposit account life of over 15 years and a diversified deposit base free from customer or industry concentration, underscores the bank's stability. Brannen Bank has consistently maintained the FDIC's highest capital rating, "well capitalized," reinforcing its financial strength.

- xi. Include a sample of any service agreements your bank requires.

See Attached.

- xii. Include samples of a monthly bank statement and analysis statement.
See Attached.



- xiii. In addition to the services described proposals for optional services may be submitted for other services that the proposer feels may be of interest to the City. Other services might include, for example, sweep accounts, positive pay services, purchasing cards, and municipal lending services.

**Brannen Bank offers sweeps and positive pay via their core banking solution.
Brannen Bank also provides multiple lending solutions to various municipalities.**



Attachment 2
Item 9
Local Government Agencies

Brannen Bank has been providing services to public entities since it was established in 1926. We currently service the City of Dunnellon, portions of the Marion County School Board, the Hernando County Property Appraiser, the Citrus County Property Appraiser, and the Citrus County School Board, Citrus County Tax Collector to name a few.

Agency Name: Citrus County School Board
Contact Name: Tammy Wilson

Agency Name: Citrus County Tax Collector
Contact Name: Donna Lofley

Agency Name: Citrus County Property Appraiser
Contact Name: Rosa Scalzi

Please contact Kimberly Darby at 352.765.2855 to schedule an appointment.



Attachment 3
Item 10
Financial Statements

Saltmarsh

Saltmarsh, Cleaveland & Gund

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**BRANNEN BANKS OF FLORIDA, INC.
AND SUBSIDIARY**

INVERNESS, FLORIDA

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
INVERNESS, FLORIDA
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders
of Brannen Banks of Florida, Inc. and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of Brannen Banks of Florida, Inc. and Subsidiary, which comprise the consolidated statements of financial condition as of December 31, 2023 and 2022, and the related consolidated statements of income, comprehensive income (loss), changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Brannen Banks of Florida, Inc. and Subsidiary as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Brannen Banks of Florida, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Brannen Banks of Florida, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

To the Board of Directors and Shareholders
of Brannen Banks of Florida, Inc. and Subsidiary

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Brannen Banks of Florida, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Brannen Banks of Florida, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Pensacola, Florida
June 30, 2024

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
Cash and due from banks	\$ 4,560,895	\$ 6,898,767
Interest-bearing deposits in banks	237,253,287	237,829,164
Cash and cash equivalents	241,814,182	244,727,931
Securities available for sale	270,349,309	248,986,772
Securities held to maturity	-0-	215
Restricted equity securities, at cost	586,700	405,100
Loans receivable, net of allowance for credit losses of \$3,242,652 in 2023 and \$3,355,637 in 2022	401,886,674	329,423,494
Accrued interest receivable	2,290,243	1,964,422
Premises and equipment, net	4,236,759	4,360,076
Other assets	2,752,726	1,773,316
Total Assets	\$ 923,916,593	\$ 831,641,326

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:

Noninterest-bearing demand deposits	\$ 297,258,334	\$ 258,804,443
Interest-bearing demand deposits	284,290,116	276,041,438
Savings deposits	159,978,786	170,971,047
Time deposits	148,943,701	100,485,997
Total deposits	890,470,937	806,302,925
Accrued interest payable	351,353	70,032
Dividend payable	5,800,000	4,100,000
Other liabilities	7,663,333	6,966,168
Total liabilities	904,285,623	817,439,125

Stockholders' Equity:

Voting common stock, \$1.00 par value; 10,000 shares authorized, issued, and outstanding	10,000	10,000
Non-voting common stock, \$1.00 par value; 50,000 shares authorized, issued, and outstanding	50,000	50,000
Additional paid-in capital	3,786,558	3,786,558
Retained earnings	47,155,336	41,250,490
Accumulated other comprehensive loss	(31,370,924)	(30,894,847)
Total stockholders' equity	19,630,970	14,202,201

Total Liabilities and Stockholders' Equity	\$ 923,916,593	\$ 831,641,326
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The accompanying notes are an integral
part of these consolidated financial statements.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Interest Income:		
Loans receivable and fees on loans	\$ 20,233,135	\$ 15,793,606
Investment securities	7,752,119	5,121,597
Other	12,438,875	4,677,879
Total interest income	<u>40,424,129</u>	<u>25,593,082</u>
Interest Expense:		
Deposits	7,163,049	981,845
Borrowings	2	15
Total interest expense	<u>7,163,051</u>	<u>981,860</u>
Net interest income	33,261,078	24,611,222
Provision for (Reduction in) Credit Losses		
Loans	317,000	441,000
Unfunded commitments	(55,000)	-0-
Total provision for (reduction in) credit losses	<u>262,000</u>	<u>441,000</u>
Net interest income after provision for (reduction in) credit losses:	<u>32,999,078</u>	<u>24,170,222</u>
Noninterest Income:		
Service charges and fees	709,030	671,248
Interchange income	1,623,072	1,570,235
Gain on sale of securities	26,654	-0-
Gain on sale of loans	-0-	64,465
Other income	337,199	467,327
Total noninterest income	<u>2,695,955</u>	<u>2,773,275</u>
Noninterest Expense:		
Salaries and employee benefits	12,604,856	11,108,825
Occupancy expense	1,104,217	979,087
Equipment expense	516,243	441,582
Data and item processing	2,403,069	2,081,198
Postage and supplies	406,459	338,279
Regulatory assessments	757,016	669,665
Legal and professional fees	283,910	177,023
Other operating expense	1,324,649	1,839,015
Total noninterest expense	<u>19,400,419</u>	<u>17,634,674</u>
Net Income	<u><u>\$ 16,294,614</u></u>	<u><u>\$ 9,308,823</u></u>

The accompanying notes are an integral
part of these consolidated financial statements.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Net Income	<u>\$ 16,294,614</u>	<u>\$ 9,308,823</u>
Other Comprehensive Loss:		
Unrealized losses arising during the period on securities available for sale	(449,423)	(28,912,136)
Reclassification adjustment for gains included in net income	<u>(26,654)</u>	<u>-0-</u>
Other comprehensive loss	<u>(476,077)</u>	<u>(28,912,136)</u>
Total Comprehensive Income (Loss)	<u><u>\$ 15,818,537</u></u>	<u><u>\$ (19,603,313)</u></u>

The accompanying notes are an integral
part of these consolidated financial statements.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022

	Voting Common Stock	Non-Voting Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance, January 1, 2022	\$ 10,000	\$ 50,000	\$ 3,786,558	\$ 36,041,667	\$ (1,982,711)	\$ 37,905,514
Net income				9,308,823		9,308,823
Other comprehensive loss					(28,912,136)	(28,912,136)
Dividends declared				(4,100,000)		(4,100,000)
Balance, December 31, 2022	10,000	50,000	3,786,558	41,250,490	(30,894,847)	14,202,201
Net income				16,294,614		16,294,614
Other comprehensive loss					(476,077)	(476,077)
Cumulative change in accounting principles				10,232		10,232
Dividends declared				(10,400,000)		(10,400,000)
Balance, December 31, 2023	<u>\$ 10,000</u>	<u>\$ 50,000</u>	<u>\$ 3,786,558</u>	<u>\$ 47,155,336</u>	<u>\$ (31,370,924)</u>	<u>\$ 19,630,970</u>

The accompanying notes are an integral
part of these consolidated financial statements.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash Flows From Operating Activities:		
Net income	\$ 16,294,614	\$ 9,308,823
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses - loans	317,000	441,000
Reduction in credit losses - unfunded commitments	(55,000)	-0-
Depreciation	535,383	436,930
Gain on sale of securities	(26,654)	-0-
Net (accretion) amortization on securities	(396,067)	816,860
Changes in -		
Accrued interest receivable	(325,821)	(853,937)
Accrued interest payable	281,321	42,433
Other accounts, net	(227,245)	(596,867)
Net cash provided by operating activities	<u>16,397,531</u>	<u>9,595,242</u>
Cash Flows From Investing Activities:		
Purchase of securities available for sale	(73,288,799)	(110,340,468)
Proceeds from sales, calls and maturities of securities available for sale	29,914,620	3,745,000
Principal reductions received on securities available for sale	21,958,286	34,720,501
Principal reductions received on securities held to maturity	215	1,528
Purchase of restricted equity securities	(181,600)	(73,200)
Net increase in loans	(72,769,948)	(43,552,175)
Purchase of premises and equipment	(412,066)	(345,994)
Net cash used in operating activities	<u>(94,779,292)</u>	<u>(115,844,808)</u>
Cash Flows From Financing Activities:		
Net increase in demand and savings deposits	35,710,308	32,488,865
Net decrease in time deposits	48,457,704	16,955,322
Dividends paid	(8,700,000)	-0-
Net cash provided by financing activities	<u>75,468,012</u>	<u>49,444,187</u>
Net Change in Cash and Cash Equivalents	<u>(2,913,749)</u>	<u>(56,805,379)</u>
Cash and Cash Equivalents at Beginning of Year	<u>244,727,931</u>	<u>301,533,310</u>
Cash and Cash Equivalents at End of Year	<u>\$ 241,814,182</u>	<u>\$ 244,727,931</u>
Supplemental Disclosures of Cash Flow Information:		
Interest paid	<u>\$ 6,881,730</u>	<u>\$ 939,427</u>

The accompanying notes are an integral
part of these consolidated financial statements.

**BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business:

Brannen Banks of Florida, Inc. (the “Company”) is a registered financial services company which owns 100% of the shares of Brannen Bank (the “Bank”). Brannen Bank is a state-chartered, full service community bank, insured by the FDIC, serving customers principally in the Citrus, Hernando, and Marion county areas through its 11 full service branches and one limited-service branch. Brannen Bank owns 100% of the shares of Brannen Properties, Inc., which owns operating real properties leased to the Company and the Bank. In 2024, Brannen Properties was dissolved; its assets and liabilities were absorbed into the Bank.

Principles of Consolidation:

The consolidated financial statements include the accounts of the Company, the Bank, and the subsidiary of the Bank. All material intercompany balances and transactions have been eliminated in consolidation.

Accounting Estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates include the allowance for credit losses, fair value of investment securities, reserve for unfunded commitments, and carrying value of foreclosed real estate. Actual results could differ from those estimates.

While management uses available information to recognize losses on loans and to determine the carrying value of foreclosed real estate, further reductions in the carrying amounts of loans and foreclosed real estate may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans and the carrying value of foreclosed real estate. Such agencies may require the Bank to recognize additional losses based on their judgments about information available to them at the time of their examination. Because of these factors, it is reasonably possible that the estimated losses on loans and the carrying value of foreclosed real estate may change materially in the near term. However, the amount of the change that is reasonably possible cannot presently be estimated.

Cash and Cash Equivalents:

For purposes of the consolidated statements of cash flows, cash and cash equivalents include cash and balances due from banks and interest-bearing deposits in banks.

**BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Securities:

Debt securities that management has the positive intent and ability to hold to maturity are classified as “held to maturity” and are recorded at amortized cost. Securities not classified as held to maturity or trading, including equity securities with readily determinable fair values, are classified as “available for sale” and are recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income (loss).

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Restricted Equity Securities:

Restricted equity securities consist of stock in the Federal Home Loan Bank of Atlanta (“FHLB”), which is held in accordance with certain lender and/or member requirements and is stated at cost, which approximates market value.

Loans Receivable:

The Bank grants real estate, commercial and consumer loans to customers. A substantial portion of the loan portfolio is represented by real estate loans throughout Citrus, Hernando, and Marion County, Florida. The ability of the Bank’s debtors to honor their contracts is dependent upon the real estate and general economic conditions in this area.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off generally are reported at their outstanding unpaid principal balances adjusted for charge-offs, the allowance for credit losses, and any deferred fees or costs on originated loans. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the related loan yield using the interest method.

The accrual of interest on real estate and commercial loans is discontinued at the time the loan is 90 days delinquent unless the credit is well-secured and in process of collection. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged-off is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured. In addition, the Bank may return a loan to accrual status after a period of sustained performance where all payments during the nonaccrual period were applied to reduce the principal balance of the loan and future payments are reasonably assured. Upon return to accrual status, the uncollected interest is accreted into interest income using the interest method as future payments are received.

**BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Allowance for Credit Losses:

On January 1, 2023, the Company adopted Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities.

It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. In addition, Accounting Standards Codification ("ASC") 326 made changes to the accounting for available-for-sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available for sale debt securities management does not intend to sell or believes that it is more likely than not they will be required to sell.

The Company adopted ASC 326 using the modified retrospective approach for all financial assets measured at amortized cost and off-balance sheet credit exposures. Results for the periods beginning after January 1, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The Company recorded a net increase of retained earnings of \$10,232 upon adoption. The transition adjustment includes an decrease in credit related reserves of \$455,297 for loans offset by an increase in credit related reserves of \$445,065 for unfunded commitments.

As allowed by ASC 326, the Company elected to maintain pools of loans accounted for under ASC 310-30. In accordance with the standard, management did not reassess whether modifications to individually acquired financial assets accounted for in pools were troubled debt restructurings as of the date of adoption.

The allowance for credit losses ("ACL") is evaluated on a regular basis and established through charges to earnings in the form of a provision for credit losses. When a loan or portion of a loan is determined to be uncollectible, the portion deemed uncollectible is charged against the allowance and subsequent recoveries, if any, are credited to the allowance. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

a. Portfolio Segmentation ("Collectively Evaluated Loans")

Portfolio segmentation is defined as the pooling of loans based upon similar risk characteristics such that quantitative methodologies and qualitative adjustment factors for estimating the ACL are constructed for each segment. The Company has identified three portfolio segments of loans including; residential real estate, commercial real estate, and consumer and other.

**BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Allowance for Credit Losses (continued):

The ACL for Collectively Evaluated Loans estimate is based upon periodic review of the collectability of the loans quantitatively correlating historical loss experience with reasonable and supportable forecasts using forward looking information. Adjustments to the quantitative evaluation may be made for differences in current or expected qualitative risk characteristics. The Company has determined eight “universal” qualitative adjustments categories prescribed by the 2006 Interagency Policy Statement are appropriate given their markets and pool of loans. These criteria are evaluated quarterly to ensure additional criteria do not need to be added, nor do the ranges assigned to each category need to be changed. The eight factors are as follows:

1. Changes in lending policies and procedures, including changes in underwriting standards and collection, charge-off, and recovery practices not considered elsewhere in estimating credit losses.
2. Changes in the nature and volume of the portfolio and in the terms of loans.
3. Changes in the experience, ability, and depth of lending management and other relevant staff.
4. Changes in the volume and severity of past-due loans, the volume of non-accrual loans, and the volume and severity of adversely classified or graded loans.
5. Changes in the quality of the institution’s loan review system.
6. Changes in the value of underlying collateral for collateral-dependent loans.
7. The existence and effect of any concentrations of credit, and changes in the level of such concentrations.
8. The effect of other external factors such as competition and legal and regulatory requirements on the level of estimated credit losses in the institution’s existing portfolio.

b. Individually Evaluated Loans

The Company establishes a specific reserve for individually evaluated loans which do not share similar risk characteristics with the loans included in the collectively evaluated loan pools. These individually evaluated loans are removed from the pooling approach discussed above for the collectively evaluated loan pools, and may include nonaccrual loans, loan modifications to borrowers with financial difficulty, and other loans deemed appropriate by management.

**BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allowance for Credit Losses (continued):

c. Available for Sale ("AFS") Debt Securities

For AFS securities in an unrealized loss position, management first assesses whether (i) the Company intends to sell, or (ii) it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis. If either case is affirmative, any previously recognized allowances are charged-off and the security's amortized cost is written down to fair value through income. If neither case is affirmative, the security is evaluated to determine whether the decline in fair value has resulted from credit losses or other factors. In making this assessment management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency and any adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an ACL is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an ACL is recognized in other comprehensive income. If there were any adjustments to the allowance, they would be reported in the Company's consolidated statement of income as a component of credit loss expense. AFS securities are charged-off against the allowance or, in the absence of any allowance, written down through income when deemed uncollectible by management or when either of the aforementioned criteria regarding intent or requirement to sell is met.

d. Held-to-Maturity ("HTM") Debt Securities

Expected credit losses on held-to-maturity debt securities are measured on a collective basis by major security type. Accrued interest receivable on held-to-maturity securities is excluded from the estimate of credit losses. The estimate of expected credit losses considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts. The allowance for credit losses on investment securities held-to-maturity is adjusted through the provision for (reduction in) credit losses.

Additional information related to the factors considered in evaluating credit losses in the held-to-maturity investment portfolio is included in Note 2.

e. Accrued Interest Receivable

Upon adoption of ASU 2016-13 and its related amendments on January 1, 2023, the Company made the following elections regarding accrued interest receivable:

- Presenting accrued interest receivable balances within another line item on the statements of financial condition labeled accrued interest receivable.
- Excluding accrued interest receivable that is included in the amortized cost of financing receivables and debt securities from related disclosure requirements.

**BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Allowance for Credit Losses (continued):

- Continuing the Company's policy to write off accrued interest receivable by reversing interest income. The write-off of accrued interest on loans typically occurs upon becoming 90 days past due. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful. Historically, the Company has not experienced uncollectible accrued interest receivable on its investment securities. However, the Company would generally write off accrued interest receivables by reversing interest income if the Company does not reasonably expect to receive payments. Due to the timely manner in which accrued interest receivables are written off, the amounts of such write offs are immaterial.

f. Reserve for Unfunded Commitments

The reserve for unfunded commitments (the "Unfunded Reserve") represents the expected credit losses on off-balance sheet commitments such as unfunded commitments to extend credit and standby letters of credit. However, a liability is not recognized for commitments unconditionally cancellable by the Company. The Unfunded Reserve is recognized in other liabilities in the consolidated statement of financial condition, with adjustments to the reserve recognized as a provision for (reduction in) credit losses in the consolidated statements of income. The Unfunded Reserve is determined by estimating expected future fundings, under each segment, and applying to the expected loss rates. Expected future fundings are based on historical averages of funding rates (i.e., the likelihood of draws taken).

Allowance for Loan Losses:

Prior to January 1, 2023, the Company used the incurred loss impairment model. Under this methodology, loans are charged against the allowance for loan losses when management believes that the collectability of the principal is unlikely. The allowance represents an amount which, in management's judgment, based on, among other things, historical losses and on the current economic environment, will be adequate to absorb probable losses on existing loans that may become uncollectible. Loans deemed uncollectible are charged-off and deducted from the allowance and recoveries on loans previously charged-off are added back to the allowance. Management's judgment in determining the adequacy of the allowance is based on evaluations of the collectability of loans. These evaluations take into consideration such factors as changes in the nature and volume of the loan portfolio, current economic conditions that may affect the borrower's ability to pay, overall portfolio quality, and review of specific problem loans.

Premises and Equipment:

Premises and equipment are stated at cost, less accumulated depreciation computed on the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to operations, while improvements and additions are capitalized.

**BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreclosed real estate:

Real estate properties acquired through or in lieu of foreclosure are initially recorded at fair value less estimated selling costs at the date of foreclosure, establishing a new cost basis. Any write-downs based on the asset's fair value at the date of acquisition are charged to the allowance for credit losses. Costs of significant property improvements are capitalized, whereas costs relating to holding property are expensed. Valuations are periodically performed by management, and any subsequent write-downs are recorded as a charge to operations to reduce the carrying value of the property to its fair value less costs to sell. Realized gains or losses on disposition are recorded in current operations.

Advertising:

The Bank follows the policy of expensing advertising costs as incurred.

Income Taxes:

The Company, by consent of its stockholders, has elected to be taxed as an S corporation under the provisions of Section 1362 of the Internal Revenue Code. Under those provisions, the stockholders include the Company's income or loss in their individual income tax returns. Therefore, no provision for income taxes has been made in the consolidated financial statements. The Company and the Bank file consolidated income tax returns.

Revenue from Contracts with Customers:

The Company has adopted ASU 2014-09, Revenue from Contracts with Customers (ASC Topic 606). The Company concluded ASU 2014-09 did not change the timing or presentation of revenue recognition for its current revenue streams. The majority of the Company's revenues are interest earned on loans, investment securities, and other financial instruments which are unaffected as they are outside the scope of ASU 2014-09. ASC Topic 606 focuses on revenues from contracts earned over time. Fee income, which is within the scope of Topic 606, is generally earned over a short period of time, such as monthly, or is earned concurrently with a specific transaction. The Company records a gain or loss from the sale of other real estate owned ("OREO") when control of the property transfers to the buyer, which generally occurs at the time of an executed deed. There are no ASC Topic 606 implications unless the Company finances the sale of the OREO property. ASC Topic 606 could change the timing of revenue recognition in the case of seller financing.

Comprehensive Income (Loss):

Annual comprehensive income (loss) reflects the change in the Company's equity during the year arising from transactions and events other than investment by and distributions to shareholders. The only components of other comprehensive income (loss) consist of realized and unrealized gains and losses related to investment securities.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events:

Management has evaluated subsequent events through June 30, 2024, the date which the consolidated financial statements were available to be issued. As described in the “Nature of Business” section above, Brannen Properties was dissolved in 2024, and its assets and liabilities absorbed into the Bank.

Reclassifications:

Certain prior period amounts have been reclassified to conform to the current period presentation.

Recent Accounting Pronouncements:

There are no other recent and not yet adopted accounting pronouncements that management believes would have a material impact on the Company’s consolidated statements.

NOTE 2 - INVESTMENT SECURITIES

The mortgage-backed securities (“MBS”) listed below are residential FNMA, FHLMC, GNMA, and SBA loan pools. Amortized cost and estimated fair value of securities available for sale at December 31, 2023 and 2022 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2023:				
U.S. Treasury securities	\$ 53,783,052	\$ -0-	\$ (96,219)	\$ 53,686,833
U.S. Government agencies	23,488,805	-0-	(1,375,825)	22,112,980
Mortgage-backed securities	208,473,416	520,152	(28,966,744)	180,026,824
Municipal securities	15,974,960	88,278	(1,540,566)	14,522,672
	<u>\$ 301,720,233</u>	<u>\$ 608,430</u>	<u>\$ (31,979,354)</u>	<u>\$ 270,349,309</u>
December 31, 2022:				
U.S. Treasury securities	\$ 31,498,987	\$ 7,214	\$ (329,326)	\$ 31,176,875
U.S. Government agencies	25,447,870	-0-	(1,793,932)	23,653,938
Mortgage-backed securities	206,380,155	256,069	(27,315,820)	179,320,404
Municipal securities	16,554,607	26,417	(1,745,469)	14,835,555
	<u>\$ 279,881,619</u>	<u>\$ 289,700</u>	<u>\$ (31,184,547)</u>	<u>\$ 248,986,772</u>

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - INVESTMENT SECURITIES (continued)

During 2023, the Bank had sales and calls of securities available for sale for total proceeds of approximately \$12,607,000 resulting in gross gains and losses of approximately \$33,000 and \$6,000, respectively. During 2022, the Bank had sales and calls of securities available for sale for total proceeds of approximately \$1,335,000 resulting in gross gains and losses of \$-0-, and \$-0-, respectively.

Securities available for sale with a carrying value of approximately \$99,356,000 and \$33,239,000 at December 31, 2023 and 2022, respectively, were pledged to secure public funds.

Amortized cost and estimated fair value of securities held to maturity at December 31, 2023 as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mortgage-backed securities	\$ 215	\$ -0-	\$ (1)	\$ 214

The amortized cost and estimated fair value of securities available for sale at December 31, 2023, by contractual maturity, are shown below:

	Amortized Cost	Fair Value
Due in one year or less	\$ 67,437,936	\$ 67,152,967
Due from one to five years	73,013,451	67,490,395
Due from five to ten years	101,864,375	87,602,529
Due after ten years	59,404,471	48,103,418
	<u>\$ 301,720,233</u>	<u>\$ 270,349,309</u>

For purposes of the maturity table, mortgage-backed securities, which are not due at a single maturity date, have been allocated over maturity groupings based on the estimated weighted-average lives of the underlying collateral. The mortgage-backed securities may mature later than their estimated weighted-average lives because of principal prepayments.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 - INVESTMENT SECURITIES (continued)

Information pertaining to securities available for sale with gross unrealized losses and the related fair value at December 31, 2023 and 2022, aggregated by investment category and the length of time that individual securities have been in a continuous loss position, follows:

	Less Than Twelve Months		Over Twelve Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
December 31, 2023:				
U.S. Treasury securities	\$ (67,385)	\$ 49,715,895	\$ (28,834)	\$ 3,970,938
U.S. Government agencies	-0-	-0-	(1,375,825)	22,112,980
Mortgage-backed securities	(539,709)	16,310,515	(28,427,035)	135,366,568
Municipal securities	(14,411)	2,316,836	(1,526,155)	9,501,903
	<u>\$ (621,505)</u>	<u>\$ 68,343,246</u>	<u>\$ (31,357,849)</u>	<u>\$ 170,952,389</u>
December 31, 2022:				
U.S. Treasury securities	\$ (329,326)	\$ 25,488,125	\$ -0-	\$ -0-
U.S. Government agencies	(634,205)	18,357,985	(1,159,727)	5,295,953
Mortgage-backed securities	(4,245,890)	68,177,401	(23,069,930)	98,321,077
Municipal securities	(191,231)	4,447,135	(1,554,238)	7,363,627
	<u>\$ (5,400,652)</u>	<u>\$ 116,470,646</u>	<u>\$ (25,783,895)</u>	<u>\$ 110,980,657</u>

As of December 31, 2023, no ACL has been recognized on AFS securities in an unrealized loss position as management does not believe any of the securities are impaired due to reasons of credit quality. This is based upon an analysis of the underlying risk characteristics, including credit ratings, and other qualitative factors related to available for sale securities and in consideration of historical credit loss experience and internal forecasts. The issuers of these securities continue to make timely principal and interest payments under the contractual terms of the securities. Furthermore, the Bank does not have the intent to sell any of the securities classified as available for sale in the table above and believes that it is more likely than not that they will not have to sell any such securities before a recovery of cost. The unrealized losses are due to increases in market interest rates over the yields available at the time the underlying securities were purchased. The fair value is expected to recover as the securities approach their maturity date or repricing date or if market yields for such investments decline. As of December 31, 2023 and 2022, accrued interest on investment securities was \$989,794 and \$941,368, respectively.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - INVESTMENT SECURITIES (continued)

Prior to adoption of ASC 326, management evaluated securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warranted such evaluation. Consideration was given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Bank to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

At December 31, 2022 these unrealized losses relate principally to current interest rates for similar types of securities. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition. As management has the ability to hold debt securities for the foreseeable future, no declines are deemed to be other-than-temporary.

NOTE 3 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

The components of loans at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Residential real estate	\$ 317,418,592	\$ 255,174,576
Commercial real estate	80,647,215	70,539,330
Consumer and other	<u>7,655,829</u>	<u>7,644,502</u>
	405,721,636	333,358,408
Deferred loan fees	(592,310)	(579,277)
Allowance for credit losses	<u>(3,242,652)</u>	<u>(3,355,637)</u>
	<u><u>\$ 401,886,674</u></u>	<u><u>\$ 329,423,494</u></u>

Each of the Bank's loan portfolio segments has different risks specific to that segment, as well as differing methods of assessing risk. As shown above, the portfolio segments used by the Bank are residential real estate loans, commercial real estate loans, and consumer and other loans.

Residential real estate loans are loans made to individuals to purchase or refinance their principal residences. Management considers these loans to possess less risk than commercial real estate loans because of the nature of the underlying collateral, underwriting standards requiring appraisals and minimum down payments, and relatively short terms. Typically, these loans require payments based on standard residential loan amortization terms, but with a shorter maturity to afford the re-pricing of the loan in the case of a fixed-rate loan and re-evaluation of the borrowers' financial position, credit rating, and collateral value before renewal of the loan. In addition, these loans typically are smaller than commercial real estate loans. This segment of loans also includes home equity loans.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (continued)

Commercial real estate loans are loans made to finance real estate acquisition, improvements to facilities, or the refinancing of prior loans made for such purposes. Typically, these loans are collateralized by first mortgages on underlying commercial property such as office buildings, warehouses, and apartments and are generally restricted to customers and properties within the Bank's market area. Underwriting standards for this segment consist principally of analysis of the entity's financial condition, along with analysis of cash flow projected to be available for debt service, and independent appraisal of the property being financed. Repayment of these loans largely depends on the results of operations and management of these properties. In addition to general economic conditions, a declining real estate market further increases the risk of these types of loans since, in the event of payment default, even the underlying real estate collateral might not be sufficient to liquidate the credit. These loans are subject to more risk than residential real estate loans because of the above factors and relatively larger balances of these loans.

Consumer and other loans consist of installment loans made to finance automobiles and other miscellaneous credits. These loans are generally small and of a homogeneous nature.

Allowance for Credit Losses:

The Company's estimate of the ACL reflects losses expected over the remaining contractual life of the assets. The contractual term does not consider extensions, renewals or modifications unless the Company has identified an expected trouble debt restructuring. The following tables present the activity in the ACL by class of loans for the year ended December 31, 2023 and the activity in the allowance for loan losses by portfolio segment for the year ended December 31, 2022.

	Residential Real Estate	Commercial Real Estate	Consumer and other	Total
December 31, 2023 -				
Beginning balance	\$ 2,455,732	\$ 872,910	\$ 26,995	\$ 3,355,637
ASC 326 adoption	(341,770)	(107,566)	(5,961)	(455,297)
Charge-offs	-0-	-0-	-0-	-0-
Recoveries	25,312	-0-	-0-	25,312
Provision	237,957	74,893	4,150	317,000
	<u>\$ 2,377,231</u>	<u>\$ 840,237</u>	<u>\$ 25,184</u>	<u>\$ 3,242,652</u>
December 31, 2022 -				
Beginning balance	\$ 2,141,324	\$ 749,933	\$ 21,269	\$ 2,912,526
Charge-offs	-0-	-0-	-0-	-0-
Recoveries	2,111	-0-	-0-	2,111
Provision	312,297	122,977	5,726	441,000
	<u>\$ 2,455,732</u>	<u>\$ 872,910</u>	<u>\$ 26,995</u>	<u>\$ 3,355,637</u>

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES *(continued)*

Allowance for Credit Losses (continued):

As described in Note 1 Summary of Significant Accounting Policies, the Company adopted ASU 2016-13 on January 1, 2023, which introduced the CECL methodology for estimating all expected losses over the life of a financial asset. The primary reasons for the decrease in required ACL were to capture the expected lifetime losses of the portfolio, which were previously measured under an incurred loss model.

The Company uses the discounted cash flow (DCF) method as the basis for the estimation of expected credit losses. The DCF method pairs loan-level term information (maturity date, payment amount, interest rate, etc.) with top-down pool assumptions (economic forecasts, default rates, prepayment speeds, etc.) to produce individual expected cash flows for every instrument in the pool. Those results are then aggregated to produce pool-level results and, ultimately, the pool's reserve requirement. The calculation loss rate is then adjusted, using qualitative factors described in Note 1. Qualitative loss factors are based on the Company's judgment of the Company, market, industry or business-specific data, differences in loan-specific risk characteristics such as underwriting standards, portfolio mix, risk grades, delinquency level or term. These qualitative factors serve to compensate for additional areas of uncertainty inherent in the portfolio that are not reflected in the Company's DCF loss rate.

The ACL is measured on a collective segment basis when similar risk characteristics exist. The loan portfolio is segmented first by the three portfolio segments described above, and second, by internally identified risk grades (see description below). Consistent forecasts of the loan drivers are used across the loan segments. For loans that do not share general risk characteristics with segments, we estimate a specific reserve on an individual basis. A reserve is recorded when the carrying amount of the loan exceeds the discounted estimated cash flows using the loan's initial effective interest rate or the fair value of collateral for collateral-dependent loans.

The Company closely monitors economic conditions and loan performance trends to manage and evaluate the exposure to credit risk. Key factors tracked by the Company and utilized in evaluating the credit quality of the loan portfolio include trends in delinquency ratios, the level of nonperforming assets, borrower's repayment capacity and collateral coverage.

As of December 31, 2023 and 2022, accrued interest on loans was \$1,084,723 and \$900,613, respectively.

Collateral-Dependent Loans:

A loan is considered collateral dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The following table presents collateral dependent loans by portfolio segment and collateral type, including those loans with and without a related allowance allocation as of December 31, 2023.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (continued)

Collateral-Dependent Loans (continued):

	Collateral Type					
	Real Estate	Other Business Assets	Total	Without an Allowance	With an Allowance	Allowance Allocation
December 31, 2023 -						
Residential real estate	\$ 1,328,150	\$ -0-	\$ 1,328,150	\$ 1,328,150	\$ -0-	\$ -0-
Commercial real estate	387,011	-0-	387,011	387,011	-0-	-0-
Consumer and other	-0-	-0-	-0-	-0-	-0-	-0-
	<u>\$ 1,715,161</u>	<u>\$ -0-</u>	<u>\$ 1,715,161</u>	<u>\$ 1,715,161</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Impaired Loans:

The following tables present impaired loans disaggregated by class as of December 31, 2022:

	With no Related Allowance Recorded		With an Allowance Recorded		
	Recorded Investment	Unpaid Principal Balance	Recorded Investment	Unpaid Principal Balance	Related Allowance
December 31, 2022 -					
Residential real estate	\$ 1,377,831	\$ 1,377,831	\$ 297,157	\$ 297,157	\$ 34,479
Commercial real estate	239,279	239,279	571,553	571,553	87,647
Consumer and other	-0-	-0-	-0-	-0-	-0-
	<u>\$ 1,617,110</u>	<u>\$ 1,617,110</u>	<u>\$ 868,710</u>	<u>\$ 868,710</u>	<u>\$ 122,126</u>

Loan Restructurings:

As of January 1, 2023, the Company adopted the accounting guidance in ASU 2022-02 which eliminates the recognition and measurement of trouble debt restructurings ("TDRs"). Due to the removal of the TDR designation, the Company evaluates all loan restructurings according to the accounting guidance for loan modifications to determine if the restructuring results in a new loan or a continuation of the existing loan. Loan modifications to borrowers experiencing financial difficulty that result in a direct change in the timing or amount of contractual cash flows include situations where there is a principal forgiveness, interest rate reduction, other-than-insignificant payment delay, term extension, or combinations of the listed modifications. Therefore, the disclosures related to loan restructurings are only for modifications that directly affect cash flows.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES *(continued)*

Loan Restructurings (continued):

A loan that is considered a restructured loan may be subject to the individually evaluated loan analysis; otherwise, the restructured loan remains in the appropriate segment in the ACL model and associated reserves are adjusted based on changes in the discounted cash flows resulting from the modification of the restructured loan. For a discussion with respect to reserve calculations regarding individually evaluated loans refer to Note 12, Fair Value Measurement.

Since the adoption of ASU 2022-02 and during the year ended December 31, 2023, the Company has not modified any material loans for borrowers experiencing financial difficulty.

Prior to our adoption of ASU 2022-02, the Company accounted for a modification to the contractual terms of a loan that resulted in granting a concession to a borrower experiencing financial difficulties as TDRs.

There were no loans identified as TDRs prior to the adoption of ASU 2022-02 included in impaired loans at December 31, 2023. There were \$738,116 of loans identified as TDRs prior to the adoption of ASU 2022-02 that were still accruing interest as of December 31, 2023.

The Company offered various types of concessions when modifying a loan. Concessions made to the original contractual term of the loan typically consisted of the deferral of interest and/or principal payments due to deterioration in the borrowers' financial condition. In these cases, the principal balance on the TDR had matured and/or was in default at the time of the restructure, and there were no commitments to lend additional funds to the borrower during the year ended December 31, 2023 and 2022.

During the year ended December 31, 2022, the Company modified one loan with a balance of approximately \$217,000 as a TDR prior to the adoption of ASU 2022-02.

No loans were modified as a TDR prior to the adoption of ASU 2022-02 within the previous twelve months that subsequently defaulted during the year ended December 31, 2023 and 2022.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (continued)

Past Due and Nonaccrual Loans:

The following tables present an aging of past due loans disaggregated by class at December 31, 2023 and 2022:

	30-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current Loans	Total Loans	Loans > 90 Days and Accruing
December 31, 2023 -						
Residential real estate	\$ 6,516,075	\$ 463,781	\$ 6,979,856	\$ 310,438,736	\$ 317,418,592	\$ -0-
Commercial real estate	171,131	-0-	171,131	80,476,084	80,647,215	-0-
Consumer and other	2,267	-0-	2,267	7,653,562	7,655,829	-0-
	<u>\$ 6,689,473</u>	<u>\$ 463,781</u>	<u>\$ 7,153,254</u>	<u>\$ 398,568,382</u>	<u>\$ 405,721,636</u>	<u>\$ -0-</u>
December 31, 2022 -						
Residential real estate	\$ 2,786,743	\$ 158,523	\$ 2,945,266	\$ 252,229,310	\$ 255,174,576	\$ -0-
Commercial real estate	515,255	-0-	515,255	70,024,075	70,539,330	-0-
Consumer and other	14,408	-0-	14,408	7,630,094	7,644,502	-0-
	<u>\$ 3,316,406</u>	<u>\$ 158,523</u>	<u>\$ 3,474,929</u>	<u>\$ 329,883,479</u>	<u>\$ 333,358,408</u>	<u>\$ -0-</u>

Included in the balances of current loans in the tables above are approximately \$634,000 and \$472,000 of loans classified as nonaccrual at December 31, 2023 and 2022, respectively. These loans consist of restructured loans that are current per the modified terms or loans that are current but considered impaired/individually evaluated, where the source of repayment is not assured. Management maintains these loans on a nonaccrual status until the source of repayment assures full repayment of the loan.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (continued)

Past Due and Nonaccrual Loans (continued):

The following table is a summary of the Company's nonaccrual loans by major categories for the years indicated.

	CECL			Incurring Loss
	December 31, 2023			December 31, 2022
	Nonaccrual Loans with No Allowance	Nonaccrual Loans with an Allowance	Total Nonaccrual Loans	Nonaccrual Loans
Residential real estate	\$ 1,328,150	\$ -0-	\$ 1,328,150	\$ 1,050,509
Commercial real estate	387,011	-0-	387,011	239,279
Consumer and other	-0-	-0-	-0-	-0-
	<u>\$ 1,715,161</u>	<u>\$ -0-</u>	<u>\$ 1,715,161</u>	<u>\$ 1,289,788</u>

Credit Quality:

The Bank categorizes loans into various risk rating classifications based on review of current information about the borrowers' ability to continue to service the debt. This review includes historical and current payment performance, financial information, economic trends, credit ratings, and other data that may become available during the credit review process. Depending on the risk rating classification assigned, loans with outstanding balances in excess of \$5,000, as well as commercial loans and real estate loans not part of a homogeneous pool, are analyzed individually. This analysis is performed at least annually. Definitions of the risk rating classifications used by the Bank are as follows:

Pass: Loans in this classification are considered to have an acceptable level of risk. Management does not believe the Bank will incur losses in these loans.

Special Mention: Loans classified as special mention have a potential weakness that deserves management's close attention and, if left uncorrected, could result in the weakening of the borrowers' ability to repay the Bank in the future.

Substandard: Loans in this classification are not adequately covered by the net worth and/or current repayment capacity of the borrowers or by the collateral if on a secured basis. Such loans are noted to have a defined weakness that could jeopardize the ultimate liquidation of the debt and are believed to possess a reasonable likelihood of causing loss to the Bank if the weaknesses are not remedied.

Doubtful: Loans classified as doubtful have all of the weaknesses inherent in those loans classified as substandard, in addition to added characteristics that such weaknesses make the collection of the debt in

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (continued)

Credit Quality (continued):

As of December 31, 2023 and 2022, the risk classifications of loans by segment are as follows:

	Pass	Special Mention	Substandard	Doubtful
December 31, 2023 -				
Residential real estate	\$ 315,551,971	\$ 538,472	\$ 1,328,149	\$ -0-
Commercial real estate	80,079,293	180,911	387,011	-0-
Consumer and other	7,655,829	-0-	-0-	-0-
	<u>\$ 403,287,093</u>	<u>\$ 719,383</u>	<u>\$ 1,715,160</u>	<u>\$ -0-</u>
December 31, 2022 -				
Residential real estate	\$ 253,620,902	\$ 413,178	\$ 1,140,496	\$ -0-
Commercial real estate	70,079,157	220,894	239,279	-0-
Consumer and other	7,644,502	-0-	-0-	-0-
	<u>\$ 331,344,561</u>	<u>\$ 634,072</u>	<u>\$ 1,379,775</u>	<u>\$ -0-</u>

NOTE 4 - PREMISES AND EQUIPMENT

The components of premises and equipment, and the aggregate related accumulated depreciation at December 31, 2023 and 2022, are as follows:

	2023	2022
Land and land improvements	\$ 3,075,685	\$ 3,042,691
Buildings	8,591,959	8,379,994
Furniture and equipment	3,382,557	3,274,075
	<u>15,050,201</u>	<u>14,696,760</u>
Less: Accumulated depreciation	<u>(10,813,442)</u>	<u>(10,336,684)</u>
	<u>\$ 4,236,759</u>	<u>\$ 4,360,076</u>

Depreciation in 2023 and 2022 charged to operations was \$535,383 and \$436,930, respectively.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 5 - TIME DEPOSITS

The aggregate amount of time deposits with a minimum denomination of \$250,000 was approximately \$64,720,000 and \$38,038,000 at December 31, 2023 and 2022, respectively. At December 31, 2023, the scheduled maturities of time deposits are as follows:

2024	\$ 140,953,412
2025	5,140,044
2026	1,123,415
2027	1,179,582
2028	<u>547,248</u>
	<u>\$ 148,943,701</u>

NOTE 6 - STOCKHOLDERS' EQUITY

Payment of dividends by the Company is generally dependent upon dividends it receives from the Bank. The payment of dividends by the Bank is subject to various restrictions set forth by law. Such restrictions generally limit dividends to an amount not exceeding net income for the current and two preceding years, less any dividends paid during those years.

NOTE 7 - PROFIT SHARING PLAN

The Company has a profit sharing plan which covers substantially all officers and employees. Contributions to the plan are determined annually by the Board of Directors. The amount contributed to the plan was \$171,990 and \$151,250 for the years ended December 31, 2023 and 2022, respectively.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Financial Instruments With Off-Balance Sheet Risk:

The Bank is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and letters of credit. These instruments involve, to varying degrees, elements of credit and interest-rate risk in excess of the amount recognized in the consolidated statements of financial condition.

The Bank's exposure to credit loss is represented by the contractual amount of these commitments. The Bank follows the same credit policies in making such commitments as it does for on-balance-sheet instruments.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 8 - COMMITMENTS AND CONTINGENCIES (continued)

Financial Instruments With Off-Balance Sheet Risk (continued):

At December 31, the following financial instruments were outstanding whose contract amounts represent credit risk:

	<u>2023</u>	<u>2022</u>
Commitments to extend credit	<u>\$ 93,356,000</u>	<u>\$ 105,296,000</u>
Letters of credit	<u>\$ 459,000</u>	<u>\$ 361,000</u>

Commitments to extend credit represent legally binding agreements to lend to customers with fixed expiration dates or other termination clauses. Since many commitments are expected to expire without being funded, committed amounts do not necessarily represent future liquidity requirements. The amount of collateral obtained, if any, as well as any liability for off-balance sheet credit losses, is based on management's credit evaluation in the same manner as though an immediate credit extension were to be granted, weighted by the likelihood of eventual funding. Management believes any liability associated with potential losses on unfunded commitments is not significant.

Stand-by letters of credit are conditional commitments issued by the Bank guaranteeing the performance of a customer to a third party. The decision whether to guarantee such performance and the extent of collateral requirements are made considering the same factors as are considered in credit extension. At December 31, 2023, management believes that eventual performance by the Bank under these guarantees is unlikely.

Accounting standards require guarantors to recognize, at the inception of a guarantee, a liability in an amount equal to the fair value of the obligation undertaken in issuing the guarantee. They further require certain disclosures about the maximum potential payments that might be required, as well as the collateral or other recourse obtainable. For the Bank, the amount of the liability related to guarantees outstanding at December 31, 2023 and 2022, is not significant and is recorded as income upon collection of the fee accepted as fair value for the guarantee.

The Bank expects no significant losses to be realized in the performance of its obligations under any of the above instruments.

Reserve for Unfunded Commitments:

The Bank maintain an ACL on unfunded lending commitments and letters of credit to provide for the risk of loss inherent in these arrangements. The allowance is computed using a methodology similar to that used to determine the ACL for loans, modified to take into account the probability of a drawdown on the commitment. The ACL on unfunded loan commitments is classified as a liability account on the statement of financial condition within other liabilities, while the corresponding provision for these credit losses is recorded as a component of provision for (reduction in) credit losses. The allowance for credit losses on unfunded commitments was \$390,065 at December 31, 2023.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 8 - COMMITMENTS AND CONTINGENCIES *(continued)*

Lines of Credit:

At December 31, 2023 and 2022, the Bank has available unsecured federal funds lines of credit totaling \$20,000,000 and \$24,000,000, respectively. There were no draws against these lines during 2023 and 2022, and there were no balances outstanding at December 31, 2023 and 2022. The Bank also has an available FHLB line of credit of up to 10% of total assets, subject to eligible collateral.

Other:

Various legal claims arise from time to time in the normal course of business which, in the opinion of management, will have no material effect on the Company's consolidated financial statements.

NOTE 9 - RELATED PARTY TRANSACTIONS

The Bank has entered into various credit arrangements with its directors, significant shareholders, and their affiliates (related parties). Loans to related parties during 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Beginning Balance	\$ 5,119,134	\$ 5,176,077
New loans during the year	130,301	1,180,532
Repayments during the year	<u>(463,524)</u>	<u>(1,237,475)</u>
Ending Balance	<u>\$ 4,785,911</u>	<u>\$ 5,119,134</u>

Also, certain related parties maintain deposit balances with the Bank in the aggregate amount of approximately \$18,358,000 and \$17,724,000 at December 31, 2023 and 2022, respectively.

NOTE 10 - CONCENTRATIONS OF CREDIT RISK

The Bank originates real estate, commercial and consumer loans primarily in Citrus, Hernando, and Marion counties. In addition, the Bank may participate in loans originated by other banks or sell loans it originates to other banks. Although the Bank has a diversified loan portfolio, a substantial portion of its borrowers' ability to repay their loans is dependent upon economic conditions in the market areas of its borrowers.

At various times throughout the year, the Bank maintains cash balances with other financial institutions which exceed federally insured limits. The Bank monitors the capital adequacy of these financial institutions on a quarterly basis.

**BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 11 - REGULATORY MATTERS

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios of Total capital, Tier 1 capital, and Common Equity Tier I capital, to risk-weighted assets, and of Tier 1 capital to average assets. If such minimum amounts and ratios are met, the Bank is considered "adequately capitalized." If a bank exceeds the requirements of "adequately capitalized," and meets even more stringent minimum standards, it is considered "well capitalized." Management believes that as of December 31, 2023 and 2022, the Bank meets all capital adequacy requirements to which it is subject.

As of December 31, 2023, the Bank has met applicable regulatory guidelines to be considered well capitalized. To be categorized as well capitalized, the Bank must maintain minimum ratios as set forth in the following table. No conditions or events have occurred that management believes have changed the Bank's category. The Bank's actual capital amounts and ratios, and minimum amounts under current regulatory standards, as of December 31, 2023 and 2022, are presented in the table on the following page.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 11 - REGULATORY MATTERS (continued)

	Actual		Minimum Capital Requirement:				Minimum to be Well Capitalized:	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2023:								
Total Capital								
(to Risk Weighted Assets)	\$ 53,922,000	15.57%	≥ \$ 27,704,000	≥ 8.00%	≥ \$ 34,630,000	≥ 10.00%		
Tier I Capital								
(to Risk Weighted Assets)	\$ 50,290,000	14.52%	≥ \$ 20,778,000	≥ 6.00%	≥ \$ 27,704,000	≥ 8.00%		
Common Equity Tier 1 Capital								
(to Risk Weighted Assets)	\$ 50,290,000	14.52%	≥ \$ 15,583,000	≥ 4.50%	≥ \$ 22,509,000	≥ 6.50%		
Tier I Capital								
(to Average Assets)	\$ 50,290,000	5.30%	≥ \$ 37,966,000	≥ 4.00%	≥ \$ 47,458,000	≥ 5.00%		
As of December 31, 2022:								
Total Capital								
(to Risk Weighted Assets)	\$ 47,928,000	15.48%	≥ \$ 24,775,000	≥ 8.00%	≥ \$ 30,969,000	≥ 10.00%		
Tier I Capital								
(to Risk Weighted Assets)	\$ 44,573,000	14.39%	≥ \$ 18,582,000	≥ 6.00%	≥ \$ 24,775,000	≥ 8.00%		
Common Equity Tier 1 Capital								
(to Risk Weighted Assets)	\$ 44,573,000	14.39%	≥ \$ 13,936,000	≥ 4.50%	≥ \$ 20,130,000	≥ 6.50%		
Tier I Capital								
(to Average Assets)	\$ 44,573,000	5.15%	≥ \$ 34,650,000	≥ 4.00%	≥ \$ 43,313,000	≥ 5.00%		

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 12 - FAIR VALUE MEASUREMENT

Generally accepted accounting principles establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The accounting standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access at the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions that market participants would use in pricing an asset or liability.

The fair value of investment securities are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs), or by matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

Assets and liabilities measured at fair value on a recurring basis at December 31, 2023 and 2022, are summarized below:

	Total carrying value in the consolidated statements of financial condition	Quoted market prices in an active market (Level 1)	Internal models with significant observable market parameters (Level 2)	Internal models with significant unobservable market parameters (Level 3)
December 31, 2023:				
Securities available for sale	\$ 270,349,000	\$ 323,000	\$ 270,026,000	\$ -0-
December 31, 2022:				
Securities available for sale	\$ 248,987,000	\$ 203,000	\$ 248,784,000	\$ -0-

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 12 - FAIR VALUE MEASUREMENT *(continued)*

Assets and liabilities measured at fair value on a non-recurring basis at December 31, 2023 and 2022, are as follows:

	Total carrying value in the consolidated statements of financial condition	Quoted market prices in an active market (Level 1)	Internal models with significant observable market parameters (Level 2)	Internal models with significant unobservable market parameters (Level 3)
December 31, 2023:				
Individually evaluated loans	\$ 1,715,000	\$ -0-	\$ -0-	\$ 1,715,000
December 31, 2022:				
Impaired loans, net of specific reserves	\$ 2,364,000	\$ -0-	\$ -0-	\$ 2,364,000

The fair value of impaired/individually evaluated loans with specific allocations in the allowance for credit losses are generally based on recent real estate appraisals. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sale and the income approach.

There were no transfers between the levels of the fair value hierarchy for the years ended December 31, 2023 or 2022.

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 13 - PARENT COMPANY ONLY FINANCIAL STATEMENTS

	December 31,	
	2023	2022
Balance Sheets		
Assets:		
Cash	\$ 966,527	\$ 683,942
Dividend receivable	6,200,000	4,200,000
Investment in Bank subsidiary	18,919,138	13,678,171
	<u>26,085,665</u>	<u>18,562,113</u>
Total Assets	<u>\$ 26,085,665</u>	<u>\$ 18,562,113</u>
Liabilities and Stockholders' Equity:		
Dividend payable	\$ 5,800,000	\$ 4,100,000
Other liabilities	654,695	259,912
Total liabilities	<u>6,454,695</u>	<u>4,359,912</u>
Stockholders' equity	<u>19,630,970</u>	<u>14,202,201</u>
Total Liabilities and Stockholders' Equity	<u>\$ 26,085,665</u>	<u>\$ 18,562,113</u>

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 13 - PARENT COMPANY ONLY FINANCIAL STATEMENTS (continued)

	Year Ended December 31,	
	2023	2022
Statements of Income		
Income:		
Dividends from Bank	\$ 14,700,000	\$ 7,700,000
Management fees from related entities	1,284,000	1,396,000
Total income	<u>15,984,000</u>	<u>9,096,000</u>
Expense:		
Salaries and benefits	5,172,813	4,558,130
Legal and professional	84,010	67,444
Other operating expense	139,375	137,000
Total expenses	<u>5,396,198</u>	<u>4,762,574</u>
Income before equity in undistributed earnings of Bank	10,587,802	4,333,426
Equity in undistributed earnings of Bank	<u>5,706,812</u>	<u>4,975,397</u>
Net income	<u>\$ 16,294,614</u>	<u>\$ 9,308,823</u>

BRANNEN BANKS OF FLORIDA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 13 - PARENT COMPANY ONLY FINANCIAL STATEMENTS (continued)

	Year Ended December 31,	
	2023	2022
Statements of Cash Flows		
Cash Flows from Operating Activities:		
Net income	\$ 16,294,614	\$ 9,308,823
Adjustments to reconcile net income to net cash provided by operating activities:		
Other	(1,605,217)	(3,659,488)
Equity in undistributed earnings of Bank	(5,706,812)	(4,975,397)
Net cash provided by operating activities	<u>8,982,585</u>	<u>673,938</u>
Net Cash Flows From Financing Activities:		
Dividends paid	(8,700,000)	-0-
Net cash used in financing activities	<u>(8,700,000)</u>	<u>-0-</u>
Net change in cash	282,585	673,938
Cash at beginning of year	<u>683,942</u>	<u>10,004</u>
Cash at end of year	<u>\$ 966,527</u>	<u>\$ 683,942</u>



**Attachment 4
Item 12
Additional Pricing**

BRANNEN BANK FEE SCHEDULE

As Applicable to All Accounts	
Bill Pay Inactivity Charge; after 90 days	\$10.00 per month
Chargeback Return Item Fee	\$7.00
Copies of Checks or Documents	\$2.00 per item/page
Dormant Account Fee	\$20.00 per month if inactive for more than 1 year
Duplicate/Interim Statement	\$5.00
Early Close Out Fee	\$20.00 if account is closed in less than six (6) months
Overdraft Item Fee	\$37.50 per item This fee is assessed when we pay checks, drafts, ACH and recurring POS transactions posting in excess of your current available account balance.
Return Item Fee	\$37.50 per item * This fee is assessed when we do not pay a check or other transactions posting in excess of your current available account balance.
Negative Balance Fee	\$5.00 per day starting the 7 th Business Day
Online Banking/Bill Pay	\$0.00
Research/Reconciliation	\$25.00 per hour 1 hour minimum
Statement Check Image Fee	\$5.00
Stop Payment Request	\$31.00 each OR \$25.00 each request via Online Banking
Sweep Transaction Fee	\$10.00 per transaction Account must be linked to a Checking, Money Market, or Savings account
Third Party Excess Debit Fee	\$7.50 per excess debit in excess of six (6) per statement period from your Money Market or Savings account. See account information for further details.

*A Returned Item Fee may be assessed on the same item multiple times if the merchant attempts to present the same transaction again in an effort to obtain the declined funds. This type of repeated payment transaction will result in multiple Returned Item Fees charged to your account on the same item if the transaction is presented more than once. If the re-presented item is paid, though funds are not available, an Overdraft Item Fee will be assessed.

Additional Services and Fees	
ATM Balance Inquiry***	\$.75
ATM Withdrawal Fee***	\$2.00
Collection item Fee	\$25.00 plus external bank fees
Early Withdrawal Fee	See Rate Sheet
Fax Fee	\$5.00 first page \$1.00 each additional page
Foreign Item Collection Fee	\$50.00 each
Foreign Item Returned Fee	\$40.00 each
Garnishment & Levy Fee	\$100.00
Hold Statement Fee	\$10.00 per month
IRA Transfer to 3rd Party Fee	\$25.00 per transfer
Loan Amortization Schedule Fee	\$5.00
Money Orders**	\$2.50 each Customers only
Notary Fee	\$5.00 each (Customers) \$10.00 first page, \$5.00 each additional page (Non-Customer)
Official Check**	\$6.00 each Customers only
Rolled Coin; in or out	\$.15 per roll
Telephone Transfer Fee	\$7.00
Temporary Checks Fee	\$2.50 per 10 checks
Verification of Deposit Fee	\$10.00
Wire Transfers Customers Only	\$10.00 for Incoming – Domestic Wires \$25.00 for Outgoing – Domestic Wires \$25.00 for Incoming – Foreign Wires \$50.00 for Outgoing – Foreign Wires

**Brannen Banker Plus customers will receive up to 4 Money Orders or Official Checks at no charge per month.

***Fee charged by Brannen Bank when using a Non-Brannen Bank ATM. Other ATM operators or networks may charge additional fees.

SAFE DEPOSIT BOXES	
3 x 5	\$25.00
5 x 5	\$30.00
3 x 10	\$35.00
5 x 10	\$50.00
10 x 10	\$85.00
Lockers	\$175.00

A \$5.00 per year reduction in Safe Deposit Box rental is made when the rent is automatically charged to a deposit account. Late charge after 30 days is \$5.00. Box contents are not insured by any government agency.



Attachment 5
Sample Monthly Analysis Statement and Bank Statement

Brannen Bank

FINANCIAL SOLUTIONS SINCE 1926

SAMPLE ANALYSIS STATEMENT FOR CITY OF INVERNESS RFP

January 31, 2025

Date Prepared	1/31/2025
Days in Statement Cycle	31
Interest Rate	1.40%

Average Daily Ledger Balance	10,244,376.46
Less Average Daily Float	-
Less Required Reserve	-
Average Net Collected Balance	10,244,376.46

Earnings on	10,244,376.46	12,180.98
-------------	---------------	-----------

Service	Activity	Unit Price	Activity Charge
Account Maintenance	5 \$	45.00 \$	225.00
Stop Payment	0 \$	31.00 \$	-
Charge Back Fee	15 \$	7.50 \$	112.50
Electronic Debit/Credit	155 \$	0.15 \$	23.25
ACH Items Originated	750 \$	0.10 \$	75.00
Items Paid	300 \$	0.20 \$	60.00
Incoming Wires	0 \$	10.00 \$	-
Outgoing Wires	1 \$	15.00 \$	15.00
Lockbox Fee	1 \$	100.00 \$	100.00
Lockbox Items	1200 \$	0.40 \$	480.00
Online Treasury Management	1 \$	30.00 \$	30.00
External ICL Fee	1 \$	150.00 \$	150.00
Remote Deposit - Per Item	200 \$	0.07 \$	14.00

Total Charge for Services	\$ 1,284.75
---------------------------	-------------

Interest to Credit to Account	\$ 10,896.23
-------------------------------	--------------

GROUP SUMMARY ANALYSIS

Master Account

Inverness FL 34450-

OFFICER: Crystal Tanner
PHONE NO: (000) 000-0000
BRANCH: 11

DATE PREPARED 2/04/25
DAYS IN STATEMENT CYCLE 31

AVERAGE DAILY LEDGER BALANCE	10,971,717.32
LESS AVERAGE DAILY FLOAT	24,062.43
AVERAGE DAILY COLLECTED BALANCE	10,947,654.89
LESS REQUIRED RESERVES	.00
AVERAGE NET COLLECTED BALANCE	10,947,654.89

EARNINGS ON \$10,947,654.89

SERVICE	ACTIVITY	UNIT PRICE	ACTIVITY CHARGE	REQUIRED BALANCES
Account Maintenance	28	30.0000	840.00	
Stop Payment	2	31.0000	62.00	
Charge Back Fee	3	7.5000	22.50	
Electronic Debits/Credits	529	.1500	79.35	
ACH Items Originated	5944	.1000	594.40	
Items Paid	314	.2000	62.80	
Incoming Wires	1	10.0000	10.00	
Outgoing Wires	4	15.0000	60.00	

TOTAL SERVICES AND REQUIRED BALANCES 1,731.05

CURRENT MONTH NET EXCESS

CURRENT NET PROFIT

Excess Earnings Interest Summary

Excess Earnings Interest Credited

ACCOUNTS INCLUDED:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Brannen Bank

FINANCIAL SOLUTIONS SINCE 1926

320 US Hwy. 41 South PO Box 1929
Inverness, FL 34451-1929 (352) 726-1221



5416178

[REDACTED]	Date 1/31/25	Page 1
Master Account	Primary Account	Acct Ending 9001
[REDACTED]	CIF Number	[REDACTED]
Inverness FL 34450-[REDACTED]	Images	29

Account Number	Account Type	New Balance	Images
Acct Ending 9001	Brannen Commercial Checking	5,000,000.00	29

CHECKING

Account Title: [REDACTED]
Master Account

Brannen Commercial Checking	Images	29
Account Number	Acct Ending 9001	Statement Dates 1/01/25 thru 2/02/25
Previous Balance	5,122,592.19	Days In The Statement Period 33
135 Deposits/Credits	48,497,418.86	Average Balance 5,094,166.58
31 Checks/Debits	48,620,011.05	Average Collected 5,078,154.03

Interest Paid	.00	
Current Balance	5,000,000.00	2025 Interest Paid [REDACTED]

CHECKING

DATE	DEPOSIT SUMMARY	AMOUNT	SEQUENCE
1/03	8003235953 RevTrak	72.38	056753341
	CCD		
1/03	Transfer from DDA	65.00	099500006
	Acct No. Acct Ending 7301-D		
1/06	PAYMENTS [REDACTED]	2,359.99	129932858
	CTX		
	ISA*00*NV *00*NV		
	*ZZ*9001395052 *ZZ*NV		
	*250103*1136*U*00200*		
	000000000*0*P*?\		
	ST*820*000100479\		
	BPR*C*2359.99*C*ACH*CTX*01*021		
	000021*DA*392793136*9001395052		
	**01*063104626*DA*[REDACTED]2		
	0250106\		
	NTE*ZZZ*DEPT. OF HIGHWAY SAFET		
	Y & MOTOR VEH (850) 617-3301\		
	NTE*ZZZ*NA\		

[illegible]

BALANCE THIS STATEMENT \$ _____

RECENT DEPOSITS
(NOT CREDITED ON THIS STATEMENT) _____

CHECKS OUTSTANDING _____

\$ _____

PLEASE REFER ANY DISCREPANCIES WITHIN 14 DAYS

On reverse side please find the telephone number and address to contact as soon as possible, if your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after you received the FIRST statement on which the error or problem appeared.

- We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will recredit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation.

Master Account
Inverness FL 34450-

Date 1/31/25 Page 2
Primary Account Acct Ending 9001
CIF Number
Images 29

Brannen Commercial Checking Acct Ending 9001 (Continued)

CHECKING DATE	DEPOSIT SUMMARY	AMOUNT	SEQUENCE
1/06	NTE*ZZZ*NA\ TRN*1*164055780366318\ CUR*PE*USD**PE*USD\ N1*PR*STATEOF FLORIDA\ N1*OB* N2*NA\ N1*RB*NA*ZZ*063104626\ N2*US\ N1*PE*ZZ* N2*NA*NA\ N2*NA\ ENT*1\ RMR*IV*MH122724**2359.99\ SE*18*000100479\ PAYMENTS CTX ISA*00*NV *00*NV *ZZ*9001395052 *ZZ*NV *250103*1136*U*00200* 000000000*0*P*?\ ST*820*000100353\ BPR*C*55812.5*C*ACH*CTX*01*021 000021*DA*392793136*9001395052 **01*063104626*DA*2 0250106\ NTE*ZZZ*RA - FLORIDA DEPT OF R EVENUE - REVE (850) 617-8586\ NTE*ZZZ*NA\ NTE*ZZZ*NA\ TRN*1*164055780366192\ CUR*PE*USD**PE*USD\ N1*PR*STATEOF FLORIDA\ N1*OB* N2*NA\ N1*RB*NA*ZZ*063104626\ N2*US\ N1*PE*ZZ* N2*NA*NA\ N2*NA\ 	55,812.50	129932352

Master Account

Inverness FL 34450-

Date 1/31/25

Primary Account

CIF Number

Images

Page 3

Acct Ending 9001

29

Brannen Commercial Checking

Acct Ending 9001 (Continued)

CHECKING DATE	DEPOSIT SUMMARY	AMOUNT	SEQUENCE
1/06	ENT*1\ RMR*IV*1224 Pari**55812.5\ SE*18*000100353\ Transfer from DDA Acct No. Acct Ending 7301-D	231.50	099500006
1/06	Transfer from DDA Acct No. Acct Ending 4003-D	1,455,418.56	099500031
1/07	PAYMENTS CTX ISA*00*NV *00*NV *ZZ*9001395052 *ZZ*NV *250106*1136*U*00200* 000000000*0*P*?\ ST*820*000095909\ BPR*C*1897.78*C*ACH*CTX*01*021 000021*DA*392793136*9001395052 **01*063104626*DA*2 0250107\ NTE*ZZZ*DEPT. OF HIGHWAY SAFET Y & MOTOR VEH (850) 617-3301\ NTE*ZZZ*NA\ NTE*ZZZ*NA\ TRN*1*164055780368766\ CUR*PE*USD**PE*USD\ N1*PR*STATEOF FLORIDA\ N1*OB* N2*NA\ N1*RB*NA*ZZ*063104626\ N2*US\ N1*PE*ZZ* N2*NA*NA\ N2*NA\ ENT*1\ RMR*IV*MH010125**1897.78\ SE*18*000095909\ TREAS 310	1,897.78	782253936
1/07	CCD REF*48*VA CH33 TF FN 604-70-11 65 *01/13/25-03/26/25	1,966.88	000304067

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Primary Account Acct Ending 9001
CIF Number
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Brannen Commercial Checking Acct Ending 9001 (Continued)

DATE	DEPOSIT SUMMARY	AMOUNT	SEQUENCE
1/07	Transfer from DDA	255.00	099500004
	Acct No. Acct Ending 7301-D		
1/08	Transfer from DDA	130.00	099500002
	Acct No. Acct Ending 7301-D		
1/08	Excess Earnings Int Credit		
1/09	8003235953 RevTrak	584.46	066922269
	CCD		
1/09	HCCLAIMPMT ACH	1,108.05	262454335
	CCD		
	TRN*1*152152874*1593452939~		
1/09	PAYMENTS	3,355.64	913276112
	CTX		
	ISA*00*NV *00*NV		
	*ZZ*9001395052 *ZZ*NV		
	*250108*1139*U*00200*		
	000000000*0*P*?\		
	ST*820*000078269\		
	BPR*C*3355.64*C*ACH*CTX*01*021		
	000021*DA*392793136*9001395052		
	**01*063104626*DA*		
	0250109\		
	NTE*ZZZ*DEPT. OF HIGHWAY SAFET		
	Y & MOTOR VEH (850) 617-3301\		
	NTE*ZZZ*NA\		
	NTE*ZZZ*NA\		
	TRN*1*164055780374379\		
	CUR*PE*USD**PE*USD\		
	N1*PR*STATEOF FLORIDA\		
	N1*OB*		
	N2*NA\		
	N1*RB*NA*ZZ*063104626\		
	N2*US\		
	N1*PE*		
	N2*NA*NA\		
	N2*NA\		
	ENT*1\		
	RMR*IV*MH010325**3355.64\		
	SE*18*000078269\		
1/09	HCCLAIMPMT ACH	4,176.03	262454331
	CCD		

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Primary Account Acct Ending 9001
CIF Number
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Brannen Commercial Checking Acct Ending 9001 (Continued)

CHECKING	DEPOSIT SUMMARY	AMOUNT	SEQUENCE
DATE	TRN*1*152152870*1593452939~		
1/09	HCCLAIMPMT ACH	4,393.61	262454333
	CCD		
	TRN*1*152152872*1593452939~		
1/09	HCCLAIMPMT ACH	20,977.40	538386284
	CCD		
	TRN*1*152152873*1593452939~		
1/09	Transfer from DDA	2,327.71	099500006
	Acct No. Acct Ending 7301-D		
1/09	Deposit	137.58	579700351
1/09	Deposit	4,900.00	579700355
1/09	Deposit	5,416.71	579700357
1/09	Deposit	6,208.05	579700362
1/09	Deposit	11,000.00	579700353
1/10	PAYMENTS	23.50	433820202
	CTX		
	ISA*00*NV *00*NV		
	*ZZ*9001395052 *ZZ*NV		
	*250109*1139*U*00200*		
	000000000*0*P*?\		
	ST*820*000074202\		
	BPR*C*23.5*C*ACH*CTX*01*021000		
	021*DA*392793136*9001395052**0		
	1*063104626*DA*2025		
	0110\		
	NTE*ZZZ*DEPT. OF HIGHWAY SAFETY & MOTOR VEH (850) 617-3301\		
	NTE*ZZZ*NA\		
	NTE*ZZZ*NA\		
	TRN*1*164055780377536\		
	CUR*PE*USD**PE*USD\		
	N1*PR*STATE OFFFLORIDA\		
	N1*OB*\		
	N2*NA\		
	N1*RB*NA*ZZ*063104626\		
	N2*US\		
	N1*PE*\ZZ*\		
	N2*NA*NA\		
	N2*NA\		

Brannen Commercial Checking Acct Ending 9001 (Continued)

CHECKING DATE	DEPOSIT SUMMARY	AMOUNT	SEQUENCE
1/10	ENT*1\ RMR*IV*MH010625**23.5\ SE*18*000074202\ 8003235953 RevTrak CCD	153.82	057616099
1/10	PAYMENTS [REDACTED] CTX ISA*00*NV *00*NV *ZZ*9001395052 *ZZ*NV *250109*1139*U*00200* 000000000*0*P*?\ ST*820*000073651\ BPR*C*15227.4*C*ACH*CTX*01*021 000021*DA*392793136*9001395052 **01*063104626*DA*[REDACTED]2 0250110\ NTE*ZZZ*[REDACTED] RCEMENT (850) 410-7155\ NTE*ZZZ*NA\ NTE*ZZZ*NA\ TRN*1*164055780377229\ CUR*PE*USD**PE*USD\ N1*PR*[REDACTED] N1*OB*[REDACTED] N2*NA\ N1*RB*NA*ZZ*063104626\ N2*US\ N1*PE*[REDACTED]ZZ*[REDACTED] [REDACTED] N2*NA*NA\ N2*NA\ ENT*1\ RMR*IV*3QFY24-25**15227.4\ SE*18*000073651\ 1/10 PAYMENTS [REDACTED]	15,227.40	433818010
1/10	CTX ISA*00*NV *00*NV *ZZ*9001395052 *ZZ*NV *250109*1139*U*00200* 000000000*0*P*?\ ST*820*000073651\ BPR*C*15227.4*C*ACH*CTX*01*021 000021*DA*392793136*9001395052 **01*063104626*DA*[REDACTED]2 0250110\ NTE*ZZZ*[REDACTED] RCEMENT (850) 410-7155\ NTE*ZZZ*NA\ NTE*ZZZ*NA\ TRN*1*164055780377229\ CUR*PE*USD**PE*USD\ N1*PR*[REDACTED] N1*OB*[REDACTED] N2*NA\ N1*RB*NA*ZZ*063104626\ N2*US\ N1*PE*[REDACTED]ZZ*[REDACTED] [REDACTED] N2*NA*NA\ N2*NA\ ENT*1\ RMR*IV*3QFY24-25**15227.4\ SE*18*000073651\ 1/10 PAYMENTS [REDACTED]	55,970.00	433822787

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Primary Account Acct Ending 9001
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Brannen Commercial Checking Acct Ending 9001 (Continued)

CHECKING DATE	DEPOSIT SUMMARY	AMOUNT	SEQUENCE
1/10	ST*820*000074993\ BPR*C*55970*C*ACH*CTX*01*02100 0021*DA*392793136*9001395052** 01*063104626*DA* 202 50110\ NTE*ZZZ* N (850) 245-0401\ NTE*ZZZ*NA\ NTE*ZZZ*NA\ TRN*1*164055780375809\ CUR*PE*USD**PE*USD\ N1*PR* N1*OB* N2*NA\ N1*RB*NA*ZZ*063104626\ N2*US\ N1*PE* ZZ* N2*NA*NA\ N2*NA\ ENT*1\ RMR*IV*WORKFORCE**55970\ SE*18*000074993\ PAYMENTS CTX ISA*00*NV *00*NV *ZZ*9001395052 *ZZ*NV *250109*1139*U*00200* 000000000*0*P*?\ ST*820*000074848\ BPR*C*86519*C*ACH*CTX*01*02100 0021*DA*392793136*9001395052** 01*063104626*DA* 202 50110\ NTE*ZZZ* N (850) 245-0401\ NTE*ZZZ*NA\ NTE*ZZZ*NA\ TRN*1*164055780375664\ CUR*PE*USD**PE*USD\ N1*PR*	86,519.00	433822274

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Primary Account Acct Ending 9001
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Brannen Commercial Checking Acct Ending 9001 (Continued)

CHECKING DATE	DEPOSIT SUMMARY	AMOUNT	SEQUENCE
1/10	N1*OB* N2*NA\ N1*RB*NA*ZZ*063104626\ N2*US\ N1*PE*ZZ* N2*NA*NA\ N2*NA\ ENT*1\ RMR*IV*FEFP**86519\ SE*18*000074848\ PAYMENTS CTX ISA*00*NV *00*NV *ZZ*9001395052 *ZZ*NV *250109*1139*U*00200* 000000000*0*P*? ST*820*000075048\ BPR*C*91927*C*ACH*CTX*01*02100 0021*DA*392793136*9001395052** 01*063104626*DA*202 50110\ NTE*ZZZ* N (850) 245-0401\ NTE*ZZZ*NA\ NTE*ZZZ*NA\ TRN*1*164055780375864\ CUR*PE*USD**PE*USD\ N1*PR* N1*OB* N2*NA\ N1*RB*NA*ZZ*063104626\ N2*US\ N1*PE*ZZ* N2*NA*NA\ N2*NA\ ENT*1\ RMR*IV*WORKFORCE**91927\ SE*18*000075048\ PAYMENTS CTX	91,927.00	433822994
1/10	N1*OB* N2*NA\ N1*RB*NA*ZZ*063104626\ N2*US\ N1*PE*ZZ* N2*NA*NA\ N2*NA\ ENT*1\ RMR*IV*WORKFORCE**91927\ SE*18*000075048\ PAYMENTS CTX	115,358.00	433822535

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Attachment 7
Brannen Bank Electronic Banking Agreements

- **Business Online Banking Master Agreement**
- **ACH Origination Agreement**
- **Business Digital Banking Domestic Wire Origination Agreement**
- **Business Digital Banking International Wire Origination Agreement**
- **Positive Pay Agreement**
- **ACH Block-Filter Agreement**
- **Remote Deposit Capture Agreement**
- **Business Resolution**
- **Business Signature Card**

BUSINESS ONLINE BANKING MASTER AGREEMENT

The following information represents the Business Online Banking Master Agreement between you and Brannen Bank ("Financial Institution," "we," "our," "ours"). This Master Agreement, including, as applicable, any related Authorization Form, the signature card, rate and fee schedule, and any applicable Product Schedule and other instructions and the terms and conditions contained herein relating to specific Services that may be provided in connection herewith (collectively, this "Master Agreement"), sets forth the terms and conditions governing the provision of Online Banking and Cash Management Services to you or anyone authorized by you (collectively, "Customer," "you," "your," "yours") and describes your and our rights, responsibilities and obligations. The Authorization Form for Online Banking and Cash Management Services is attached hereto as Exhibit "A" and is made an integral part of this Master Agreement. By completing and signing the Authorization Form, and/or using one or more of the Services, Customer agrees to, and shall be bound by, the terms, conditions, and provisions in this Master Agreement, including those for each Service the Customer has selected. Financial Institution, in its sole discretion, may not permit Customer to use the Service until Financial Institution has determined that Customer has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the Service, and until Financial Institution has had a reasonable opportunity to review the Authorization Form and activate the Service. In any event, Customer agrees that the use by Customer of any Service shall, without any further action or execution or acceptance of any documentation on the part of Customer, constitute Customer's acceptance of and agreement to Financial Institution's terms and conditions for the use of such Service as may be in effect as of the time of such usage, whether set forth in this Master Agreement, any applicable Product Schedule or otherwise prescribed by Financial Institution. In the event of a conflict between the terms of this Master Agreement and those of any Authorization Form, or Product Schedule, the terms of the Authorization Form, or Product Schedule as applicable, shall govern and control with respect to the Service at issue. In order to activate the Service, you must have at least one Account with us linked to the Service.

Therefore, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, you and Financial Institution, intending to be legally bound, do hereby agree as follows:

1. Definitions.

The following terms and definitions apply when used in this Master Agreement.

- 1.1.** "Access Device" means access equipment, including but not limited to a personal computer or a Mobile Device that meets the requirements for use of the Service.
- 1.2.** "Access Device System" means all software, hardware, Access Devices, or other equipment necessary to access the Services.
- 1.3.** "Account" or "Accounts" means one or more checking, savings, money market deposit or loan account that you have with us.
- 1.4.** "Account Access" means your ability to access account and transaction information on Accounts and transfer funds between Accounts through the Internet.
- 1.5.** "Account Agreement" means the agreement between you and us that governs the use of your Account including the deposit account terms and conditions, any funds availability agreement, electronic funds transfer agreement or disclosure, line of credit agreement, and our schedule of fees and charges.
- 1.6.** "Authorization Form" means the Authorization for Online Banking and Cash Management Services form attached hereto as Exhibit "A."

- 1.7.** "Bill Payment Account" means the Account(s) you have authorized us to debit for payment made to Payee(s) in connection with the Online Banking Service.
- 1.8.** "Bill Payment Service" means our service available through Online Banking that allows you to pay or transfer funds to designated Payees based upon your instructions to us, via an Access Device.
- 1.9.** "Bill Payment" or "Payment" means the remittance of funds, initiated through Online Banking Service, from a Bill Payment Account to a Payee.
- 1.10.** "Biometric Logon" means an authentication method to assist in verifying your identity through collecting your unique facial or fingerprint image (image capture) or your voice characteristics (audio capture).
- 1.11.** "Business Day(s)" means 8:00 a.m. to 5:00 p.m. Monday through Friday. Federal Holidays are not included. Some online transaction deadlines may vary from this definition.
- 1.12.** "Deposit account terms and conditions" has the meaning provided in Section 9.7.
- 1.13.** "Electronic" means electrical, digital, magnetic, wireless, optical, or electromagnetic technology, or any other technology that entails similar capabilities.
- 1.14.** "Funds Transfer" or "Transfer" means a transfer of funds, initiated through Online Banking Service, from one eligible account to another.
- 1.15.** "Mobile Device" means an Access Device that is mobile, including but not limited to a mobile phone, smartphone, tablet, any personal data assistant, or other wireless device.
- 1.16.** "Online Banking" or "Service" means the service(s) described in this Master Agreement.
- 1.17.** "Password" means the confidential identification number or other code assigned to you by us or selected by you for identification purposes in connection with the use of our Online Banking Services.
- 1.18.** "Payee" means any individual, financial institution, educational institution, company, merchant or other entity you wish to pay using Online Banking Services.
- 1.19.** "PC" means personal computer (including any personal data assistant or other wireless access device) that meets the requirements for use of Online Banking Services.
- 1.20.** "Product Schedule" refers to a separate agreement for certain cash management services offered by Financial Institution.
- 1.21.** "Transfer" means a transfer of funds, initiated through Online Business Services, from one eligible account to another.
- 1.22.** "Transfer Day" means Monday - Friday, to 5:00 p.m., Eastern Time (Standard or Daylight). Holidays are not included.

Other definitions may be set forth elsewhere in this Master Agreement.

2. Setup and Use of Online Access Services.

2.1. Eligibility.

To have access to the Services you must be an authorized user of the Software you select, if required for use with the Equipment. You must also have at least one eligible deposit or loan account with us. If you have more than one Account, you will have access through the Service to the Accounts you specify on the Authorization Form. If you specify more than one Account on the Authorization Form, we will "link" the Accounts together. Accounts which are "linked" under the Services will have one common owner and signer. Any signer, acting alone, must be authorized to access a linked account. Any non-linked account will not be accessible through the Service. Financial Institution may un-link any Account with or without notice in its sole discretion. You must designate a Username and Password which will be required to gain access to the Service. Prior to your first use of Online Banking, the Financial Institution will assign you a Username and Password, Biometric Logon, and/or other means of authentication approved by Financial Institution (collectively referred to as the "Access Code(s)"), required to gain access to Online Banking. The Online Banking system will ask you to change your Password the first time that you use the system.

"Eligible Accounts" include the following:

1. Checking (Demand Deposit) Accounts
2. Savings Accounts
3. Money Market Accounts
4. Loans
5. Certificates of Deposit

2.2. Security Procedure.

The use of the Access Code, in addition to other authentication methods described below, is a security procedure established by Financial Institution to authenticate the identity of the person attempting to gain access to the Service. The security procedure is not designed for the detection of errors. We may require you to change your Access Code from time to time for security reasons. You should keep your Access Code in a secure location. Any person having access to your Access Code will be able to access these Services and perform all transactions, including reviewing Account information and making Transfers to other Accounts and to other persons. **You are responsible for safeguarding the Access Codes. Providing these Access Codes to another person effectively constitutes a grant of authority to access your accounts.**

You agree to comply with the "Security Procedures" and any other Security Procedures Financial Institution directs you to use, and you acknowledge and agree that the Security Procedures, including (without limitation) any Access Code, password, personal identification number, user identification technology, token, certificate, layered security, or other element, means, or method of authentication or identification used in connection with a Security Procedure ("Security Device(s)"), constitute commercially reasonable security procedures under applicable law for the initiation of the Services you utilize, including without limitation, transfers and access to confidential information. You authorize us to follow any and all instructions entered, and transactions initiated using applicable Security Procedures unless and until you have notified us, according to notification procedures prescribed by us, that the Security Procedures or any Security Device has been stolen, compromised, or otherwise become known to persons other than you or your representative(s) and until we have had a reasonable opportunity to act upon such notice. You agree that the initiation of a transaction or instructions using applicable Security Procedures constitutes sufficient authorization for Financial Institution to execute such transaction or instruction notwithstanding any particular designation by you of authorized persons or signature requirements identified on any signature card or other documents relating to your deposit account maintained with Financial Institution, and you agree and intend that the submission of transactions and instructions using the Security Procedures shall be considered the same as your authorized written signature in authorizing us to execute such transaction or instruction. You acknowledge and agree that you shall be bound by any and all transactions initiated through the use of such Security Procedures, whether authorized or unauthorized, and by any and all transactions and activity otherwise initiated by you, to the fullest extent allowed by law. You further acknowledge and agree that the

Security Procedures are not designed to detect error in the transmission or content of communications or transaction initiated by you and that you bear the sole responsibility for detecting and preventing such error.

2.2.1. You agree to appoint and designate an administrator (the “Administrator”) who will be authorized and responsible for creating and maintaining subsequent User Ids, Passwords, and tokens on your behalf, including assigning and revoking access privileges for persons to use the Service, (“User”) and providing new and subsequent Security Devices to those Users. Financial Institution will provide Customer’s designated Administrator, through United States postal mail and/or other delivery service selected by Financial Institution at Financial Institution’s option, with a User ID number and Password, and tokens to be distributed by the Administrator to each User with respect to one or more of the Services. Customer understands that the Administrator has the capability of providing administrative privileges identical to that of the Administrator to any User, including the ability to create and maintain subsequent User accounts and assigning and revoking access privileges. If these privileges are granted by the Administrator to a User, that User will also be considered an Administrator. Customer will be required to use the Security Device each time they access the Services. Customer acknowledges that any Administrator shall have the ability to control security levels such as Service access and Service transaction limits, including without limitation the ability to assign dollar amount limits to transfers of funds. You also agree that the Administrator or any User shall also have the authority on behalf of Customer to electronically accept and approve any and all agreements and amendments to agreements by and between Financial Institution and Customer, including but not limited to this Master Agreement.

2.2.2. You agree to keep all Security Procedures and Security Devices protected, secure, and strictly confidential and to provide or make available the same only to your authorized representative(s). You agree not to disclose or provide any Security Procedures or Security Devices to any unauthorized person. You also agree that Users shall not share Security Devices with each other. Where you have the ability to change or modify a Security Device from time to time (e.g., a password or Username), you agree to change Security Devices frequently in order to ensure the security of the Security Device. You agree to notify us immediately, according to notification procedures prescribed by us, if you believe that any Security Procedures or Security Device have been stolen, compromised, or otherwise become known to persons other than you or your authorized representative(s) or if you believe that any transaction or activity is unauthorized or in error. In the event of any actual or threatened breach of security, we may issue you a new Security Device or establish new Security Procedures as soon as reasonably practicable, but we shall not be liable to you or any third party for any delay in taking such actions. You agree to indemnify, defend all claims, and hold Financial Institution harmless from any loss, damages, or expenses, including but not limited to attorney’s fees, caused by you, your employees’, or agents’ failure to keep the Security procedures or Security Device confidential and secure.

2.2.3. You agree to notify us immediately, according to notification procedures prescribed by us, if the authority of any authorized representative(s) shall change or be revoked. You shall recover and return to us any Security Devices in the possession of any of your authorized representative(s) whose authority to have the Security Device has been revoked.

2.2.4. We reserve the right to modify, amend, supplement, or cancel any or all Security Procedures, and/or to cancel or replace any Security Device, at any time and from time to time in our discretion. We will endeavor to give you reasonable notice of any change in Security Procedures; provided that we may make any change in Security Procedures without advance notice to you if we, in our judgment and discretion, believe such change to be necessary or desirable to protect the security of our systems and assets. Your implementation and use of any changed Security Procedures after any change in Security Procedures shall constitute your agreement to the change and your agreement that the applicable Security Procedures, as changed, are commercially reasonable and adequate for the purposes intended.

2.3. Access.

Services are generally accessible 24 hours a day, seven days a week, except that the Services may be inaccessible for a reasonable period on a daily basis for system maintenance. We are not liable under this Master Agreement or any applicable Product Schedule for failure to provide access due to a system failure or due to other unforeseen acts. We may modify, suspend, or terminate access to the Services at any time and for any reason without notice or refund of fees you have paid. The Financial Institution may change the terms and conditions of this Master Agreement or any applicable Product Schedule from time to time to conform with changes or advancements in our services, or as required by law or regulation. All such changes will be made according to the procedures outlined in Section 9.10. Use of Online Banking after the effective date of such changes will constitute your consent to the changes.

2.4. Equipment Requirements.

In order to use the Services, you must first obtain your own personal Access Device with Internet connection capability and related equipment (the "Hardware"). You also must provide the type of Internet access required by the Hardware and/or Software, which requires a web browser with Java scripting capabilities and 128-bit SSL encryption. Also recommended is an internet connection speed of Cable, DSL, T1 or higher, a currently supported version of Microsoft browser, Mozilla Firefox, or Safari. Once the Hardware has been properly connected and any required Internet access has been established, you will be able to access the Services. You are and will remain solely responsible for the purchase, hookup, installation, loading, operation and maintenance of the Hardware, Software, and the Internet access service to your Access Device, and for all related costs. You are solely responsible for virus protection and maintenance of your Access Device. Financial Institution shall have no responsibility for failures, interruption, or other defects in the Services, which are occasioned by incompatible, improperly installed or improperly maintained hardware and software. The Financial Institution may add to, modify, or replace software programs used in conjunction with providing the Services under this Master Agreement or any applicable Product Schedule at its sole discretion and without notice, provided Services rendered to you are not substantially negatively affected or obligations altered. From time to time the Financial Institution may deem it necessary to hold training or retraining classes for you. You agree that you will require appropriate personnel to participate in such training. All rights, title and interest in and to (a) any and all software, including, but not limited to, the object and source codes therefore, and any and all updates, upgrades, fixes and enhancements thereto, together with any and all documentation, user guides and instructions pertaining thereto (everything in this clause (a), collectively, "Software"), and (b) any and all users guides, instructions and other documentation provided to, or used by, you in connection with the Services (everything in this clause (b) collectively, the "Documentation") shall be, and remain, the property of Bank or any third party Software provider, as applicable. Unless otherwise expressly authorized, you may not (a) copy, reproduce, transmit, retransmit, disseminate, display, publish, sell, broadcast, circulate, distribute, transfer, assign, commercially exploit, reverse engineer, reverse compile or create derivative works of, the Software in any form or (b) copy, reproduce, transmit, retransmit, disseminate, display, publish, sell, broadcast, circulate, distribute, transfer, assign, commercially exploit the Documentation.

3. Business Online Access Services.

3.1. Available Services.

Business Customers may use the Services to:

1. Make transfers between Accounts you may have with us.
2. Make Payments to a Payee from your Account(s) (Bill Payment Service).
3. Obtain Account balances. Your account balance is generally current as of 8:00 a.m. Eastern Time (Standard or Daylight) of each Business Day but may not include current transactions (such as checks cashed at a teller on the Business Day). In addition, your account balance may show funds that have been credited to your account but are not yet available for withdrawal.

4. Review recent transactions on your Accounts.
5. Transfer money to make loan payments.
6. Transfer money from Line of Credit to transactional accounts.
7. Download account information in various formats.
8. Issue stop payment orders.
9. View check images.
10. Order checks.
11. Use the Bill Payment Service.
12. *Originate ACH entries.
13. *Subscribe to and use Positive Pay Services.
14. *Make Wire Transfers.
15. *Remote Deposit Capture (Mobile or Desktop)
16. *ACH Block/Filter Service Product
17. Utilize other services made available by Financial Institution from time to time

These activities are limited to the extent noted herein and, in the agreements, governing your various accounts with us.

*You must execute the applicable Product Schedules to use these services.

3.2. Additional Services.

Additional services may be included in an update to this Master Agreement or in other separate agreements to notify you of the existence of any new services available through Online Banking. Information about new services may be obtained from our website at www.brannenbanks.com. Not all of the products or services described on the Financial Institution's website are available in all geographic areas. Therefore, you may not be eligible for all the products or services described. We reserve the right to determine your eligibility for any product or service. By using these services when they become available, you agree to be bound by the terms and conditions contained in this Master Agreement or separate agreements covering these services.

3.3. Restrictions; Limits.

In most cases you may use Online Banking to gain access to deposit accounts in which you have an unrestricted right to withdraw funds. However, the Financial Institution, as it may determine at any time and from time to time in its sole discretion, may deny Online Banking account access, restrict Online Banking account transactions, or place limits on the specific dollar amount of funds that may be withdrawn or transferred from any account.

3.4. Vendor.

You acknowledge and agree that the Service can be provided by an independent third-party service provider ("Vendor") as selected by Financial Institution, and that both the Vendor and the Service are subject to change from time to time without notice to you. You further acknowledge, agree, and stipulate that the Vendor is an independent contractor providing software and data transmission services and is not the agent of you or Financial Institution. Neither the Financial Institution nor the Vendor is responsible for the actions or omissions of the other.

We will use reasonable efforts to make the Service available for your use on a continuous basis. The Service may be unavailable for short periods of time for regular or emergency system maintenance. We will endeavor to have our scheduled maintenance occur during non-peak hours. In addition, accessibility to the Service may be interrupted because of conditions beyond our control, including outages in Internet, cellular or other communications availability. We will use diligent efforts to re-establish the Services as promptly as possible. We do not promise the Service will always be available for your use.

We may elect to discontinue this Service at any time. If we choose to discontinue the Service, we will provide you with reasonable notice in advance of that fact. We reserve the right at all times to take actions to protect our systems and information, including denial of access to users of the Service.

4. Other Services and Additional Information.

4.1. Account Access.

Transfers and Payments from your Account will be deducted on the date you instruct us to process them. If the date you schedule a Transfer or Payment falls on a weekend or holiday, we will process your transaction the next Transfer Day. We may refuse to act on your Transfer instructions or Payment request if sufficient funds, including funds available under any overdraft protection plan, are not available in your Account on the date you want us to make the Transfer or Payment.

4.2. Processing Fund Transfers.

We can process a Transfer until 5:00 p.m., Eastern Time (Standard or Daylight) on a Transfer Day. If you request a Transfer after the cutoff time, the Transfer will be processed the following Transfer Day. If you schedule a Transfer for a future date, we will process the transaction after the close of business on that date, if that day is a Transfer Day.

You are fully obligated to us to provide sufficient funds for any payments or transfers you make or authorize to be made. If we complete a payment or transfer that you make or authorize and we subsequently learn that you have insufficient funds for the transaction, you agree that we may reverse the transaction or offset the shortage with funds from any other deposit account(s) you have with us to the extent permissible by the applicable law and the terms of any other relevant agreements.

If there are insufficient funds in your Account to make a Transfer or Payment, we may refuse to make the Transfer or Payment or we may make the Transfer or Payment and overdraw your Account. In either event, you are responsible for any non-sufficient funds ("NSF") charges that may apply.

4.3. Canceling Transfers or Payments.

You may cancel a pending Transfer or Payment transaction. However, to do so, we must receive your instruction to cancel prior to the cutoff time on the Transfer Day the transaction is scheduled to be processed. If we don't receive your instruction to cancel a transaction before that time, we may process the transaction.

4.4. Transfer(s) from Savings/Money Market Deposit Accounts.

We limit the number of certain types of transfers from savings and money market deposit accounts. You are limited to six (6) preauthorized electronic fund transfers per month. Each fund transfer through these Services from your savings or money market deposit account is counted as one of the six (6) transfers permitted each calendar month. However, payments to your loan accounts with us are not counted toward this transfer limit for savings/money market deposit accounts.

4.5. E-Mails.

The Financial Institution will not immediately receive e-mail that you send. Therefore, you should not rely on e-mail if you need to communicate to the Financial Institution immediately. For example, if you need to stop payment on a check, to report a lost or stolen card, or to report an unauthorized transaction from one of your accounts, you should contact the Financial Institution immediately by calling the Deposit Operations

Department (see Section 9.6). The Financial Institution will not take actions based on your e-mail requests until the Financial Institution actually receives your message and has a reasonable opportunity to act.

4.6. Overdrafts: Order of Payments, Transfers, and Other Withdrawals.

If funds are withdrawn from any of your accounts by means of electronic funds transfers, other than through Online Banking on the same business day as an Online Banking transaction, and if the account contains insufficient funds to enable both the electronic funds transfer and the Online Banking transfer to be made, then the electronic funds transfer will have priority and the Online Banking transfer will be refused or will result in an overdraft on your account. This is at the Financial Institution's sole discretion.

4.7. Bill Payment Service.

4.7.1. You can arrange, at your option, for the payment of your current, future, and recurring bills from your designated Bill Pay Account. For Bill Payment Service, your Payee list may include utility companies, merchants, financial institutions, insurance companies, individuals, etc. within the United States whom you wish to pay through Bill Payment Service. Please include the full name of the Payee and a complete mailing address and telephone number for each Payee, along with your account number with the Payee, the amount of the Payment, and whether the Payment is recurring. The Financial Institution reserves the right to decline to make Payments to certain persons and entities. You agree that any Payment for taxes, Payments that are court-ordered, government payments and Payments outside of the United States are prohibited and you agree that you will not attempt to use the Service to make these types of Payments. On recurring Payments, it is the responsibility of the account owner or designated authorized users to update Payee account information such as address changes, account numbers, etc.

Payments are posted against your ledger balance.

4.7.2. You may schedule Payments to be initiated on a future date or on the same date of each month. Changes to previously scheduled Payments must be made before the payment has entered into an "in process" status. If the transaction shows an (IN PROCESS) status, then the Payment cannot be modified or deleted. Although you can enter Payment information through the Service twenty-four (24) hours a day, seven (7) days a week, the Financial Institution only initiates on Business Days. Funds must be available in your Account on the scheduled payment date. After funds are withdrawn from your Account to make a Payment, we may make the Payment either by transferring funds electronically to the Payee or by mailing the Payee a check. Funds will be deducted from your account on the same Business Day for Electronic Payments. Payments made by "general" issued check using business account number will be deducted from your Account when the check clears your account. Payments made by "corporate" issued check will be deducted from your Account via ACH Debit on the day the payment is due to the payee. If you direct the initiation of a Payment to occur on a day other than a Business Day, it will be initiated on the following Business Day. The Bill Payment Service will indicate whether a Payee is paid electronically or by check.

The Bill Payment service may provide a calendar feature that estimates the expected date of delivery of a scheduled Payment. This feature is an estimate only and not a guarantee of Payment delivery on that date. You should schedule a Payment to a new Payee at least five (5) Business Days before any Payment due date. Financial Institution is not liable for any service fees or late charges levied against you due to postal delays or processing delays by the Payee. There is no limit on the number of Payees or number of Payments that may be authorized. Financial Institution may, in its sole discretion, establish maximum payment amounts and aggregate daily limits. Electronic Payments are subject to the availability of sufficient funds in the designated checking account. However, Financial Institution reserves the right to impose limits at some future date, with proper written notice. You acknowledge and agree that if you describe a Payee inconsistently by name and account number,

scheduled Bill Payment transactions to the Payee will occur on the basis of the account number, even if it identifies a person other than the named Payee.

For all subsequent Payments, you agree to allow at least one (1) Business Days for electronic payments and at least five (5) Business Days for check payments between the date you schedule a Payment to be initiated and the Payment due date (that is, the due date shown on your invoice or provided in your agreement with the payee, not taking into account any applicable grace period). If you do not, you will be fully responsible for all late fees, finance charges or other actions taken by the Payee.

When you schedule a Bill Payment that will be made by check, you authorize us to issue a check drawn on your qualified designated checking account or an ACH Debit to your qualified designated checking account for the requested amount. If sufficient funds are not available in your designated account when the check is presented for payment, we may refuse to honor the check and return it unpaid. At our sole discretion, we may elect to pay the check regardless of the insufficient funds. In either event, your qualified designated account will be charged our then current fee for processing insufficient items, whether the check is paid or returned, as applicable. You are responsible for any loss or penalty that you may incur due to a lack of sufficient funds or other conditions that may prevent the withdrawal of funds from your account.

4.7.3. If Payment is to be made electronically and your Account does not have sufficient funds to make a Payment as of the date the transfer or Payment is attempted or scheduled to be made, the Transfer or Payment will be canceled, and no further attempt will be made by Financial Institution to make the Transfer or Payment. Financial Institution shall have no obligation or liability if it does not complete a Transfer or Payment because there are insufficient funds in your account to process a transaction. In all cases, you are responsible for either making alternate arrangements for the Payment or rescheduling the Payment through the Service. In the case of recurring Payments, only the Payment currently scheduled will be canceled. Recurring Payments schedule for future dates will not be affected.

4.7.4. Recurring Payments and Transfers are those made for the same amount, on the same date, on a weekly, bi-monthly, monthly basis, etc. Once started, recurring Payments and Transfers will be made automatically until you delete the Payment or Transfer or upon expiration. If the Payment is not a recurring Payment, it will be a "one-time Payment." One-time Payments do not recur and are not made until you enter the Payee and amount of the current bill and submit the Payment. A recurring Bill Payment Service transaction that you want deleted must be deleted prior to the payment entering an "in process" status.

A stop payment cannot be placed on an Electronic Bill Payment transaction once issued. However, a stop payment can be placed on a Bill Payment transaction by Bill Payment check prior to the check being presented for final payment.

There is no fee for deleting a Payment initiated through Bill Payment; however, a fee will apply for a stop on a Bill Payment check.

4.7.5. If you close your Bill Payment Account, or if we terminate your Bill Payment Service, your online bill payment information will be lost, and all pending payments will be cancelled. If you decide to terminate the Bill Payment Service, you agree to cancel all future bill payments at the same time that you cancel your Bill Payment Service, either by deleting those payments yourself using the Bill Payment Service or by calling us. This will ensure that future payments made by you will not be duplicated. We will automatically delete all outstanding payment orders (all one-time Payments and all Recurring Payments) once your Bill Payment Service has been terminated. Termination of the Bill Payment Service will not automatically close your Accounts and will not affect your obligations arising from past Bill Payment transactions.

4.8. Mobile Banking

- 4.8.1.** The Mobile Banking Service is similar to Online Banking Service and refers generally to any service allowing an existing customer to access and view Accounts from a web-enabled mobile phone or device ("Mobile Device") whose network allows secure SSL traffic and supports WAP browsers. We do not guarantee the functionality of the Service on all wireless devices or networks; however, generally, the Service should be compatible with any web-enabled mobile phone or other Mobile Device, regardless of make, model, or mobile service provider. This proprietary solution adapts to any screen size and can change dynamically to present items on any screen in a pleasing format. The Mobile Banking Service allows you to view transaction history, view Account balances, view account transaction history, transfer funds between Accounts, pay bills to payees, view alerts, and if you have selected the Mobile Remote Deposit (or Remote Deposit) Service, remotely make deposits. In most cases you may use the Service to gain access to deposit accounts in which you have an unrestricted right to withdraw funds. However, the Financial Institution, as it may determine at any time and from time to time in its sole discretion, may deny Service account access, restrict Service account transactions, or place limits on the specific dollar amount of funds that may be withdrawn or transferred from any account. We will not be responsible for any errors or failures from any malfunction of your Mobile Device, or any malicious software or other problems related to the Mobile Device used with our Services. All checks deposited must have a valid endorsement for mobile deposit. From time to time, we may develop additional mobile banking services. As we develop such services, you will have the opportunity to add them to your Mobile Banking Service, provided you have compatible wireless hardware and software.
- 4.8.2.** To use the Service, you must have an open account at the Financial Institution, register for Online Banking Services, and have a compatible Mobile Device. During the registration process, you will enter your mobile phone number as well as other information we require to authenticate your identity. You will be provided with further instructions on how to access the Service using a software application ("App") or the browser on your Mobile Device. During this registration process, you will be required to provide your Online Banking Service identification credentials ("Access Code") that you must use each time you access the Service.
- 4.8.3.** In addition to other Security Procedures provided for in this Agreement, the use of the Access Code, your Mobile Device, and Biometric Logon are security procedure established by Financial Institution to authenticate the identity of the person attempting to gain access to the Service. Biometric Logon is an authentication method to assist in verifying your identity. It collects your facial or fingerprint (image capture), or your voice biometric (audio recording). The security procedure is not designed for the detection of errors. We may require you to change your Access Code from time to time for security reasons. You should keep your Access Code in a secure location. Any person having access to your Access Code, or your Biometric Logon will be able to access these Services and perform all transactions, including reviewing Account information and using the Bill Pay Services. With this Access Code, a third party will be able to use your Online Banking Service to add new payees to the Bill Pay Service. You are responsible for safeguarding the Access Codes, including your Biometric Logon, and your Mobile Device. Providing these Access Codes or Biometric Logon to another person effectively constitutes a grant of authority to access your accounts.
- 4.8.4.** Because the Mobile Banking Service is similar to Online Banking Service on a PC, there are security risks associated with the use of the Service. The hardware and software that you use in connection with the Service may be subject to unauthorized tracking or other manipulation by spyware or other malicious code. We are not responsible for advising you of the existence or potential effect of such malicious code, and your use of your hardware and software is at your own risk. We will use commercially reasonable efforts to secure the Service, to prevent access by unauthorized persons and to prevent the introduction of any malicious code, such as an Access Device virus. However, no security system is failsafe, and despite our efforts the security of the Service could be

compromised, or malicious code could be introduced by third parties. We will provide you with notice if your information is the subject of a security breach as required by applicable law.

5. Limitations.

Your use of these Services is subject to the following limitations:

5.1. Dollar Amount.

There may be a limit on the dollar amount of the transactions you can make using these Services. Security reasons limit the dollar amount of transactions, and these limits are subject to change from time to time. Payment can only be made with U.S. currency.

5.2. Frequency.

In addition to the Federal banking regulations that restrict the number of transfers and withdrawals, there may be limits on the number of transactions you can make using these Services. These limits are for security reasons and are subject to change.

5.3. Foreign Transactions.

No Payments may be made to Payees outside the United States unless the Customer has been specifically approved by the Financial Institution.

5.4. Additional Limitations.

Additional limitations may be contained in this Master Agreement or the applicable Product Schedule. Your ability to initiate transactions may also be limited by the terms of other agreements you have with the Financial Institution or by applicable law.

6. Parties' Responsibilities.

6.1. Your Responsibility.

6.1.1. Physical and Electronic Security.

6.1.1.1. You are solely responsible for providing for and maintaining the physical, electronic, procedural, administrative, and technical security of data and systems in your possession or under your control. We are not responsible for any Access Device viruses (including, without limitation, programs commonly referred to as "malware," "keystroke loggers," and/or "spyware"), problems or malfunctions resulting from any Access Device viruses, or any related problems that may be associated with the use of an online system. Any material downloaded or otherwise obtained is obtained at your own discretion and risk, and Financial Institution is not responsible for any damage to your Access Device or operating systems or for loss of data that results from the download of any such material, whether due to any Access Device virus or otherwise. You are solely responsible for maintaining and applying anti-virus software, security patches, firewalls, and other security measures with respect to your operating systems, and for protecting, securing, and backing up any data and information stored in or on your operating systems. Financial Institution is not responsible for any errors or failures resulting from defects in or malfunctions of any software installed on your operating systems.

6.1.1.2. You acknowledge and agree that it is your responsibility to protect yourself and to be vigilant against e-mail fraud and other internet frauds and schemes (including, without limitation, fraud commonly referred to as "phishing" or "pharming"). You agree to educate your

representative(s), agents, and employees as to the risks of such fraud and to train such persons to avoid such risks. You acknowledge that Financial Institution will never contact you by e-mail in order to ask for or to verify Account numbers, Security Devices, or any sensitive or confidential information, and will never provide links to websites in e-mails that Financial Institution transmits to you. In the event you receive an e-mail or other electronic communication that you believe, or has reason to believe, is fraudulent, you agree that you shall not respond to the e-mail, provide any information to the e-mail sender, click on any links in the e-mail, or otherwise comply with any instructions in the e-mail. To the extent allowed by law, you agree that Financial Institution is not responsible for any losses, injuries, or harm incurred by you as a result of any electronic, e-mail, or internet fraud.

6.1.1.3. In the event of a breach of the Security Procedure, you agree to assist Financial Institution in determining the manner and source of the breach. Such assistance shall include, but shall not be limited to, providing Financial Institution or Financial Institution's agent access to your hard drive, storage media and devices, systems and any other equipment or device that was used in breach of the Security Procedure. You further agree to provide to Financial Institution any analysis of such equipment, device, or software or any report of such analysis performed by you, your agents, law enforcement agencies, or any other third party. Your failure to assist Financial Institution shall be an admission by you that the breach of the Security Procedure was caused by a person who obtained access to your transmitting facilities or who obtained information facilitating the breach of the Security Procedure from you and not from a source controlled by Financial Institution.

6.1.2. Reporting Unauthorized Transactions.

You should notify us immediately if you believe your Username or Password have been lost or stolen, that someone has gained access to the Security Procedure, or that someone has transferred or may transfer money from your Account without your permission or if you suspect any fraudulent activity on your Account. To notify us, call us at the number provided in Section 9.6 between 8:00 a.m. to 5:00 p.m. Eastern Time during a Business Day.

6.1.3. Duty to Inspect.

You shall inspect all transaction history, reports, journals, and other material evidencing the output of the Service(s) performed by Financial Institution. You must report all errors to the Financial Institution for Services performed and indicated in the transaction history, reports, journals, and other material evidencing the output of the Service(s) or otherwise reported to you daily by the close of business on the banking day following the day on which the Service(s) is rendered. You must report all other errors within a reasonable time not to exceed thirty (30) days from the date that the error is made. Failure of you to promptly report errors within such specified time shall preclude you from asserting against the Financial Institution any claims arising from the error or any loss caused by the error.

6.1.4. Financial Information.

Financial Institution may from time-to-time request information from you in order to evaluate a continuation of the Service(s) to be provided by Financial Institution hereunder and/or adjustment of any limits set by this Master Agreement or any applicable Product Schedule. You agree to provide the requested financial information immediately upon request by Financial Institution, in the form required by Financial Institution. If you refuse to provide the requested financial information, or if Financial Institution concludes in its sole discretion that the credit risk of you is unacceptable, Financial Institution may terminate the Service according to the provisions hereof. You authorize Financial Institution to investigate or re-investigate at any time any information provided by you in

connection with this Master Agreement or any applicable Product Schedule or any Services and to request reports from credit bureaus and reporting agencies for such purpose.

6.1.5. Deadlines.

You shall deliver or transmit all data or information to Financial Institution by the deadline(s) specified in this Master Agreement or any applicable Product Schedule and the Operating Instructions. Financial Institution shall have no obligation to process data or perform the Service if the data is not received by the Financial Institution by the specified deadline.

6.1.6. Payment for Services.

6.1.6.1. You agree to pay Financial Institution the fees established by Financial Institution for rendering the Services under the terms of this Master Agreement or any applicable Product Schedule. Depending on which Online Banking services you subscribe to, you will be charged the applicable Online Banking fees as set forth in our General Information and Fee Schedule hereby incorporated by reference and made a part hereof. Once you have subscribed, you will be charged the applicable Monthly Fee(s) whether or not you use Online Banking.

6.1.6.2. The Financial Institution may change or add any fees for Online Banking. Fees charged for Online Banking under this Master Agreement are in addition to any service charges or fees that apply to your accounts with us.

6.1.6.3. You authorize the Financial Institution to deduct all applicable Monthly Fees from any Account listed on the Authorization Form. If you close the Account(s) associated with the Service, Fees may be deducted from any other account you maintain with us or any of our affiliates. Furthermore, Financial Institution may set off against any amount it owes to you in order to obtain payment of your obligations under this Master Agreement or any applicable Product Schedule.

6.1.6.4. In addition to the Service fees, you agree to pay for all taxes, tariffs and assessments levied or imposed by any government agency in connection with the Service, this Master Agreement, and/or the software or equipment made available to you (excluding any income tax payable by Financial Institution). You are also responsible for the costs of any communication lines and any data processing charges payable to third parties.

6.1.7. Required Deposit Balance.

You agree to maintain the minimum collected balance ("Required Deposit Balance") in the amount and in the account specified in the Product Schedule establishing the terms and conditions of the specific Services selected by you and the set of detailed instructions ("Operating Instructions") establishing the procedures and operating instructions governing the Service.

6.1.8. Data and Information Supplied by You.

You shall transmit or deliver data and other information in the format and on the media as provided for in the Product Schedule and the Operating Instructions if applicable or as otherwise required by the Financial Institution in conjunction with rendering the Service(s) selected by you. You shall have the sole responsibility of ensuring the accuracy and correctness of the data transmitted. You acknowledge and agree that Financial Institution shall not examine the data for correctness and the Financial Institution shall not have any responsibility for detecting errors in the data transmitted by you. The data transmitted by you must be legible, correct, and complete. Financial Institution shall not process, and Financial Institution shall not be liable to you for failure to process the data if it is

not in the format specified by Financial Institution or if the data is incomplete. Financial Institution shall not be liable for errors or omissions caused by data that is rejected as the result of your failure to provide the data in accordance with the standards specified in the Master Agreement or any applicable Product Schedule and the Operating Instructions.

6.1.9. Remotely Created Checks.

If you use a Service wherein you create or deposit a Remotely Created Check, as that term is defined in Federal Reserve Board Regulation CC, you warrant to Financial Institution that the person on whose account the Remotely Created Check is drawn authorized the issuance of the check in the amount stated on the check and to the payee stated on the check.

6.1.10. Use of Services.

You will use the Services only for your own internal business use in accordance with the terms of this Master Agreement. Without limiting the generality of the foregoing, you agree not to make the Services available or allow use of the Services in a computer bureau service business, time-sharing, or otherwise disclose or allow use of the Service by or for the benefit of any third party. FURTHER, YOU REPRESENT AND WARRANT THAT NONE OF THE ACCOUNTS HAVE BEEN ESTABLISHED OR ARE BEING OR WILL BE USED FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES AND THAT YOU ARE NOT A "CONSUMER" UNDER REGULATION E - ELECTRONIC FUNDS TRANSFER ACT (HEREIN, "REG. E").

6.1.11. Prohibited Transactions.

You agree not to use or attempt to use the Services (a) to engage in any illegal purpose or activity or to violate any applicable law, rule or regulation, (b) to breach any contract or agreement by which you are bound, or (c) to engage in any internet or online gambling transaction, whether or not gambling is legal in any applicable jurisdiction, (d) to engage in any activity or business that would result in you being or becoming a "money service business" as defined in the Financial Institution Secrecy Act and its implementing regulations, or (e) to engage in any transaction or activity that is not specifically authorized and permitted by this Agreement. You acknowledge and agree that Financial Institution has no obligation to monitor your use of the Services for transactions and activity that is impermissible or prohibited under the terms of this Agreement; provided, however, that Financial Institution reserves the right to decline to execute any transaction or activity that Financial Institution believes violates the terms of this Agreement.

6.1.12. Other Customer Requirements.

6.1.12.1. Beneficial Ownership Reporting and Certification. Customer represents and warrants to Financial Institution that the beneficial ownership (as that term is defined in the Anti-Money Laundering Act of 2020, Public Law No. 116-283, §6403) of Customer as identified in the Deposit Account opening process remains true and correct as of the date Customer enters into this Master Agreement or that Customer has provided Bank with written confirmation of the current beneficial ownership information. Further, Customer represents and warrants that Customer shall immediately notify Financial Institution in writing of any changes, and to complete any and all forms requested by Financial Institution, regarding a change in substantial control of Customer and/or any change of ownership or control of 25% or more of the ownership interests in Customer.

6.1.12.2. Data Security and Personally Identifiable Information. To the extent you come into possession, custody or control of any Personally Identifiable Information or other non-public information, including information (1) provided by a consumer to you, (2) resulting from any transaction with the consumer or any service performed for the consumer, or (3) otherwise

obtained by you with regard to a consumer, including account information (collectively "PII"), you represent and warrant to Financial Institution and its Vendors that you will protect such PII by rendering it unreadable and inaccessible by persons who do not have legal authority to access such PII.

6.2. The Financial Institution's Responsibilities.

Financial Institution agrees to use ordinary care in rendering Services under this Master Agreement and any applicable Product Schedule. You recognize and agree that ordinary care does not mean error free. You agree to pay all attorneys' fees, costs and expenses Financial Institution may incur in collecting any sums you owe to Financial Institution for overdrafts, service charges or otherwise or in enforcing any rights Financial Institution may have under the terms of this Master Agreement and any applicable Product Schedule or applicable law, rule or regulation applicable to your account(s) or the Services rendered by Financial Institution under this Master Agreement and any applicable Product Schedule. You also agree to pay all attorneys' fees, costs, and expenses that Financial Institution may incur as the result of defending any claim or action made against Financial Institution by you, or on your behalf where Financial Institution is found not to be liable for such claim. In no event shall Financial Institution be liable to you for attorneys' fees incurred by you in any action brought by you against Financial Institution.

Our sole responsibility for an error in a transfer will be to correct the error. Without limiting the generality of the forgoing, we will not be responsible for the following matters, or for errors or failures of our Services as result of:

- Access. We will not be liable under this Master Agreement or any applicable Product Schedule for failure to provide access or for interruptions in access to our Services due to a system failure or due to other unforeseen acts or circumstances.
- Your Access Device Equipment & Your Software. We will not be responsible for any errors or failures from any malfunction of your Access Device, or any virus or other problems related to your computer equipment used with our Services. We are not responsible for any error, damages or other loss you may suffer due to malfunction or misapplication of any system you use, including your browser (Mozilla Firefox®, Microsoft Internet Explorer®, or otherwise), your Internet service provider, your personal financial management or other software (such as Quicken® or Microsoft Money®), or any equipment you may use (including your telecommunications facilities, Access Device hardware and modem) to access or communicate with the Online Banking Services.
- Any Transaction or Instruction. We will not honor a request for a Transfer if:
 - (a) it exceeds your collected and available funds on deposit with the Financial Institution; (b) it is not in accordance with any condition indicated by you and agreed to by the Financial Institution; (c) the Financial Institution has reason to believe it may not be authorized by you; (d) it involves funds subject to hold, dispute, or legal process preventing their withdrawal; (e) it would violate any provision of any present or future risk control program of the Federal Reserve or any current or future rule or regulation of any other federal or state regulatory authority; (f) it is not in accordance with any other requirement stated in this Master Agreement or any Financial Institution policy, procedure or practice; or, (g) it is for the protection of the Financial Institution or you, the Financial Institution has reasonable cause not to honor.

Privacy and Confidentiality.

6.3. Privacy/Information Sharing.

The importance of maintaining the confidentiality and privacy of the information provided by you is one of our highest priorities. We may disclose information about your Accounts or the Transfers you make: (a) where it is necessary for completing the transfers or processing or maintaining your Accounts; (b) in order to verify the existence or condition of your Accounts for a third party such as a credit bureau or merchant; (c) in order to comply with legal process, government agency or court orders; (d) to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements; or (e) otherwise as permitted by law. An explanation of our privacy policy will be provided to you separately in the manner required by applicable law. Please review it carefully. Our privacy policy may change from time to time and is always available on our website and at our Financial Institution locations.

6.4. Confidential Information.

All information of a business nature relating to the assets, liabilities or other business affairs disclosed to the Financial Institution by you and your customers in connection with this Master Agreement and any applicable Product Schedule is confidential. Financial Institution shall not, without the express written consent of you, disclose or permit access to any such information by any person, firm or corporation and Financial Institution shall cause its officers, employees, and agents to take such action as shall be necessary or advisable, to preserve and protect the confidentiality of disclosing such information to persons required to have access thereto for the performance of this Master Agreement and any applicable Product Schedule, or to any other party to which the Financial Institution may be required by law to report such information. You agree to hold confidential and to use only in connection with the Service provided under this Master Agreement and any applicable Product Schedule all information furnished to you by Financial Institution or by third parties from whom Financial Institution has secured the right to use the Service, including, but not limited to, Financial Institution's product and service pricing structure, system design, programming techniques or other unique techniques. In addition, should you at any time receive or acquire any information relating to another customer of the Financial Institution, you shall promptly return such information to Financial Institution and not reveal such information to any other party and shall not make use of such information for your own benefit. Financial Institution and your obligations and agreements under this paragraph shall not apply to any information supplied that was known to either party prior to the disclosure by the other or is or becomes generally available to the public other than by breach of this Agreement, or otherwise becomes lawfully available on a non-confidential basis from a third party who is not under an obligation of confidence to either party. Notwithstanding anything to the contrary contained herein, it is authorized and agreed by the parties hereto that the performance of said Service is or might be subject to regulation and examination by authorized representatives of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and/or a State regulatory agency and you agree to the release of your reports, information, assurances, or other data as may be required by them under applicable laws and regulations. You agree that any specifications or programs developed by the Financial Institution in connection with this Master Agreement and any applicable Product Schedule or supplied or made available to you by Financial Institution are the exclusive property of Financial Institution, its agents, suppliers, or contractors, and further agrees that such material shall not be copied or used in any manner or for any purpose without the express written consent of Financial Institution. This clause shall survive the termination of this Master Agreement.

7. Termination.

7.1. Termination Upon Written Notice.

Either you or the Financial Institution may terminate this Master Agreement, any applicable Product Schedule, and your Online Banking subscription at any time upon giving at least ten (10) days prior written notice of the termination to the other party. If you terminate Online Banking, you authorize the Financial Institution to continue making transfers you have previously authorized and continue to charge monthly fees until such time as the Financial Institution has had a reasonable opportunity to act upon your termination notice. Once the Financial Institution has acted upon your termination notice, the Financial Institution will make no further transfers from your accounts, including any transfers you have previously authorized. If the Financial Institution terminates your use of Online Banking, the Financial Institution reserves the right to make no further transfers from your accounts, including any transactions you have previously authorized.

7.2. Immediate Termination.

Either party shall have the right to terminate this Master Agreement, any applicable Product Schedule, and your Online Banking subscription immediately by giving written notice to the other if such other party: (i) ceases to conduct its business in the ordinary sense, (ii) has any substantial part of its property become subject to any levy, seizure, assignment or application for sale for, or by, any creditor or government agency, (iii) is a party to an acquisition or (iv) in the reasonable judgment of the party seeking termination, experiences an adverse change in its financial condition or business which impairs the ability of such party to perform its obligations under this Master Agreement or any applicable Product Schedule, (v) fails to perform its obligations under this Master Agreement or any applicable Product Schedule or defaults under any other agreement between the parties or (vi) makes any warranty or representation which proves to be false or misleading.

Notwithstanding the foregoing or Section 8., Financial Institution may immediately terminate this Master Agreement and/or any applicable Product Schedule without notice if, (a) you or we close your Account(s), or (b) in Financial Institution's sole discretion, Financial Institution determines that you have abused the Online Banking Service or Financial Institution believes that it will suffer a loss or other damage if the Master Agreement and/or applicable Product Schedule is not terminated.

7.3. Rights Cumulative.

Financial Institution's election to terminate this Master Agreement and/or any applicable Product Schedule is in addition to any and all other remedies that may be available to Financial Institution and will not affect any obligations you may have to Financial Institution. Any reinstatement of the Service under this Master Agreement and/or any applicable Product Schedule will be at Financial Institution's sole discretion and must be agreed upon in writing by an authorized representative of Financial Institution.

7.4. Rights/Duties Upon Termination.

Upon termination of this Master Agreement and/or any applicable Product Schedule, any property, or rights of a party in the possession of the other party, tangible or intangible, shall be returned to owner thereof within five (5) days after the later to occur of (i) termination of the Master Agreement and/or any applicable Product Schedule or (ii) the last date that such party receives any such property or rights.

Upon termination of this Master Agreement and/or any applicable Product Schedule, (i) you will promptly pay to Financial Institution all sums due or to become due under this Master Agreement and/or applicable Product Schedule, and (ii) you shall have no further right to make use of the Service or any system or software which may have been provided in connection with the Service.

8. Changes in Terms and other Amendments.

The Financial Institution may amend the terms of this Master Agreement and any applicable Product Schedule alter, change, or modify the Services provided under the terms of this Master Agreement and any applicable Product Schedule (including the fees and charges for Services listed) or any supplemental agreement at any time in its sole discretion by giving written notice to you. If required by agreement or by applicable law, notice will be given for the required applicable number of days in advance of such amendments by mailing a copy of the amendment to you at your most recent address shown on our records or, if you have previously agreed, by providing notice delivered to the last email address you have provided us. Your continued use of the Services shall constitute your agreement to such amendment. No amendments requested by you shall be effective unless received in writing by Financial Institution and agreed to by the Financial Institution in writing.

9. Other Provisions.

9.1. Electronic Notices.

We may deliver to you any required disclosures and other notices concerning these Services or your Accounts by e-mail or other appropriate electronic means in accordance with Financial Institution's Electronic Statement Delivery Authorization and Agreement.

You may use e-mail to contact us about inquiries, maintenance, and/or some problem resolution issues. E-mail may not be a secure method of communication. Thus, we recommend you do not send confidential personal or financial information by e-mail. There may be times when you need to speak with someone immediately (especially to report a lost or stolen Password, or to stop a payment). In these cases, **do not use e-mail**. Instead, you should call us at the number provided in Section 9.6.

9.2. Hours of Operation.

Our representatives are available to assist you from the hours of 8:00 a.m. to 5:00 p.m. Eastern Time (Standard or Daylight), Monday through Friday, except holidays, by calling the number provided in Section 9.6.

9.3. Ownership of Website.

The content, information and offers on our website are copyrighted by Financial Institution and/or Vendor and the unauthorized use, reproduction, linking or distribution of any portions is strictly prohibited. You agree not to copy, display, distribute, download, license, sub-license, modify, publish, repost, reproduce, reuse, sell, transmit, create a derivative work from or otherwise use for public or commercial purposes, the information, and materials on the Sites, except as provided in this Master Agreement, without our express written permission. Unless otherwise noted, all other trademarks, service marks, and logos used on the Financial Institution's sites are the trademarks, service marks or logos of Financial Institution, or others as indicated.

9.4. Web-linking Practices.

Financial Institution may provide access to information, products or services offered on other third-party web sites. The Financial Institution is not responsible for, nor does control, the content, products, or service provided by linked sites. The Financial Institution does not endorse or guarantee the products, information or recommendations provided by linked sites, and is not liable for any failure of products or services advertised on those sites. In addition, each third-party site may provide less security than the Financial Institution and have a privacy policy different than that of the Financial Institution. Your access, use and reliance upon such content, products or services is at your own risk.

9.5. Geographic Restrictions.

The Services described in this Master Agreement and any application for credit, deposit services, and brokerage services available at our web site are solely offered to citizens and residents of the United States of America residing within the United States of America. Citizens and residents may not be able to access these Services outside the United States of America.

9.6. Contact Information.

In case of questions about your electronic transactions contact customer service at:

Brannen Bank
Attn: Deposit Operations
Post Office Box 1929
Inverness, Florida 34450-1929
Phone: (352)765-2915
Fax us at: (352)726-1156
Email: bookkeeping@brannenbanks.com

Customer shall provide its current contact information to Financial Institution on Exhibit A and Customer shall immediately notify Financial Institution if such contact information changes. Any notice provided to Customer by Financial Institution to the address on Exhibit A, as amended from time to time, or to the address for any of Customer's accounts with Financial Institution shall be deemed effective on the date such notice is sent by Financial Institution.

9.7. Deposit account terms and conditions.

You acknowledge and agree that your demand deposit account maintained with Financial Institution is an integral part of the Services offered by Financial Institution and that all transactions and Services initiated or processed pursuant to this Master Agreement are subject to the terms and conditions of the rules, regulations, and agreement ("Deposit account terms and conditions") governing accounts in effect from time to time between you and Financial Institution. The Deposit account terms and conditions are expressly incorporated herein by reference. The terms and conditions of this Master Agreement shall control over any inconsistent terms and conditions of the Deposit account terms and conditions. You acknowledge that you have signed and executed all agreements, resolutions, signature cards and forms governing your demand deposit account required by Financial Institution. If you have not signed the foregoing forms required by Financial Institution, by signing this Master Agreement, you acknowledge that you have read the contents of and agree to be bound by the terms of those forms, agreements and documents, and adopt and ratify, as an authorized signatory(s), the signature(s) of any person(s) who has signed a signature card or any check on your account. You also agree to establish all accounts that must be opened in conjunction with the Service provided by Financial Institution.

9.8. Security Interest.

To secure the payment and performance of your obligations set forth herein and under any Service Agreement(s), you grant to Financial Institution a security interest in and pledges and assigns to Financial Institution all of your right, title, and interest in the following described property, whether now owned or hereafter existing or acquired and wherever located: (a) All your monies, instruments, savings, checking and other accounts (excluding IRA, Keogh, trust accounts and other accounts subject to tax penalties if so assigned) that are now or in the future in Financial Institution's custody or control; (b) any other collateral described in any security instrument securing your obligations to Financial Institution under this Agreement or any other obligation of Third-Party to Financial Institution; and (c) all proceeds and products of the property as well as any replacements, accessions, substitutions, and additions to any of the above.

9.9. Effective Dates.

The effective date of this Master Agreement and any applicable Product Schedule shall be the date upon which the Agreement is executed by you and accepted by Financial Institution.

9.10. Internet Disclaimer.

For any Service(s) described in the Agreement utilizing the Internet, Financial Institution does not and cannot control the flow of data to or from Financial Institution's network and other portions of the Internet. Such flow depends in large part on the performance of Internet Services provided or controlled by third parties. Actions or inactions of such third parties can impair or disrupt your connections to the Internet (or portions thereof). Financial Institution cannot guarantee that such events will not occur. Accordingly, Financial Institution disclaims any and all liability resulting from or related to such events and in no event shall Financial Institution be liable for any damages (whether in contract or in tort) that are attributable to the public Internet infrastructure, your ability to connect to the Internet, or Financial Institution's ability to connect to the Internet on your behalf.

9.11. Recording and Use of Communications.

Customer and Financial Institution agree that all telephone conversations or data transmissions between it or its agents made in connection with this Agreement may be electronically recorded and retained by either party by use of any reasonable means. Financial Institution shall not be obligated to make such recordings.

9.12. Limitation of Liability.

9.12.1. YOU AGREE THAT FINANCIAL INSTITUTION SHALL NOT BE RESPONSIBLE OR LIABLE TO YOU OR TO ANY OTHER PARTY FOR CONSEQUENTIAL, INDIRECT, SPECIAL EXEMPLARY, PUNITIVE, OR INCIDENTAL DAMAGES ARISING OUT OF THE USE BY YOU OF ANY SERVICE EVEN IF YOU, FINANCIAL INSTITUTION OR FINANCIAL INSTITUTION'S SERVICE PROVIDER HAVE BEEN SPECIFICALLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9.12.2. TO THE FULLEST EXTENT ALLOWED BY LAW, FINANCIAL INSTITUTION'S LIABILITY TO YOU UNDER THIS MASTER AGREEMENT OR ANY APPLICABLE PRODUCT SCHEDULE SHALL BE LIMITED TO CORRECTING ERRORS RESULTING FROM FINANCIAL INSTITUTION'S FAILURE TO EXERCISE ORDINARY CARE OR TO ACT IN GOOD FAITH. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, IN NO EVENT WILL FINANCIAL INSTITUTION BE LIABLE TO YOU FOR AN AMOUNT GREATER THAN THE FEES ACTUALLY PAID BY YOU AND RECEIVED BY FINANCIAL INSTITUTION DURING THE SIX (6) MONTH PERIOD IMMEDIATELY PRECEDING THE DATE ON WHICH THE CLAIM FIRST ACCRUED, WHICH SHALL BE DETERMINED BY THE EARLIER OF THE DATE WHEN YOU FIRST BECAME AWARE OF THE CLAIM OR THE DATE WHEN, THROUGH THE EXERCISE OF REASONABLE CARE, YOU REASONABLY SHOULD HAVE BECOME AWARE OF THE CLAIM.

9.12.3. YOU ACKNOWLEDGE AND AGREE THAT YOUR USE OF THE SERVICES SHALL BE AT YOUR SOLE RISK AND THAT THE SERVICES ARE PROVIDED BY FINANCIAL INSTITUTION ON AN "AS IS" BASIS.

9.12.4. EXCEPT AS EXPRESSLY SET FORTH IN THIS MASTER AGREEMENT, FINANCIAL INSTITUTION MAKES NO, AND HEREBY DISCLAIMS ANY AND ALL, REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN LAW OR IN FACT, WHATSOEVER TO YOU OR TO ANY OTHER PERSON AS TO THE SERVICES OR ANY ASPECT THEREOF, INCLUDING (WITHOUT LIMITATION) ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUALITY, ACCURACY, OR SUITABILITY. YOU AGREE THAT NO ORAL OR WRITTEN ADVICE OR REPRESENTATION OBTAINED FROM ANY FINANCIAL INSTITUTION EMPLOYEE OR REPRESENTATIVE SHALL CREATE A WARRANTY OR

REPRESENTATION FOR PURPOSES OF THIS MASTER AGREEMENT OR ANY SERVICES TO BE PERFORMED PURSUANT HERETO.

9.12.5. FINANCIAL INSTITUTION MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, TO YOU AS TO ANY ACCESS DEVICE HARDWARE, SOFTWARE, OR EQUIPMENT USED IN CONNECTION WITH THE SERVICES (INCLUDING, WITHOUT LIMITATION, YOUR ACCESS DEVICE SYSTEMS OR RELATED EQUIPMENT, YOUR SOFTWARE, OR YOUR INTERNET SERVICE PROVIDER OR ITS EQUIPMENT), OR AS TO THE SUITABILITY OR COMPATIBILITY OF FINANCIAL INSTITUTION'S SOFTWARE, INTERNET DELIVERED SERVICE, EQUIPMENT OR COMMUNICATION INTERFACES WITH THOSE THAT YOU USE, OR AS TO WHETHER ANY SOFTWARE OR INTERNET DELIVERED SERVICE WILL PERFORM IN AN UNINTERRUPTED MANNER, INCLUDING (BUT NOT LIMITED TO) ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9.12.6. FINANCIAL INSTITUTION SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR FAILURES RESULTING FROM DEFECTS IN OR MALFUNCTIONS OF YOUR ACCESS DEVICE HARDWARE OR SOFTWARE, FOR THE QUALITY OF PERFORMANCE OR LACK OF PERFORMANCE OF ANY ACCESS DEVICE SOFTWARE OR HARDWARE OR INTERNET DELIVERED SERVICES SUPPLIED BY FINANCIAL INSTITUTION TO YOU IN CONNECTION WITH THIS MASTER AGREEMENT, OR FOR THE TRANSMISSION OR FAILURE OF TRANSMISSION OF ANY INFORMATION FROM YOU TO FINANCIAL INSTITUTION OR FROM FINANCIAL INSTITUTION TO YOU. FINANCIAL INSTITUTION SHALL NOT BE RESPONSIBLE FOR NOTIFYING YOU OF ANY UPGRADES OR ENHANCEMENTS TO ANY OF YOUR ACCESS DEVICE HARDWARE OR SOFTWARE.

9.13. Relationship of Parties.

Customer and Financial Institution acknowledge and agree that the relationship between Financial Institution and Customer is that of an independent contractor and that this Master Agreement does not establish or create a general agency, joint venture, partnership, or employment relationship between them.

9.14. Force Majeure.

The Financial Institution shall not be responsible for any liability, loss, or damage resulting from Financial Institution's failure to perform any Service or to perform any other obligations under this Master Agreement and any applicable Product Schedule which is caused by an act of God, fire, floods, adverse weather or atmospheric conditions or other catastrophes; war, sabotage, riots, acts of public enemy, or acts of governmental authority or the Board of Governors of the Federal Reserve; labor difficulties; equipment or Access Device failure or destruction or the unavailability, interruption, or malfunction of communications facilities or utilities; delays or failure to act by you or third parties and their personnel; criminal acts; or generally any cause reasonably beyond the Financial Institution's control.

9.15. Reimbursement.

Any reimbursement by Financial Institution for any liability hereunder may be made either directly to you or by adjustment of the aggregate ledger and collected balances of your accounts.

9.16. Indemnification.

In addition to other indemnification and liability provisions elsewhere in this Master Agreement and any applicable Product Schedule, to the fullest extent allowed by law, you will be liable for, hold harmless, and will indemnify Financial Institution, and their employees and agents from and against all claims of any sort by third parties or others arising out of this Master Agreement and any applicable Product Schedule, including all losses and expenses incurred by Financial Institution arising out of your failure to report required changes, transmission of incorrect data to Financial Institution, or failure to maintain compliance with all laws, regulations and rules. Except for those losses caused directly by Financial Institution's failure

to exercise ordinary care or to act in good faith, you agree to indemnify and hold Financial Institution, its officers, directors, shareholders, agents, employees, and affiliates, and their respective officers, directors, agents and employees, harmless from and against any and all losses, costs, suits, damages, claims, liabilities and expenses (including reasonable attorneys' fees) arising from or related in any way to (i) any Services performed in connection with this Master Agreement and any applicable Product Schedule, (ii) Financial Institution's action or inaction in accordance with or reliance upon any instructions or information received from any person reasonably believed by Financial Institution to be an authorized representative of you or Authorized User, (iii) your breach of any of your covenants, agreements, responsibilities, representations or warranties under this Master Agreement and any applicable Product Schedule, and/or (iv) your breach of applicable laws, rules or regulations.

9.17. ARBITRATION AND WAIVER OF JURY TRIAL.

YOU AND FINANCIAL INSTITUTION AGREE THAT THE TRANSACTIONS PROCESSED UNDER THIS MASTER AGREEMENT OR ANY PRODUCT SCHEDULE INVOLVES "COMMERCE" UNDER THE FEDERAL ARBITRATION ACT ("FAA"). ANY CONTROVERSY OR CLAIM BETWEEN YOU AND FINANCIAL INSTITUTION, OR BETWEEN YOU AND ANY OF FINANCIAL INSTITUTION'S OFFICERS, EMPLOYEES, AGENTS OR AFFILIATED ENTITIES, THAT ARISES OUT OF OR IS RELATED TO ANY SERVICE PROVIDED UNDER THIS MASTER AGREEMENT OR ANY PRODUCT SCHEDULE, WHETHER BASED ON CONTRACT OR IN TORT OR ANY OTHER LEGAL THEORY, INCLUDING CLAIMS OF FRAUD, SUPPRESSION, MISREPRESENTATION AND FRAUD IN THE INDUCEMENT (COLLECTIVELY, ANY "CLAIM"), WILL BE SETTLED BY BINDING ARBITRATION UNDER THE FAA. THE PARTIES SHALL WORK IN GOOD FAITH TO SELECT AND AGREE UPON AN ARBITRATOR WITHIN THIRTY (30) DAYS AFTER A DEMAND FOR ARBITRATION BY EITHER PARTY. THE ARBITRATOR SHALL HAVE SOLE DISCRETION TO USE ANY COMMERCIAL ARBITRATION RULES, UNLESS OTHERWISE AGREED TO IN WRITING BY THE PARTIES; PROVIDED, HOWEVER, THAT TO THE EXTENT THE ARBITRATION RULES CONTAIN PROVISIONS REGARDING THE USE OF ANY CONSUMER ARBITRATION RULES, THE FORUM OF ANY SUCH ARBITRATION, THE ALLOCATION OF FEES FOR ANY SUCH ARBITRATION AND/OR ANY OTHER PROVISIONS CONTRARY TO THIS MASTER AGREEMENT, THOSE RULES ARE DELETED AND/OR EXPRESSLY SUPERSEDED BY THIS MASTER AGREEMENT. TO THE EXTENT ANY AMBIGUITY EXISTS BETWEEN THE ARBITRATION RULES AND THIS MASTER AGREEMENT, THIS MASTER AGREEMENT SHALL CONTROL. IF THE PARTIES CANNOT AGREE UPON AN ARBITRATOR, THEN EACH PARTY SHALL DESIGNATE AN ARBITRATOR REPRESENTATIVE AND THE ARBITRATOR REPRESENTATIVES SHALL SELECT THE ARBITRATOR. IF A CLAIM IS SUBMITTED TO ARBITRATION, (A) YOU WILL NOT HAVE THE RIGHT TO GO TO COURT OR TO HAVE A JURY TRIAL; (B) YOU WILL NOT HAVE THE RIGHT TO ENGAGE IN PRE-ARBITRATION DISCOVERY EXCEPT AS PROVIDED IN THE ARBITRATION RULES; (C) YOU WILL NOT HAVE THE RIGHT TO HAVE ANY CLAIM ARBITRATED AS A CLASS ACTION UNDER THE ARBITRATION RULES OR UNDER ANY OTHER RULES OF CIVIL PROCEDURE; (D) THE ARBITRATOR'S DECISION WILL BE FINAL AND BINDING WITH LIMITED RIGHTS TO APPEAL; AND (E) THIS MASTER AGREEMENT SUPERSEDES ANY PRIOR ALTERNATIVE DISPUTE RESOLUTION AND/OR ARBITRATION AGREEMENT THAT MAY EXIST BETWEEN YOU AND FINANCIAL INSTITUTION. THIS AGREEMENT TO ARBITRATE DISPUTES WILL SURVIVE THE CLOSING OF YOUR ACCOUNT AND THE TERMINATION OF THIS MASTER AGREEMENT OR ANY PRODUCT SCHEDULE. ANY ARBITRATION TAKING PLACE UNDER THIS AGREEMENT SHALL BE CONDUCTED IN Inverness, Florida, OR SUCH OTHER LOCATION AGREED UPON IN WRITING BY THE PARTIES.

9.18. Governing Law.

These terms and conditions of this Master Agreement and any applicable Product Schedule shall be governed by and construed in accordance with the laws of the State of Florida, without regard to its conflict of law provisions and without regard to your state of residence.

9.19. Enforcement.

The prevailing party in any such action shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees (which may be or include the allocatable cost of in-house counsel)

and costs, including fees for any litigation, arbitration, mediation, appeal, or bankruptcy proceedings, and any post-judgment collection actions, if applicable.

9.20. Compliance with Laws, Rules, and Regulations.

You agree to comply with all existing and future instructions used by the Financial Institution for processing transactions. You further agree to comply with and be bound by all applicable state or federal laws, rules and regulations affecting the use of checks, drafts, fund transfers, and ACH transactions, including but not limited to, rules and procedural guidelines established by the Federal Trade Commission ("FTC"), the Board of Governors of the Federal Reserve, the National Automated Clearing House Association ("NACHA") and any other clearinghouse or other organization in which Financial Institution is a member or to which rules Financial Institution has agreed to be bound. These laws, procedures, rules, regulations, and definitions shall be incorporated herein by reference.

9.21. Miscellaneous Provisions.

9.21.1. Headings. The headings and captions contained in this Master Agreement and any applicable Product Schedule are included only for convenience of reference and do not define, limit, explain, or modify this Master Agreement and any applicable Product Schedule or its interpretation, construction, or meaning.

9.21.2. Severability. The holding of any provision of this Master Agreement and any applicable Product Schedule as invalid, illegal, or unenforceable, in whole or in part, shall not affect the other provisions of this Master Agreement and any applicable Product Schedule, which shall remain in full force and effect.

9.21.3. Waiver. No waiver by the Financial Institution (whether or not in writing) of any term, condition, or obligation of you under this Master Agreement and any applicable Product Schedule shall bind the Financial Institution to waive the same term, condition, or obligation again, nor shall any other provision, condition, term, or obligation hereof be affected by such a waiver.

9.21.4. Binding Effect. This Master Agreement and any applicable Product Schedule shall inure to the benefit of and be binding upon the successors, heirs, trustees, and permitted assigns of the parties hereto.

9.21.5. Entire Agreement. This Master Agreement and any applicable Product Schedule constitutes the entire agreement between the parties hereto concerning the subject matter hereof. All contemporaneous agreements or understandings concerning the subject matter hereof, whether oral or written, are merged into this Master Agreement.

9.21.6. Transfers and Assignments. You cannot transfer or assign any rights or obligations under this Master Agreement and any applicable Product Schedule without Financial Institution's written consent. The Financial Institution may assign its rights and delegate its duties under this Master Agreement and any applicable Product Schedule to a company affiliated with the Financial Institution or to any other party.

EXHIBIT A

Authorization for Online Banking and Treasury Services

I am an authorized representative of the organization specified below ("Company"). Company has received the Business Online Banking and Master Cash Management Agreement ("Master Agreement") and agrees to adhere to the Master Agreement and any applicable Product Schedules or User Guides from Brannen Bank ("Financial Institution"). Capitalized terms used in this Authorization Form, not otherwise defined, have the meanings given to them in the Master Agreement.

After I sign below on behalf of Company, the Company may from time to time request Financial Institution to provide any of the Services described in the Master Agreement. Company may begin to use any such Service once Financial Institution has approved such use and has received all required and properly executed forms and Company has successfully completed any testing or training requirements.

I warrant that Company has taken all action required by its organizational or constituent documents to authorize me to execute and deliver on behalf of Company this Authorization Form and any other documents Financial Institution may require with respect to a Service. I am authorized to enter into all transactions contemplated by the provision of Services to Company. These may include but are not limited to giving Financial Institution instructions with regard to Services and designating employees or agents to act in the name and on behalf of Company (Exhibit B is the Delegation of Authority form for authorized names of employees for all or specific Services).

Dated:

Company's Legal Name

Signature

Second Signature if required by Company

Print Name

Print Name

Print Title

Print Title

The following addresses may be used for giving notices in connection with this Master Agreement except as you or we provide the other different addresses to be used in conjunction with your accounts or particular Services.

Telephone:

Email:

Account Set-up Information*	
Account Number	Account Nickname

*Provide account(s) which should be added to Online Banking and its/their nickname, e.g. "Operating Account"

Financial Institution Representative:

Dated:

Print Title

Signature

Print Name

EXHIBIT B

Business Admin Authorization

Business Digital Banking Portal	
Business Admin Requests	

Business Name:	EIN:
Address:	
City / State / Zip:	
Phone:	Email:

Primary Administrator

☐ Change

First Name:	Last Name:
Phone:	Email:

☐ I understand that without a Secondary Administrator end user creation by a Primary Administrator will never require approval.

Secondary Administrator(s)

☐ Add ☐ Change ☐ Delete

First Name:	Last Name:
Phone:	Email:

☐ Add ☐ Change ☐ Delete

First Name:	Last Name:
Phone:	Email:

☐ Add ☐ Change ☐ Delete

First Name:	Last Name:
Phone:	Email:

Required Signature(s)

Primary Admin Signature:	Date:
Printed Name:	
Account Owner Signature:	Date:
Printed Name:	

Important Access Information

- Primary Admins can edit a Secondary Admin's access.
- Secondary Admins can manage other Secondary Admins' access and can only grant entitlements that they themselves have been granted.
- All new Users added by Primary and/or Secondary Admins must be approved by another Admin before receiving login credentials via email.
- All Users edited by Primary and/or Secondary Admins must be approved by another Admin before the User can login again.

**Additional Agreements
As Provided by Services Selected**

ACH ORIGATION AGREEMENT

By signing this ACH Origination Product Schedule ("Product Schedule") ("Customer") hereby requests Brannen Bank ("Financial Institution") to provide the Services described in this Product Schedule, and Customer accepts and agrees to all terms, conditions, and provisions of this Product Schedule and agrees that this Product Schedule sets forth the terms and conditions pursuant to which Financial Institution will provide to Customer the ACH Services outlined herein ("Services"). Customer further agrees that this Product Schedule is entered into as a Product Schedule under the Business Online Banking and Master Cash Management Agreement ("Master Agreement"). Financial Institution and Customer agree that by executing this Product Schedule, Customer acknowledges receipt of and agrees to the terms of the Master Agreement.

Customer wishes to initiate credit and/or debit Entries through the Financial Institution to accounts maintained at Financial Institution and in other depository financial institutions by means of the Automated Clearing House Network ("ACH") pursuant to the terms of this Product Schedule and the rules of the National Automated Clearing House Association ("NACHA") and Financial Institution's operating rules and procedures for electronic entries, including any exhibits or appendices thereto now in effect, or as may be amended from time to time, (the "Rules"), and Financial Institution is willing to act as an Originating Depository Financial Institution ("ODFI") with respect to such Entries. In the event of inconsistency between a provision of this Product Schedule, the Uniform Commercial Code ("UCC"), the Master Agreement, and/or the Depository Agreement, the provisions of this Product Schedule shall prevail. Terms not otherwise defined in this Product Schedule shall have the meaning ascribed to those terms in the Rules. The term "Entry" shall have the meaning provided in the Rules and shall also mean the data received from Customer hereunder from which Financial Institution initiates each Entry.

Therefore, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Financial Institution and Customer, intending to be legally bound, do hereby agree as follows:

AGREEMENT

1. COMPLIANCE WITH RULES AND LAWS. Customer acknowledges it has a copy or has access to a copy of the Rules. The Rules may also be purchased online at www.nacha.org under the publications tab. Customer agrees to comply with and be subject to the Rules of NACHA in existence at the date of this Product Schedule, and any amendments to these Rules made from time to time. It shall be the responsibility of the Customer that the origination of ACH transactions complies with U.S. law, including but is not limited to sanctions enforced by the Office of Foreign Assets Control ("OFAC"). It shall further be the responsibility of the Customer to obtain information regarding such OFAC enforced sanctions. (This information may be obtained directly from the OFAC Compliance Hotline at 800-540-OFAC or from the OFAC's home page site at www.ustreas.gov/ofac.) Customer agrees that the performance of any action by Financial Institution to debit or credit an account or transfer funds otherwise required by the Rules is excused from the performance of such action to the extent that the action is inconsistent with United States law, including the obligations of the Financial Institution under OFAC or any program administered by the United States Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN"). Customer agrees generally and warrants to Financial Institution that all actions by Customer contemplated by this Product Schedule, including the preparation, transmittal, and settlement of Entries and payment orders, shall comply in all material respects with United States laws, regulations, regulatory guidelines and guidance, and official commentaries, including without limitation all such regulations, guidelines, and commentaries issued by the Board of Governors of the Federal Reserve and the Federal Financial Institutions Examination Council ("FFIEC"). Financial Institution will charge the Customer with any fines or penalties imposed by OFAC, NACHA or any organization which are incurred as a result of non-compliance by the Customer and the Customer agrees to fully reimburse and/or indemnify Financial Institution for such charges or fines. The specific duties of the Customer provided in the following paragraphs of this Product Schedule in no way limit the foregoing undertaking. The duties of the Customer set forth in the following paragraphs of this Product Schedule in no way limit the requirement of complying with the Rules.

2. UNDERWRITING. Customer approval for use of this Service may be subject to underwriting criteria established by Financial Institution from time to time. If Financial Institution requires application of underwriting criteria to Customer approval for use of this Service, Financial Institution will communicate to Customer the nature and content of that criteria and the information Customer will be required to provide to Financial Institution.

Customer agrees to provide Financial Institution such financial, business and operating information as Financial Institution may reasonably request in connection with Financial Institution's underwriting and approval process. Financial Institution may require the personal guarantee of a principal or an owner of company. **Schedule I** should be executed if such a guarantee is required.

3. SECURITY INTEREST. To secure the payment and performance of Customer's obligations set forth herein, Customer grants to Financial Institution a security interest in and pledges and assigns to Financial Institution all of Customer's right, title, and interest in the following described property, whether now owned or hereafter existing or acquired and wherever located: (a) all monies, instruments, savings, checking and other accounts of Customer (excluding IRA, Keogh, trust accounts and other accounts subject to tax penalties if so assigned) that are now or in the future in Financial Institution's custody or control; (b) any other collateral described in any security instrument securing the obligations of Customer to Financial Institution under this Product Schedule or any other obligation of Customer to Financial Institution; and (c) all proceeds and products of the property as well as any replacements, accessions, substitutions, and additions to any of the above.

4. DESIGNATION OF ADMINISTRATOR. In order to originate ACH Entries, Customer must designate at least one Administrator. Administrator(s) shall be responsible for designating "Users" who Customer authorizes to issue Entries on its behalf. For the purposes of this Product Schedule, the term User shall also include the Administrator. The Financial Institution shall be entitled to rely on the designations made by the Customer's Administrator(s) and shall not be responsible for matching the names of the Customer Users designated by the Administrator(s) to names or titles listed in Customer's banking resolutions. Customer agrees that any such online Entries shall comply with Financial Institution's Security Procedures, which are subject to change without notice to Customer. Although Financial Institution is only required to act upon the instructions of the User(s), the Financial Institution may, in its sole discretion, execute debit or credit Entries initiated by any individuals authorized by Customer to sign checks on Customer accounts. The signature cards establishing the authorized signatories for Customer deposit accounts are hereby incorporated by reference and made a part hereof.

5. DUAL CONTROL. It is recommended that dual control be implemented when creating and sending ACH files. Dual control is when one person enters the information and other approves and sends the file. This is another layer of security that can provide protection against breaches at your location and a hacker potentially originating an ACH file from your computer.

6. TRANSMISSION OF ENTRIES BY CUSTOMER. User(s) shall initiate the debit or credit Entries in **Schedule A** hereunder on behalf of and selected by Customer. Financial Institution shall be entitled to deem any person having knowledge of any Security Procedure, defined below in Section 8 of this Product Schedule and required to initiate Entries under this Product Schedule, to be a User. User(s) shall transmit Entries to Financial Institution in computer readable form in compliance with the formatting and other requirements set forth in the NACHA file specifications or as otherwise specified by Financial Institution. Entries shall be transmitted to Financial Institution no later than the time and the number of days prior to the Effective Entry Date specified in the Processing Schedule attached hereto and made a part hereof as **Schedule B**. For the purposes of this Product Schedule, "Business Day" means Monday through Friday, excluding federal holidays and the "Settlement Date" with respect to any Entry shall be the Business Day when such Entry is debited or credited in accordance with the Rules. A federal holiday calendar is attached as **Schedule G**. Entries received after the cut off time shall be deemed to have been received on the next Business Day. The total dollar amount of Entries transmitted by Customer to Financial Institution on any one Business Day shall not exceed the lesser of the amount of collected funds in Customer's account or the ACH Processing Limit set forth in **Schedule D** to this Product Schedule. Customer may not reinitiate entries except as prescribed by the Rules.

"Entry Settlement Limit" means the maximum aggregate amount of In-Process Entries permitted to be outstanding at any time, which amount shall be separately communicated to Customer by Financial Institution in writing from time to time.

"In-Process Entries" means the aggregate dollar amount of all credit or debit Entries initiated by Customer and in process on any date for which settlement has not occurred with respect to credit Entries, or the applicable period for the return of items has not expired with respect to debit Entries.

"Overlimit Entry" means an Entry the amount of which would cause the aggregate amount of In-Process Entries to exceed the Entry Settlement Limit. Customer agrees that Financial Institution will not process an Overlimit Entry. Financial Institution will suspend any Overlimit Entry submitted by Customer and may, following its receipt of an Overlimit Entry; suspend all In-Process Entries. Customer acknowledges that any Overlimit Entry or other In-Process

Entries suspended by Financial Institution will not settle on their scheduled Settlement Date. If Customer wishes to initiate an Entry that would cause the amount of In-Process Entries to exceed the Entry Settlement Limit, Customer may submit to Financial Institution its request to initiate an Entry that otherwise would be an Overlimit Entry. Customer must submit its request at least 2 banking days prior to the date on which Customer wishes to initiate the Entry that otherwise would be an Overlimit Entry. Financial Institution may require from Customer financial or other information in connection with Financial Institution's consideration of the request. Financial Institution may grant or deny Customer's request at its sole discretion. In addition to the foregoing, Financial Institution generally reserves the right to limit the nature and amount of the preauthorized debit/credit Entries processed under this Product Schedule or to refuse to process any debit/credit Entries under this Product Schedule if, in Financial Institution's sole judgment (i) there is reasonable cause to believe that any Entry will be returned or will not settle in the ordinary course of the transaction for any reason, (ii) to do otherwise would violate any limit set by the applicable clearing house association or any governmental authority or agency to control payment system risk, or (iii) a preauthorized credit Entry or the return of a preauthorized debit Entry would create an overdraft of Customer's Accounts. If any of the foregoing actions are taken by Financial Institution with respect to a particular preauthorized debit/credit Entry, Financial Institution will notify Customer as promptly as practicable, but in no event later than 2 banking days after its decision. Customer may not reinitiate entries except as prescribed by the Rules.

7. THIRD-PARTY SERVICE PROVIDERS. Customer may be using special equipment, services or software provided by a third party to assist it in processing Files hereunder ("Service Provider"). Customer agrees not to use a Service Provider to transmit files to Financial Institution without first entering into Financial Institution's Third-Party Service Provider Agreement. If Customer uses Service Provider to transmit Files to Financial Institution and Customer and Service Provider have not entered into a Third-Party Service Provider Agreement, Customer (a) agrees that Service Provider is acting as Customer's agent in the delivery of Files to Financial Institution, and (b) agrees to assume full responsibility and liability for any failure of Service Provider to comply with the laws of the United States, the Rules and this Product Schedule. Financial Institution will not be liable for any losses or additional costs incurred by Customer as a result of any error by Service Provider or a malfunction of equipment provided by Service Provider. Customer is solely responsible for maintaining compliance with the requirements of Service Provider, including obtaining any software updates. Financial Institution's sole responsibility shall be to transmit Financial Institution approved transactions to the ACH Operator and Financial Institution shall not have any responsibility for any File handled by Service Provider until that point in time when Financial Institution accepts and approves a File from such Service Provider for processing. If Financial Institution authorizes Customer to use a Service Provider, the terms and conditions governing the relationship between Customer and the Service Provider shall be governed by a separate agreement between Customer and Service Provider ("Service Provider Agreement"). All of Customer's obligations and responsibilities under this Product Schedule will apply to the Service Provider, and Customer's separate agreement with the Service Provider must so provide. At Financial Institution's request, Customer will provide to Financial Institution a true and exact copy of such agreement. Customer shall designate the Service Provider as a User and the Service Provider must also enter into a Service Provider Agreement before the Service Provider sends Files to Financial Institution. Notwithstanding the foregoing, Customer hereby authorizes Financial Institution to accept any File submitted by the Service Provider even if the Service Provider has not been designated as a User or if the Third-Party Service Provider has not executed the Service Provider Agreement. Customer hereby indemnifies and holds Financial Institution harmless for any losses, damages, fines, assessments, costs and expenses incurred or suffered by Financial Institution or any other person as a result of or arising from Customer's use of Service Provider, including fines or assessments incurred under or pursuant to the Rules and attorneys' fees.

8. SECURITY PROCEDURES. In addition to, and without limiting the generality of, the Security Procedure provisions of the Master Agreement, the Customer shall comply with the "Security Procedures" described in **Schedule C** attached hereto and made a part hereof, and Customer acknowledges and agrees that the Security Procedures constitute commercially reasonable security procedures under applicable law for the initiation of ACH entries.

9. PHYSICAL AND ELECTRONIC SECURITY. In addition to, and without limiting the generality of, the Physical and Electronic Security provisions of the Master Agreement, Customer specifically acknowledges and agrees that as part of its obligation to provide for the security of data and systems in Customer's possession or under Customer's control, Customer shall comply with the provisions of Section 1.6 of the Rules, entitled "Security Requirements," for the safeguarding of Protected Information, as that term is defined in the Rules.

10. INTERNATIONAL ACH TRANSACTIONS ("IAT"). Customer shall not initiate any IAT Entries without Financial Institution's prior approval. If approved by Financial Institution, the following provisions apply to IAT Entries originated by Company:

(a) IAT Entries are transmitted by Financial Institution in U.S. dollars and converted to the local currency for receipt in the foreign country at the exchange rate determined by Financial Institution's processor on the date determined by Financial Institution's processor. All risk of fluctuation in the applicable exchange rate is borne by Customer and Customer agrees and acknowledges that Financial Institution shall not be liable to Customer for any loss or charge incurred by Customer as the result of the application of any foreign currency exchange criteria imposed by any institution or agency located outside the United States.

(b) In the event of a returned IAT Entry, consumer payments will be credited to Customer at the originated U.S. dollar amount; corporate payments will be credited to Customer at the exchange rate determined by Financial Institution's processor at the time of return.

(c) In the event of an error in an Entry or duplicate entries, Customer acknowledges and agrees that Customer shall be liable for any and all losses caused by and a direct or indirect result from the error or duplicate Entry.

(d) Customer shall originate all International ACH Transactions, as that term is defined in the Rules, with an IAT SEC code and Customer hereby agrees to abide by all of the Rules related to IAT Entries.

(e) Customer agrees that in the case of a non-Consumer Account, Customer shall enter into an agreement with the Receiver whereby the Receiver agrees to abide by the Rules in effect from time to time.

(f) Customer acknowledges that it has reviewed and understands the section of the Rules entitled (or otherwise dealing with) "Rules Exceptions for Outbound IAT Entries" and Customer understands and agrees that laws, regulations, and rules of the country in which the Receiver is located shall govern the matters listed within that subsection. Customer further acknowledges that Customer understands how such laws, regulations and rules differ from the Rules.

(g) Customer hereby indemnifies Financial Institution from and against any and all resulting claims, demands, losses, liabilities, or expenses, including attorneys' fees and costs, resulting directly or indirectly from Customer's origination of an IAT Entry.

(h) Customer agrees and acknowledges that any assistance by Financial Institution does not in any manner obligate Financial Institution for the accuracy or enforceability of the Entry in any country outside the United States.

(i) Customer bears the risk of any loss caused by any delay, tax, cost, tariff, fee, or other charge incurred on account of the Entry in any country outside the United States.

(j) If the settlement of any IAT Entry involves clearing of the Entry in more than one country outside the United States, Financial Institution shall be permitted to rely upon any advice or instruction received by Financial Institution from the financial institution or financial agency located in the first country outside the United States to which the Entry is directed.

(k) IAT Entries must be authorized as provided in the Rules. The form and content of the authorization, including whether such authorization may be oral, electronic, or written, shall be governed by the laws and payment system rules of the receiving country.

11. CREDIT AND DEBIT ENTRIES; RECORDS RETENTION. Customer shall obtain an authorization ("Authorization Agreement") as required by the Rules from the person or entity whose account will be debited or credited as the result of a debit or credit Entry initiated by Customer and Customer shall retain the Authorization Agreement in original form while it is in effect and the original or a copy of each authorization for three (3) years after termination or revocation of such authorization as stated in the Rules. Upon request, Customer shall furnish the original or a copy of the authorization to any affected Participating Depository Financial Institution, as defined in the Rules. Financial institution agrees to provide the identity of affected Participating Depository Financial Institutions to Customer upon written request by Customer. Customer shall be solely responsible for communicating with the Participating Depository Financial Institution to establish the method by which the Authorization Agreement will be provided and Customer agrees to provide the Authorization Agreement to the identified Participating Depository Financial Institution within the time frame identified in the Rules.

Customer shall ensure that all authorization requirements of the Rules for each SEC Code are satisfied and in compliance with the Rules.

12. RECORDING AND USE OF COMMUNICATIONS. Customer and Financial Institution agree that all telephone conversations or data transmissions between them or their agents made in connection with this Product Schedule may be electronically recorded and retained by either party by use of any reasonable means. Financial Institution shall not be obligated to make such recordings.

13. PROCESSING, TRANSMITTAL, AND SETTLEMENT BY FINANCIAL INSTITUTION. Except as otherwise provided for in this Product Schedule and if Financial Institution elects to accept Entries, Financial Institution shall:

(a) (i) use commercially reasonable efforts to comply with the instructions of Customer, (ii) process Entries received from Customer to conform with the file specifications set forth in the Rules, (iii) transmit such Entries as an ODFI to the "ACH" processor selected by Financial Institution, (iv) settle for such Entries as provided in the Rules, and (v) in the case of a credit Entry received for credit to an account with Financial Institution ("On-Us Entry"), Financial Institution shall credit the Receiver's account in the amount of such credit Entry on the Effective Entry Date contained in such credit Entry provided such credit Entry is received by Financial Institution at the time and in the form prescribed by Financial Institution in Section 5.

(b) transmit such Entries to the ACH processor by the deposit deadline of the ACH processor, provided: (i) such Entries are completely received by Financial Institution's cut-off time at the location specified by Financial Institution to Customer from time to time; (ii) the Effective Entry Date satisfies the criteria provided by Financial Institution to Customer; and (iii) the ACH processor is open for business on such Business Day. Customer agrees that the ACH processor selected by Financial Institution shall be considered to have been selected by and designated by Customer. The Customer will receive immediately available funds for any electronic debit entry initiated by it on the Settlement Date applicable thereto.

14. PAYMENT FOR CREDIT ENTRIES AND RETURNED DEBIT ENTRIES. Customer agrees to pay for all credit Entries issued by Customer, User(s), or credit Entries otherwise made effective against Customer. Customer shall make payment to Financial Institution on the date as determined by Financial Institution in its sole discretion, ("Payment Date"). Customer shall pay Financial Institution for the amount of each debit Entry returned by a Receiving Depository Financial Institution ("RDFI") or debit Entry dishonored by Financial Institution. Payment shall be made by Customer to Financial Institution in any manner specified by Financial Institution. Notwithstanding the foregoing, Financial Institution is hereby authorized to charge the account(s) ("Authorized Account(s)") designated in **Schedule E**, as payment for all payments due Financial Institution under this Agreement. Customer shall maintain sufficient collected funds in the Authorized Account(s) to pay for all payments due Financial Institution under this Agreement on the Payment Date. In the event the Authorized Account or any other Customer bank account does not have collected funds sufficient on the Payment Date to cover the total amount of all Entries to be paid on such Payment Date, Financial Institution may take any of the following actions:

(a) Refuse to process all Entries, in which event Financial Institution shall return the data relating to such credit Entries to Customer, whereupon Financial Institution shall have no liability to Customer or to any third party as a result thereof; or

(b) Process that portion of the credit Entries as Customer has sufficient available funds in the Authorized Account to cover, in whatever order Financial Institution in its sole discretion shall elect to process, in which event Financial Institution shall return the data relating to such credit Entries as are not processed to Customer, whereupon Financial Institution shall have no liability to Customer or any third party as a result thereof; or

(c) Process all credit Entries. In the event Financial Institution elects to process credit Entries initiated by Customer and Customer has not maintained sufficient available funds in the Authorized Account with Financial Institution to cover them, the total amount of the insufficiency advanced by Financial Institution on behalf of Customer shall be immediately due and payable by Customer to Financial Institution without any further demand from Financial Institution. If Financial Institution elects to pay Customer's account in the overdraft on any one or more occasions, it shall not be considered a waiver of Financial Institution's rights to refuse to do so at any other time nor shall it be an agreement by Financial Institution to pay other items in the overdraft.

15. PRE-FUNDING. Financial Institution reserves the right to require Customer to pre-fund an Account maintained at Financial Institution prior to the Settlement Date of the ACH file. Financial Institution shall determine whether pre-funding is required based on criteria established from time to time by Financial Institution. Financial Institution will communicate directly to Customer if pre-funding is required and, if requested by Customer, will

provide Customer with an explanation of its pre-funding criteria. If it is determined that pre-funding is required, Customer will provide immediately available and collected funds sufficient to pay all Entries initiated by Customer (a) not later than 10:00 a.m. local time 3 banking days before each Settlement Date, and (b) prior to initiating any Entries for which pre-funding is required.

16. ON-US ENTRIES. Except as provided in Section 17, Rejection of Entries, or in the case of an Entry received for credit to an account maintained with Financial Institution (an "On-Us Entry"), the Financial Institution shall credit the Receiver's account in the amount of such Entry on the Effective Entry Date contained in such Entry, provided the requirements set forth in Section 12 (b) (i), (ii), and (iii) are met. If any of those requirements are not met, the Financial Institution shall use reasonable efforts to credit the Receiver's account in the amount of such Entry no later than the next Business Day following such Effective Entry Date.

17. RESERVES. From time to time, Financial Institution shall evaluate Customer's transaction activity for the purpose of establishing averages for transaction frequency, amount, returns and adjustments. These evaluations will occur at least annually and may occur more frequently at Financial Institution's discretion. In connection with these evaluations, Financial Institution reserves the right to require Customer to establish reserves with Financial Institution calculated by Financial Institution to cover Customer's obligations to Financial Institution arising from ACH activities under this Product Schedule. Reserves may be expressed as a fixed dollar amount or as a "rolling reserve" calculated based on "rolling" averages determined by Financial Institution's periodic evaluations. The amount of reserves required by Financial Institution, if any, will be communicated directly to Customer from time to time. Customer agrees to establish reserves as required by Financial Institution within X banking days after receipt of a communication from Financial Institution setting forth the amount of required reserves and the basis of calculation used to determine the amount of reserves. Financial Institution may suspend ACH processing activity for Customer if Customer fails to establish the required amount of reserves within the time period specified by Financial Institution in its communication to Customer.

18. REJECTION OF ENTRIES. Customer agrees that Financial Institution has no obligation to accept Entries and therefore may reject any Entry issued by Customer. Financial Institution has no obligation to notify Customer of the rejection of an Entry but Financial Institution may do so at its option. Financial Institution shall have no liability to Customer for rejection of an Entry and shall not be liable to pay interest to Customer even if the amount of Customer's payment order is fully covered by a withdrawable credit balance in an Authorized Account of Customer or the Financial Institution has otherwise received full payment from Customer.

19. CANCELLATION OR AMENDMENT BY CUSTOMER. Customer shall have no right to cancel or amend any Entry after its receipt by Financial Institution. However, Financial Institution may, at its option, accept a cancellation or amendment by Customer. If Financial Institution accepts a cancellation or amendment of an Entry, Customer must comply with the Security Procedures provided in Section 6 of this Product Schedule. If such a request is received by the Financial Institution before the affected Entry has been transmitted to the ACH (or, in the case of an On-Us Entry, before the Receiver's account has been credited or debited), the Financial Institution will use reasonable efforts to cancel or amend the Entry as requested, but the Financial Institution shall have no liability if the cancellation or amendment is not effected. If Financial Institution accepts a cancellation or amendment of an Entry, Customer hereby agrees to indemnify, defend all claims and hold Financial Institution harmless from any loss, damages, or expenses, including but not limited to attorney's fees, incurred by Financial Institution as the result of its acceptance of the cancellation or amendment.

20. REVERSALS OF ENTRIES.

(a) **General Procedure.** Upon proper and timely request by the Customer, the Financial Institution will use reasonable efforts to affect a reversal of an Entry or File to the extent reversal is expressly permitted by the Rules. To be "proper and timely," the request must (i) be made within five (5) Business Days of the Effective Entry Date for the Entry or File to be reversed; (ii) be made immediately, not to exceed ten (10) hours, upon discovery of the error; (iii) be accompanied by a Reversal/Cancellation Request form, and (iv) the basis for such reversal must be expressly permitted by the Rules and otherwise in compliance with the Rules. In addition, if the Customer requests reversal of a Debit Entry or Debit File, it shall concurrently deposit into the Customer Account an amount equal to that Entry or File. The Customer shall notify the Receiver of any reversing Entry initiated to correct any Entry it has initiated in error. The notification to the Receiver must include the reason for the reversal and be made no later than the Settlement Date of the reversing Entry.

(b) **No Liability: Reimbursement to the Financial Institution.** Under no circumstances shall the Financial Institution be liable for interest or related losses if the requested reversal of an Entry is not effected. The Customer shall

reimburse the Financial Institution for any expenses, losses or damages it incurs in effecting or attempting to affect the Customer's request for reversal of an Entry.

21. ERROR DETECTION. Financial Institution has no obligation to discover and shall not be liable to Customer for errors made by Customer, including but not limited to errors made in identifying the Receiver, or an Intermediary or RDFI or for errors in the amount of an Entry or for errors in Settlement Dates. Financial Institution shall likewise have no duty to discover and shall not be liable for duplicate Entries issued by Customer. Notwithstanding the foregoing, if the Customer discovers that any Entry it has initiated was in error, it shall notify the Financial Institution of such error. If such notice is received no later than four (4) hours prior to the ACH processing deadline, the Financial Institution will utilize reasonable efforts to initiate an adjusting Entry or stop payment of any On-Us credit Entry within the time limits provided by the Rules. In the event that Customer makes an error or issues a duplicate Entry, Customer shall indemnify, defend all claims, and hold Financial Institution harmless from any loss, damages, or expenses, including but not limited to attorney's fees, incurred by Financial Institution as result of the error or issuance of duplicate Entries.

22. PROHIBITED TRANSACTIONS. Customer agrees not to use or attempt to use the Services (a) to engage in any illegal purpose or activity or to violate any applicable law, rule or regulation, (b) to breach any contract or agreement by which Customer is bound, (c) to engage in any internet or online gambling transaction, whether or not gambling is legal in any applicable jurisdiction, or (d) to engage in any transaction or activity that is not specifically authorized and permitted by this Agreement. Customer acknowledges and agrees that Financial Institution has no obligation to monitor Customer's use of the Services for transactions and activity that is impermissible or prohibited under the terms of this Agreement; provided, however, that Financial Institution reserves the right to decline to execute any transaction or activity that Financial Institution believes violates the terms of this Agreement.

23. PRENOTIFICATION. Customer, at its option, may send prenotification that it intends to initiate an Entry or Entries to a particular account within the time limits prescribed for such notice in the Rules. Such notice shall be provided to the Financial Institution in the format and on the medium provided in the media format section of such Rules. If Customer receives notice that such prenotification has been rejected by an RDFI within the prescribed period, or that an RDFI will not receive Entries without having first received a copy of the Authorization signed by its customer, Customer will not initiate any corresponding Entries to such accounts until the cause for rejection has been corrected or until providing the RDFI with such authorization within the time limits provided by the Rules.

24. NOTICE OF RETURNED ENTRIES AND NOTIFICATIONS OF CHANGE. Financial Institution shall notify Customer by e-mail, facsimile transmission, US mail, or other means of the receipt of a returned Entry from the ACH Operator. Except for an Entry retransmitted by Customer in accordance with the requirements of Section 5, Financial Institution shall have no obligation to retransmit a returned Entry to the ACH Operator if Financial Institution complied with the terms of this Product Schedule with respect to the original Entry. Customer shall notify the Receiver by phone or electronic transmission of receipt of each return Entry no later than one Business Day after the Business Day of receiving such notification from Financial Institution. Financial Institution shall provide Customer all information, as required by the Rules, with respect to each Notification of Change ("NOC") Entry or Corrected Notification of Change ("Corrected NOC") Entry received by Financial Institution relating to Entries transmitted by Customer. Financial Institution must provide such information to Customer within two (2) banking days of the Settlement Date of each NOC or Corrected NOC Entry. Customer shall ensure that changes requested by the NOC or Corrected NOC are made within six (6) banking days of Customer's receipt of the NOC information from Financial Institution or prior to initiating another Entry to the Receiver's account, whichever is later.

25. ACCOUNT RECONCILIATION. The Customer agrees to notify the Financial Institution promptly of any discrepancy between the Customer's records and the information shown on any periodic statement. If the Customer fails to notify the Financial Institution within ten (10) calendar days of receipt of a periodic statement containing such information; the Customer agrees that the Financial Institution shall not be liable for any other losses resulting from the Customer's failure to give such notice or any loss of interest or any interest equivalent with respect to any Entry shown on such periodic statement. If the Customer fails to notify the Financial Institution within thirty (30) calendar days of receipt of such periodic statement, the Customer shall be precluded from asserting any discrepancy against the Financial Institution.

26. PROVISIONAL SETTLEMENT. Customer shall be bound by and comply with the Rules as in effect from time to time, including without limitation the provision thereof making payment of an Entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such Entry; and Customer acknowledges that it has received notice of that Rule and or the fact that, if such settlement is not received, the RDFI shall be entitled to a

refund from the Receiver of the amount credited and Customer shall not be deemed to have paid the Receiver the amount of the Entry.

27. CUSTOMER REPRESENTATIONS AND WARRANTIES; INDEMNITY. With respect to each and every Entry transmitted by Customer, Customer represents and warrants to Financial Institution and agrees that (a) each person or entity shown as the Receiver on an Entry received by Financial Institution from Customer has authorized the initiation of such Entry and the crediting or debiting of its account in the amount and on the Effective Entry Date shown on such Entry, (b) such authorization is operative at the time of transmittal or crediting or debiting by Financial Institution as provided herein, (c) Entries transmitted to Financial Institution by Customer are limited to those types of credit and debit Entries set forth in **Schedule A**, (d) Customer shall perform its obligations under this Product Schedule in accordance with all applicable laws, regulations, and orders, including, but not limited to, the sanctions laws, regulations, and orders administered by OFAC; laws, regulations, and orders administered FinCEN; and any state laws, regulations, or orders applicable to the providers of ACH payment services, (e) Customer shall be bound by and comply with the provision of the *Rules* (among other provisions of the *Rules*) making payment of an Entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such Entry; and (f) Customer shall ensure that any and all non-public personal information provided by Customer to Financial Institution shall be secure and will not be disclosed to any unauthorized person. Customer specifically acknowledges that it has received notice of the rule regarding provisional payment and of the fact that, if such settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited and Customer shall not be deemed to have paid the Receiver the amount of the Entry. The Customer shall defend, indemnify, and hold harmless the Financial Institution, and its officers, directors, agents, and employees, from and against any and all actions, costs, claims, losses, damages, or expenses, including attorney's fees and expenses, resulting from or arising out of (aa) any breach of any of the agreements, representations or warranties of the Customer contained in this Product Schedule; or (bb) any act or omission of the Customer or any other person acting on the Customer's behalf.

28. ADDITIONAL CUSTOMER WARRANTIES FOR SELECTED STANDARD ENTRY CLASSES. NACHA, in its role of ensuring the safety, security, and viability of the ACH network, has determined that certain single-use or limited-use consumer authorizations have the potential to increase risk in the ACH system and compromise system effectiveness by increasing the incidence of returned Entries. Therefore, to qualify as an Originator of such Entries, Customer hereby warrants to Financial Institution that for each such ACH Entry submitted for processing, Customer has obtained all authorizations from the Receiver as required by the Rules, by Regulation E or other applicable law, and this Product Schedule. Customer also makes the additional warranties to Bank that Bank makes to each RDFI and ACH Operator under the Rules for the respective SEC codes for Entries originated by Customer. Customer hereby indemnifies and holds Financial Institution harmless from any liability arising out of Customer's breach of these warranties.

29. FINANCIAL INFORMATION AND AUDIT. Financial Institution may from time to time request information from Customer in order to evaluate a continuation of the Service to be provided by Financial Institution hereunder and/or adjustment of any limits set by this Product Schedule. Customer agrees to provide the requested financial information immediately upon request by Financial Institution, in the form required by Financial Institution. Customer authorizes Financial Institution to investigate or reinvestigate at any time any information provided by Customer in connection with this Product Schedule or the Service. Upon request by Financial Institution, Customer hereby authorizes Financial Institution to enter Customer's business premises for the purpose of ensuring that Customer is in compliance with this Product Schedule and Customer specifically authorizes Financial Institution to perform an audit of Customer's operational controls, risk management practices, staffing and the need for training and ongoing support, and information technology infrastructure. Customer hereby acknowledges and agrees that Financial Institution shall have the right to mandate specific internal controls at Customer's location(s) and Customer shall comply with any such mandate. In addition, Customer hereby agrees to allow Financial Institution to review available reports of independent audits performed at the Customer location related to information technology, the Service and any associated operational processes. Customer agrees that if requested by Financial Institution, Customer will complete a self-assessment of Customer's operations, management, staff, systems, internal controls, training and risk management practices that would otherwise be reviewed by Financial Institution in an audit of Customer. If Customer refuses to provide the requested financial information, or if Financial Institution concludes, in its sole discretion, that the risk of Customer is unacceptable, if Customer violates this Product Schedule or the Rules, or if Customer refuses to give Financial Institution access to Customer's premises, Financial Institution may terminate the Service and this Product Schedule according to the provisions hereof.

30. LIMITATION OF LIABILITY.

(a) IN THE PERFORMANCE OF THE SERVICES REQUIRED BY THIS AGREEMENT, FINANCIAL INSTITUTION SHALL BE ENTITLED TO RELY SOLELY ON THE INFORMATION, REPRESENTATIONS, AND WARRANTIES PROVIDED BY CUSTOMER PURSUANT TO THIS AGREEMENT, AND SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS THEREOF. FINANCIAL INSTITUTION SHALL BE RESPONSIBLE ONLY FOR PERFORMING THE SERVICES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, AND SHALL BE LIABLE ONLY FOR ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT IN PERFORMING THOSE SERVICES. FINANCIAL INSTITUTION SHALL NOT BE RESPONSIBLE FOR CUSTOMER'S ACTS OR OMISSIONS (INCLUDING, WITHOUT LIMITATION, THE AMOUNT, ACCURACY, TIMELINESS OF TRANSMITTAL OR AUTHORIZATION OF ANY ENTRY RECEIVED FROM CUSTOMER) OR THOSE OF ANY OTHER PERSON, INCLUDING, WITHOUT LIMITATION, ANY FEDERAL RESERVE BANK, ACH OPERATOR OR TRANSMISSION OR COMMUNICATIONS FACILITY, ANY RECEIVER OR RDFI (INCLUDING, WITHOUT LIMITATION, THE RETURN OF ANY ENTRY BY SUCH RECEIVER OR RDFI), AND NO SUCH PERSON SHALL BE DEEMED FINANCIAL INSTITUTION'S AGENT. CUSTOMER AGREES TO INDEMNIFY FINANCIAL INSTITUTION AGAINST ANY LOSS, LIABILITY OR EXPENSE (INCLUDING ATTORNEYS' FEES AND COSTS) RESULTING FROM OR ARISING OUT OF ANY CLAIM OF ANY PERSON THAT THE FINANCIAL INSTITUTION IS RESPONSIBLE FOR ANY ACT OR OMISSION OF CUSTOMER OR ANY OTHER PERSON DESCRIBED IN THIS SECTION 29(a).

(b) FINANCIAL INSTITUTION SHALL BE LIABLE FOR CUSTOMER'S ACTUAL DAMAGES DUE TO CLAIMS ARISING SOLELY FROM FINANCIAL INSTITUTION'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; IN NO EVENT SHALL FINANCIAL INSTITUTION BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE OR INDIRECT LOSS OR DAMAGE WHICH CUSTOMER MAY INCUR OR SUFFER IN CONNECTION WITH THIS AGREEMENT, WHETHER OR NOT THE LIKELIHOOD OF SUCH DAMAGES WAS KNOWN OR CONTEMPLATED BY THE FINANCIAL INSTITUTION AND REGARDLESS OF THE LEGAL OR EQUITABLE THEORY OF LIABILITY WHICH CUSTOMER MAY ASSERT, INCLUDING, WITHOUT LIMITATION, LOSS OR DAMAGE FROM SUBSEQUENT WRONGFUL DISHONOR RESULTING FROM FINANCIAL INSTITUTION'S ACTS OR OMISSIONS PURSUANT TO THIS AGREEMENT.

(c) WITHOUT LIMITING THE GENERALITY OF THE FOREGOING PROVISIONS, FINANCIAL INSTITUTION SHALL BE EXCUSED FROM FAILING TO ACT OR DELAY IN ACTING IF SUCH FAILURE OR DELAY IS CAUSED BY LEGAL CONSTRAINT, INTERRUPTION OF TRANSMISSION OR COMMUNICATION FACILITIES, EQUIPMENT FAILURE, WAR, EMERGENCY CONDITIONS OR OTHER CIRCUMSTANCES BEYOND FINANCIAL INSTITUTION'S CONTROL. IN ADDITION, FINANCIAL INSTITUTION SHALL BE EXCUSED FROM FAILING TO TRANSMIT OR DELAY IN TRANSMITTING AN ENTRY IF SUCH TRANSMITTAL WOULD RESULT IN FINANCIAL INSTITUTION'S HAVING EXCEEDED ANY LIMITATION UPON ITS INTRA-DAY NET FUNDS POSITION ESTABLISHED PURSUANT TO PRESENT OR FUTURE FEDERAL RESERVE GUIDELINES OR IN FINANCIAL INSTITUTION'S REASONABLE JUDGMENT OTHERWISE WOULD VIOLATE ANY PROVISION OF ANY PRESENT OR FUTURE RISK CONTROL PROGRAM OF THE FEDERAL RESERVE OR ANY RULE OR REGULATION OF ANY OTHER U.S. GOVERNMENTAL REGULATORY AUTHORITY.

(d) SUBJECT TO THE FOREGOING LIMITATIONS, FINANCIAL INSTITUTION'S LIABILITY FOR LOSS OF INTEREST RESULTING FROM ITS ERROR OR DELAY SHALL BE CALCULATED BY USING A RATE EQUAL TO THE AVERAGE FEDERAL FUNDS RATE AT THE FEDERAL RESERVE BANK OF NEW YORK FOR THE PERIOD INVOLVED. AT FINANCIAL INSTITUTION'S OPTION, PAYMENT OF SUCH INTEREST MAY BE MADE BY CREDITING THE ACCOUNT.

31. INCONSISTENCY OF NAME AND ACCOUNT NUMBER. The Customer acknowledges and agrees that, if an Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted by the Financial Institution to the RDFI may be made by the RDFI (or by the Financial Institution in the case of an On-Us Entry) on the basis of the account number supplied by the Customer, even if it identifies a person different from the named Receiver, and that the Customer's obligation to pay the amount of the Entry to the Financial Institution is not excused in such circumstances. Customer is liable for and must settle with Financial Institution for any Entry initiated by Customer that identifies the Receiver by account or identifying number or by name and account or identifying number.

32. PAYMENT FOR SERVICES. The Customer shall pay the Financial Institution the charges for the services provided in connection with this Product Schedule, as set forth in **Schedule F**. All fees and services are subject to change upon thirty (30) days prior written notice from the Financial Institution. Such charges do not include, and the Customer shall be responsible for payment of, any sales, use, excise, value added, utility or other similar taxes relating to such services, and any fees or charges provided for in the Depository Agreement between the Financial Institution and the Customer with respect to the Account.

33. AMENDMENTS. Except as provided in Section 31, the Financial Institution may amend this Product Schedule from time to time upon written notice to the Customer. In the event that performance of services under

this Product Schedule would result in a violation of any present or future statute, regulation or governmental policy to which the Financial Institution is subject, then this Product Schedule shall be amended to the extent necessary to comply with such statute, regulation or policy. Alternatively, the Financial Institution may terminate this Product Schedule if it deems such action necessary or appropriate under the circumstances. The Financial Institution shall have no liability to the Customer as a result of any such violation, amendment or termination. Any practices or course of dealings between the Financial Institution and the Customer, or any procedures or operational alterations used by them, shall not constitute a modification of this Product Schedule or the Rules, nor shall they be construed as an amendment to this Product Schedule or the Rules.

34. NOTICES, INSTRUCTIONS, ETC.

(a) Except as stated herein, the Financial Institution shall not be required to act upon any notice or instruction received from the Customer or any other person, or to provide any notice or advice to the Customer or any other person with respect to any matter.

(b) The Financial Institution shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by an authorized representative of Customer, and any such communication shall be deemed to have been signed by such person. Such notice shall be effective on the second Business Day following the day received by the Financial Institution.

(c) Except as stated herein, any written notice or other written communication required or permitted to be given under this Product Schedule shall be delivered or sent by US mail, if to Customer, at the address of Customer on the books of Financial Institution and if to Financial Institution, at the following address:

**Brannen Bank
Attention: Deposit Operations
Post Office Box 1929
Inverness, Florida 34451-1929**

unless another address is substituted by notice delivered or sent as provided herein. Except as otherwise stated herein, any such notice shall be deemed given when received.

35. DATA RETENTION AND PROTECTION. The Customer shall retain data on file adequate to permit the remaking of Entries for five (5) Business Days following the date of their transmittal by the Financial Institution as provided herein, and shall provide such Data to the Financial Institution upon its request. Customer acknowledges and agrees to comply with any and all Data Security Requirements contained in the Rules, including without limitation any requirements of ACH Originators, Third-Party Service Providers and Third-Party Senders to protect account numbers used in the initiation of ACH Entries and Files by rendering them unreadable when stored electronically.

36. DATA MEDIA AND RECORDS. All magnetic tapes, Entries, security procedures and related records used by the Financial Institution for transactions contemplated by this Product Schedule shall be and remain the Financial Institution's property. The Financial Institution may, at its sole discretion, make available such information upon the Customer's request. Any expenses incurred by the Financial Institution in making such information available to the Customer shall be paid by the Customer.

37. COOPERATION IN LOSS RECOVERY EFFORTS. In the event of any damages for which Financial Institution or Customer may be liable to each other or to a third party pursuant to the services provided under this Product Schedule, Financial Institution and Customer will undertake reasonable efforts to cooperate with each other, as permitted by applicable law, in performing loss recovery efforts and in connection with any actions that the relevant party may be obligated to defend or elects to pursue against a third party.

38. TERMINATION. In addition to, and without limiting the generality of, the Termination provisions of the Master Agreement, Financial Institution may terminate this Product Schedule immediately upon its determination that Customer is in violation of this Product Schedule, the ACH Rules or applicable laws or if Customer initiates any bankruptcy proceeding or is otherwise declared insolvent. Any termination of this Product Schedule shall not affect any of Financial Institution's rights or Customer's obligations with respect to any Entries initiated by Customer prior to such termination, or the payment obligations of Customer with respect to services performed by Financial Institution prior to termination, or any other obligations that survive termination of this Product Schedule. Customer's obligation with respect to any Entry shall survive termination of this Product Schedule until any applicable statute of limitation has elapsed.

39. ENTIRE AGREEMENT. This Product Schedule (including the Schedules attached) together with the Depository Agreement and the Master Agreement, is the complete and exclusive statement of the agreement between the Financial Institution and the Customer with respect to the subject matter hereof and supersedes any prior agreement(s) between the Financial Institution with respect to such subject matter. In the event of any inconsistency between the terms of this Product Schedule, the Depository Agreement or the Master Agreement, the terms of this Product Schedule shall govern. In the event performance of the services provided herein in accordance with the terms of this Product Schedule would result in a violation of any present or future statute, regulation or government policy to which the Financial Institution is subject, and which governs or affects the transactions contemplated by this Product Schedule, then this Product Schedule shall be deemed amended to the extent necessary to comply with such statute, regulation or policy, and the Financial Institution shall incur no liability to the Customer as a result of such violation or amendment. No course of dealing between the Financial Institution and the Customer will constitute a modification of this Product Schedule, the Rules, or the security procedures, or constitute an agreement between the Financial Institution and the Customer regardless of whatever practices and procedures the Financial Institution and the Customer may use.

40. NON-ASSIGNMENT. The Customer may not assign this Agreement or any of the rights or duties hereunder to any person without the Financial Institution's prior written consent.

41. WAIVER. The Financial Institution may waive enforcement of any provision of this Agreement. Any such waiver shall not affect the Financial Institution's rights with respect to any other transaction or modify the terms of this Agreement.

42. BINDING AGREEMENT; BENEFIT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns. This Agreement is not for the benefit of any other person, and no other person shall have any right against the Financial Institution or the Customer hereunder.

43. HEADINGS. Headings are used for reference purposes only and shall not be deemed part of this Agreement.

44. SEVERABILITY. In the event that any provision of this Agreement shall be determined to be invalid, illegal, or unenforceable to any extent, the remainder of this Agreement shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

45. GOVERNING LAW. This Agreement shall be construed in accordance with and governed by the laws of the **State of Florida**, without reference to its conflict of laws provisions, and applicable federal law.

46. SAME DAY ENTRIES. If Same Day ACH is offered by Financial Institution, a credit or debit Entry with an Effective Entry Date of the date of or a date prior to the date of the transmission of the Entry or File to Bank and received by Bank prior to the applicable cut-off time set forth in Schedule B shall be considered a Same Day Entry. Entries in excess of the amount permitted in the Rules and IAT Entries are not eligible for Same Day ACH processing.. In addition to any other fees that Customer is obligated to pay Bank, Customer hereby agrees to pay Bank the Same Day Entry fee established by Bank from time to time for Same Day Entries transmitted to Bank by Customer.

This Product Schedule must be signed on behalf of Customer by an Authorized Customer Representative.

IN WITNESS WHEREOF, the parties hereto have executed this Product Schedule through their duly authorized officers on the dates indicated below.

CUSTOMER:

FINANCIAL INSTITUTION:

Brannen Bank

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Schedule A

CUSTOMER SELECTED STANDARD ENTRY CLASS CODE

As used in the Product Schedule, the following* are ACH Standard Entry Class Codes (SEC) approved for use by Customer (check all that apply), subject to any specific restrictions on the types of ACH transactions that may be originated, which are identified by Financial Institution below:

- X** **CCD – Corporate Credit or Debit** – Either a credit or debit where funds are either distributed or consolidated between corporate entities. May have one addenda record attached (CCD+)
- X** **PPD – Prearranged Payment and Deposit**
 - **Direct Deposit** - The transfer of funds into a consumer's account. Funds being deposited can represent a variety of products, such as payroll, interest, pension, dividends, etc.
 - **Direct Payment** - Preauthorized payment is a debit application. This includes recurring bills that do not vary in amount -- insurance premiums, mortgage payments, charitable contributions, and installment loan payments or standing authorizations where the amount does vary, such as utility payments.

*The above SEC Codes are the most commonly-used and not an all-inclusive list.

Financial Institution has identified the following ACH transaction restrictions:

Brannen Bank will only allow the origination of CCD and PPD transactions.

Schedule B

Processing Schedule

Delivery of ACH Files:

- Internet transmissions
The Customer may electronically transmit files to the Financial Institution via Brannen Bank's Business Digital Banking Portal.
- Format and content of entries
All files must be submitted in NACHA format. The Customer should refer to Appendix Two in the NACHA Rulebook for specific formatting details.
- Timing of delivery
Processing Deadline for:

Credit Entries

Transmission of a File – until **3:00 p.m. Eastern** Time (Standard or Daylight) two (2) business days prior to Effective Entry Date¹

Debit Entries

Transmission of a File – until **3:00 p.m. Eastern** Time (Standard or Daylight) one (1) business day prior to Effective Entry Date¹

- **Same Day ACH Credit Entries Only**

Transmission of a File - until **9:00 a.m. Eastern** Time (Standard or Daylight) on or after the Effective Entry Date.

Transmission of a File- until **9:00 a.m. Eastern** Time (Standard or Daylight) on or after the Effective Entry Date. .

Transmission of a File- until **9:00 a.m. Eastern** Time (Standard or Daylight) on or after the Effective Entry Date. ²

- **Same Day ACH Debit Entries**

Transmission of a File - until **9:00 a.m. Eastern** Time (Standard or Daylight) on or after the Effective Entry Date. .

Transmission of a File- until **2:00 p.m. Eastern** Time (Standard or Daylight) on or after the Effective Entry Date.

Transmission of a File- until **2:00 p.m. Eastern** Time (Standard or Daylight) on or after the Effective Entry Date. ³

¹ "Effective Entry Date" must be a Business Day or the file will be processed on the first business day following the effective date.

² Effective March 19, 2021, the Rules will add a third window for Same Day processing.

³ Brannen Bank does not process for the late window.

Schedule C Security Procedures

Customer is responsible to strictly establish and to maintain procedures to safeguard against unauthorized transactions. Customer warrants that no individual will be allowed to initiate transfers in the absence of proper supervision and safeguards, and agrees to take reasonable steps to maintain the confidentiality of the security procedures and any passwords, codes, security devices, and related instructions provided by Financial Institution. If Customer believes or suspects that any such information has been accessed by an unauthorized individual, Customer will verbally notify Financial Institution immediately, followed by written confirmation. The occurrence of such notification will not affect any transfers made in good faith by Financial Institution prior to the notification and within a reasonable time period to prevent unauthorized transfers.

Data Security:

Limiting access and securely storing ACH data used in the routing and settlement of ACH transactions is a critical data security precaution. Customer's ability to limit access to production data can be done through commercially available software products. Access can be limited to specific programs, user IDs, or read-only or read-and-edit-only access functionality. Files can also be transmitted between ACH participants using the following data protection methods: encryption and authentication.

- **Encryption** is a process of scrambling data content through hardware or software in order to protect the confidentiality of a file's contents. This information should remain encrypted between all parties in the ACH Network using commercially reasonable procedures and must be transmitted using security technology as provided in the Rules (minimum standards).
- **Authentication** is a process of ensuring that files and data content have not been altered between the Originator and receiving points. Like encryption, this can be done using hardware or software to ensure data integrity.

Customer acknowledges and agrees to comply with any and all Data Security Requirements contained in the Rules, including without limitation any requirements of ACH Originators, Third-Party Service Providers and Third-Party Senders to protect account numbers used in the initiation of ACH Entries and Files by rendering them unreadable when stored electronically.

Customer understands and agrees that the authenticity of any ACH File or Entry transmitted to the Financial Institution will be verified pursuant to the following security procedures:

Security Procedure:

No.	Description
1.	Number of items included in the file.
2.	Total Dollar amount of the file.
3.	Communication with approved parties per this agreement.
4.	Adherence to the limits provided within this agreement.
5.	E-mail Verification – communicated reciprocally between the customer and the bank.
6.	Effective Date of the file.

CUSTOMER

BY: _____

(Signature)

Typed or Printed

Name:

Title: _

Date: _ , 20

Schedule D

ACH Processing Limits

Keyed ☐

Pass-Through ☐

ACH Disbursements

Daily ACH Disbursement Limit	\$
Monthly ACH Disbursement Limit	\$_____
ACH Disbursement Approval Threshold	\$_____

ACH Collections

Daily ACH Collection Limit	\$
Monthly ACH Collection Limit	\$_____
ACH Collection Approval Threshold	\$_____

ACH File Pass-Through

Daily ACH Collection Limit	\$
Monthly ACH Collection Limit	\$_____
ACH Collection Approval Threshold	\$_____

Schedule F
SERVICE FEES

Fee Schedule: Customer authorizes Financial Institution to debit any of the following fees from Customer's Account from time to time as appropriate:

To Be Determined by Treasury Management Plan Selection

Schedule G
Holiday Schedule

Holiday Calendar

The Financial Institution will be closed on the following standard holidays observed by the Federal Reserve Bank. The Financial Institution will not accept files for processing on the following days, as well as all Saturdays and Sundays. Likewise, entries should not be effective dated for these days.

New Year's Day (January 1)
Martin Luther King's Birthday (Third Monday in January)
Presidents Day (Third Monday in February)
Memorial Day (Last Monday in May)
Juneteenth (Third Monday in June)
Independence Day (July 4)
Labor Day (First Monday in September)
Columbus Day (Second Monday in October)
Veterans Day (November 11)
Thanksgiving Day (Fourth Thursday in November)
Christmas Day (December 25)

Note: If January 1, July 4, November 11, or December 25 fall on a Sunday, the next following Monday is a standard Federal Reserve Bank holiday.

**Schedule H
ACH Transmittal**

To be completed and returned with each file of ACH transactions to be processed.

Email to: Bookkeeping@brannenbanks.com

From:

File Amount:

Number of Items in the File:

Effective Date of the File:

Received By:

Authorized Signature

Date

Time

Schedule I
Principal/Owner Guaranty

This Schedule should be used when the Financial Institution requires the guarantee of the Customer's principal/owner of obligations of the customer under the ACH Origination Product Schedule

The undersigned hereby guarantees the prompt payment and performance of all amounts, fees, and obligations of (Customer) due and owing to Brannen Bank (Financial Institution) arising under or in connection with that certain Customer Agreement for ACH Origination (the "Agreement"), dated of even date herewith between Customer and Financial Institution. This Guaranty is intended to cover all obligations of Customer under the Agreement, including, but not limited to, (a) the payment of fees and amounts arising under the Agreement or in connection with any deposit account maintained by Customer with Financial Institution, (b) the compliance by Financial Institution with all laws, regulations and rules related to Customer's origination and processing of ACH Entries under the Agreement, (c) Customer's obligations with respect to Reserves and the return of ACH Entries under the Agreement and (d) the accuracy and performance of Customer's warranties under the Agreement.

In order to secure the payment and performance of this Guaranty, the undersigned hereby grants to Financial Institution a security interest in and to all deposit accounts owned by the undersigned and maintained at Financial Institution.

The undersigned hereby agrees and acknowledges that this Guaranty is a guarantee of performance and not of collection, and that Financial Institution may, upon default or violation by Customer of any terms of the Agreement, proceed directly against the undersigned for satisfaction and performance of the obligations of Customer under the Agreement without first proceeding against Customer.

Executed this day of , 20 .

Signature of Principal/Owner

Sample ACH Authorization Agreements

Consumer Authorization for Direct Payment via ACH (ACH Debits)

Direct Payment via ACH is the transfer of funds from a consumer account for the purpose of making a payment.

I (we) authorize _____ [Company Name] _____ ("COMPANY") to electronically debit my (our) account (and, if necessary, electronically credit my (our) account to correct erroneous debits³) as follows:

☐ Checking Account / ☐ Savings Account (select one) at the depository financial institution ("DEPOSITORY") named below.

Depository Name _____

Routing Number _____ Account Number _____

Amount of debit(s) or method of determining amount of debit(s) [or specify range of acceptable dollar amounts authorized]: _____.

Date(s) and/or frequency of debit(s): _____.

I (we) understand that this authorization will remain in full force and effect until I (we) notify COMPANY {insert manner of revocation, i.e., in writing, by phone, location, address, etc.} that I (we) wish to revoke this authorization. I (we) understand that COMPANY requires at least [X days/weeks] prior notice in order to cancel this authorization.⁴

Name(s) _____
(Please Print)

Date _____ Signature(s) _____

¹ The NACHA Operating Rules do not require the consumer's express authorization to initiate Reversing Entries to correct erroneous transactions. However, Originators should consider obtaining express authorization of debits or credits to correct errors.

¹ Written debit authorizations must provide that the Receiver may revoke the authorization only by notifying the Originator in the time and manner stated in the authorization. The reference to notification should be filled with a statement of the time and manner that notification must be given in order to provide company a reasonable opportunity to act on it (e.g., "In writing by mail to 100 Main Street, Anytown, NY that is received at least three (3) days prior to the proposed effective date of the termination of authorization").

Consumer Authorization for Direct Deposit via ACH (ACH Credits)

Direct Deposit via ACH is the deposit of funds to a consumer's account for payroll, employee expense reimbursement, government benefits, tax and other refunds, and annuities and interest payments.

Check all that apply: ☐ Begin Deposit ☐ Change Information ☐ Split Among Multiple Accounts
I have provided information for each of my accounts below.

I (we) hereby authorize _____ [Company Name] _____ ("COMPANY") to electronically credit my (our) account (and, if necessary, to electronically debit my (our) account to correct erroneous credits⁵). I (we) agree that ACH transactions I (we) authorize comply with all applicable law.

Account #1

☐ Checking Account/☐ Savings Account (select one) at the depository financial institution ("DEPOSITORY") named below.

Depository Name _____
Routing Number _____ Account Number _____
Name(s) on the Account _____
Amount of credit (i.e., flat amount or percentage) _____
Date(s) and/or frequency of credit(s) _____

Account #2

☐ Checking Account/☐ Savings Account (select one) at the depository financial institution ("DEPOSITORY") named below.

Depository Name _____
Routing Number _____ Account Number _____
Name(s) on the Account _____
Amount of credit (i.e., flat amount or percentage) _____
Date(s) and/or frequency of credit(s) _____

I (we) understand that this authorization will remain in full force and effect until I (we) notify COMPANY [insert manner of revocation, i.e., in writing, by phone, location, address, etc.] that I (we) wish to revoke this authorization. I (we) understand that COMPANY requires at least [X days/weeks] prior notice in order to cancel this authorization.⁶

Names(s) _____
(Please Print)

Date _____ Signature(s) _____

⁵ The NACHA Operating Rules do not require the consumer's express authorization to initiate Reversing Entries to correct erroneous transactions. However, Originators should consider obtaining express authorization of debits or credits to correct errors.

⁶ Written credit authorizations must provide that the Receiver may revoke the authorization only by notifying the Originator in the time and manner stated in the authorization. The reference to notification should be filled with a statement of the time and manner that notification must be given in order to provide company a reasonable opportunity to act on it (e.g., "In writing by mail to 100 Main Street, Anytown, NY that is received at least three (3) days prior to the proposed effective date of the termination of authorization").

Brannen Bank

FINANCIAL SOLUTIONS SINCE 1926

Mailing Address: Post Office Box 1929, Inverness, Florida 34451-1929

Phone: (352) 726-9001 Fax: (352) 726-1156

RE: Wire Transfer Origination via Brannen Bank's Business Digital Banking Portal

Brannen Bank has reviewed your request for Wire Origination via Brannen Bank's Business Digital Banking Portal.

By granting this request, _____ agrees to be unconditionally and without limitation liable for all debits effectuated by use of Brannen Bank's Business Digital Banking Portal for the purpose of originating domestic wire transfers, whether authorized or unauthorized, whether utilized by an Employee or some other person, and whether arising from a breach of your company's network or systems in any capacity. Each employee shall be jointly and severally liable with _____ for any debit effectuated for the purpose of originating domestic wire transfers, whether authorized or unauthorized, and whether arising from a breach of your company's network or systems in any capacity. Such employee liability is conditioned upon receipt of a copy of this agreement.

The Company shall maintain a hardware firewall, security patches, anti-virus protection, and malware protection on computers used to originate wire transfers.

Brannen Bank will setup the "Administrator" for the secure on-line banking portal. This Company Administrator is responsible for setting up any Users with access to online wires and maintain continuity and control over the issuance of the personnel. Any changes to the Administrator will need to be facilitate by Brannen Bank.

You may not place a stop payment order on any domestic wire transfer originated via Brannen Bank's Business Digital Banking Portal.

Inform Brannen Bank as soon as possible if you believe there has been a security breach to your company's network or system in any capacity. Telephoning is the best way of notifying us so that we may immediately take the protective actions we deem appropriate. The phone number to call, which is available Monday through Friday from 9:00 AM EST to 5:00 PM EST, is (352) 726-1221.

Brannen Bank shall have the right, in our sole discretion, and upon three (3) days' notice to you, to terminate all privileges hereunder. All access to Domestic Wire transfers within Brannen Bank's Business Digital Banking portal shall be deemed canceled effective upon termination of this Agreement. You shall remain liable for all debits or other charges incurred or arising by virtue of the use of the system following the termination date.

Subject to applicable law, we may exercise our right of setoff against any and all of _____ deposit accounts without notice for any liability or debt arising from the use of the origination of Domestic Wire transfers via Brannen Bank's Business Digital Banking Portal pursuant to this Agreement.

Agreed to and accepted this _____ day of _____, 202__.

Brannen Bank

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Brannen Bank

FINANCIAL SOLUTIONS SINCE 1926

Mailing Address: Post Office Box 1929, Inverness, Florida 34451-1929

Phone: (352) 726-9001 Fax: (352) 726-1156

RE: International Wire Transfer Origination via Brannen Bank's Business Digital Banking Portal

Brannen Bank has reviewed your request for International Wire Origination via Brannen Bank's Business Digital Banking Portal.

By granting this request, **REF Name** agrees to be unconditionally and without limitation liable for all debits effectuated by use of Brannen Bank's Business Digital Banking Portal for the purpose of originating international wire transfers, whether authorized or unauthorized, whether utilized by an Employee or some other person, and whether arising from a breach of your company's network or systems in any capacity. Each employee shall be jointly and severally liable with **REF Name** for any debit effectuated for the purpose of originating international wire transfers, whether authorized or unauthorized, and whether arising from a breach of your company's network or systems in any capacity. Such employee liability is conditioned upon receipt of a copy of this agreement.

International Wire transfers (non-U.S. receivers) of U.S. currency initiated and approved not later than 4:00 PM EST will be processed that same day if that day is also a Business Day for Bank's correspondent facility and the recipient bank. Wire transfers initiated and approved after the cut-off time will be processed the next Business Day if that day is also a Business Day for Bank's correspondent facility and the recipient bank. Industry standard delivery times of foreign wire transfers (in most, but not all cases, two (2) Business Days) may be subject to delays based on time-zone issues; the remote location of the recipient bank; cultural differences with respect to holidays and times of observation, etc.; and incorrect or incomplete information being supplied by Customer.

Customer acknowledges that foreign currency wire transfers will be remitted in U.S. dollars and that all rates of exchange will be the rate in effect at the time of execution of the wire transfer order, or at any other rate as may be agreed to by the parties. If the financial institution designated to receive the funds does not pay the beneficiary specified in a wire transfer order that is payable in foreign currency and the funds are returned to Bank, Bank will not be liable for a sum in excess of the value of the funds after they have been converted from foreign currency to U.S. dollars at Bank's buy rate for exchange at the time the cancellation of the wire transfer order is confirmed by Bank, less any charges and expenses incurred by Bank. If Customer elects to initiate an international wire transfer in U.S. currency, Customer acknowledges that the receiving bank may elect to pay the beneficiary in foreign currency at an exchange rate determined by the receiving bank. Customer agrees to bear all risk of loss due to fluctuation in exchange rates, and Customer shall pay Bank any costs and expenses of foreign currency conversion at Bank's then-prevailing rates, terms and conditions. Customer is advised that Bank's prevailing exchange rates may be less favorable to Customer than market exchange rates.

Bank shall send Customer's authorized and authenticated wire transfers to foreign banks, through any bank which is a member of Bank's correspondent network. Neither Bank nor any of Bank's correspondents shall be liable for any errors, delays or defaults in the transfer of any messages in connection with such a foreign wire transfer by any means of transmission.

International wire transfers are subject to any and all applicable regulations and restrictions of U.S. and foreign governments relating to foreign exchange transactions. Bank has no obligation to accept any international wire transfer(s) directed to or through persons, entities or countries restricted by government regulation or prior Bank experience with particular countries. To the extent not otherwise prohibited by law, in connection with any international wire transfer(s) involving a transfer to or from any country outside of the U.S., Customer agrees to release and hold Bank harmless from any loss or liability which Customer may incur after Bank has executed the

international wire transfer(s), including without limitation, any loss due to failure of a foreign bank or intermediary to deliver the funds to a beneficiary.

Brannen Bank will act as the "Administrator" for the secure on-line banking portal access so as to maintain continuity and control over the issuance of the "one-time PIN" and its parameters. Any changes in personnel or devices will have to be approved and applied by Brannen Bank.

You may not place a stop payment order on any international wire transfer originated via Brannen Bank's Business Digital Banking Portal.

Inform Brannen Bank as soon as possible if you believe there has been a security breach to your company's network or system in any capacity. Telephoning is the best way of notifying us so we may immediately take the protective actions we deem appropriate. The phone number to call, which is available Monday through Friday from 9:00 AM EST to 5:00 PM EST, is (352) 726-1221.

Brannen Bank shall have the right, in our sole discretion, and upon three (3) days' notice to you, to terminate all privileges hereunder. All access to International Wire Transfers within Brannen Bank's Business Digital Banking portal shall be deemed canceled effective upon termination of this Agreement. You shall remain liable for all debits or other charges incurred or arising by virtue of the use of the system following the termination date.

Subject to applicable law, we may exercise our right of setoff against any and all of **REF Name** deposit accounts without notice for any liability or debt arising from the use of the origination of International Wire transfers via Brannen Bank's Business Digital Banking Portal pursuant to this Agreement.

Agreed to and accepted this _____ day of _____, 202__.

Brannen Bank

REF Name

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____



POSITIVE PAY SERVICE AGREEMENT

This Positive Pay Services Agreement (the "Agreement") sets forth the terms of the positive pay service described herein (the "Service") provided by Brannen Bank ("Bank," "we," or "us") to the Customer executing this Agreement ("Customer" or "you") with respect to the Authorized Accounts listed below only. This Agreement forms part of, and is incorporated by reference unto, Customer's Deposit Account Agreement and Disclosure (and any subsequent amendments thereto) (the "Deposit Agreement"). Capitalized terms used but not defined in this Agreement shall have the meanings assigned in the Deposit Agreement.

Our Service

You may use the Service to quickly identify and act upon fraudulent items as well as quickly reconcile your accounts. You provide the Bank with a file detailing all checks you have issued. This file is imported into the bank's system for comparison to checks being presented for payment against your account.

Issued Check File

You shall submit an Issued Check File to the Bank on every banking day that you issue checks. The Issued Check File shall accurately state the check number, date, payee, and the exact dollar amount of each check drawn on an Authorized Account since the last Issued Check File was submitted.

Each Authorized Account shall require an Issued Check File for all checks issued.

You shall send the Issued Check File to the Bank in the format and medium, as specified by the Bank and agreed to by you.

In the event of system failure, either that of you or of the Bank and the Issued Check File cannot be received by the Bank or the Bank cannot process the file, the file shall be considered as not received, even if the Bank has possession of the file.

Payment of Presented Items and Reporting of Exception Items

Bank shall compare each Presented Check by check number, if any and amount against each Issued Check File received by the Bank.

On each banking, day, the Bank:

- May pay and charge to the Authorized Account each Presented Check that matched by check number and amount a check shown in any Issued Check file.
- Shall provide the Customer with notification of any exception checks presented for payment that do not exactly match to the Check Issued File.

This exception report will be available by 8:30am Eastern Time each business day.

Pay Request/Return Request

The customer shall review the Exception Check Report and communicate Pay Requests and Return Requests for all exceptions by 11:00 pm Eastern Time.

Pay Default

You shall review and process all exceptions by 11:00 pm Eastern Time. If you miss the deadline, Bank will make final payment of the check(s) and charge the Authorized Account the checks are which are drawn against it.

Not Covered

This Agreement does not cover a check if the Bank has already cashed, negotiated or paid or which the bank is already committed to honor or pay under applicable laws, regulations or rules governing such items.

Customer and Bank Communications

The Customer or the Bank, at its discretion, may each submit to the other party a revision of any communication provided for under this Agreement. The revised communication must (i) be sent in its entirety and not in the form of a partial amendment to the communication originally sent (ii) identify the original communication, and (iii) be sent in the format and medium, by the deadline(s), and at the place(s) established by the receiving party. A properly submitted revised communication serves to revoke the original communication.

The Bank shall use only Issued Check Files that comply with the Issued Check file section and have not been revoked in accordance with the Customer and Bank Communications section in the preparation of Exception Check Reports under this Agreement.

The Customer shall use only Exception Check Reports that comply with the Payment of Presented Items and Reporting of Exception Items section and have not been revoked in accordance with the Customer and Bank Communications section in the preparation of Pay Requests and Return Requests. The Bank shall not be obligated to comply with any Pay Request or Return Request received in a format or medium, after a deadline, or at a place not permitted under this Agreement but may instead treat such a Pay Request or Return Request as though it had not been received.

The Bank is not responsible for detecting any Customer error contained in any Issued Check File, Pay Request or Return Request sent by the Customer to the Bank.

The Customer is responsible for providing accurate electronic addresses for communication in connection with transactions contemplated in this Agreement.

Limitation of Liability

Except as otherwise stated in this Agreement, the Bank will be liable to Customer only for damages arising directly from our intentional misconduct or gross negligence in the performance of the Service. The Bank will not be responsible for any loss, delay, cost or liability which arises, directly or indirectly, in the whole or in part, from: (a) your actions or omissions, or those of third parties who are not within our immediate and reasonable control; (b) your negligence or breach of any agreement with us; (c) any ambiguity, inaccuracy or omission in any information or instructions provided to us; (d) any error, failure or delay in the transmission or delivery of data, records due to a breakdown in equipment, computer or communications facility; (e) accidents, strikes, labor disputes, civil unrest, fire, flood, water damage (e.g., from fire suppression systems), or acts of God; (f) causes beyond our reasonable control; (g) our inability to confirm to our satisfaction the authority of any person to act on your behalf; (h) or your failure to provide us with complete and correct data in accordance with this agreement.

Except for losses caused by solely our (but not our third party processing agents') gross negligence or willful misconduct, our aggregate liability to you for claims relating to this Agreement, whether for breach, negligence, infringement, in tort or otherwise, shall be limited to an amount equal to the total fees paid by you for the Service during the prior (6) month period. The Bank will not be responsible under any circumstances for special, indirect, incidental, punitive, exemplary or consequential damages which you incur as a result of our agents' actions or omissions, including without limitation any loss of use or loss of business, revenue, profits, opportunity or good will, even if the Bank is aware of the possibility for such damages.

You agree to cooperate with us in any loss recovery efforts the Bank undertakes to reduce any loss or liability that arises in connection with the Service. You acknowledge that our Service fees have been established in contemplation of: (a) these limitations on our liability, (b) your agreement to review statements, confirmations, and notifications promptly and to notify us immediately of any discrepancies or problems; and (c) your agreement to assist us in any loss recovery effort.

Indemnification

You will indemnify, defend, and hold us harmless against any and all actions, proceedings, liabilities, losses, costs (including attorney's fees) and claims, including (without limitation) warranty claims, that result from or arise in connection with: (a) our processing of Checks in accordance with this Agreement or your instructions; (b) your actions or omissions, including your negligence, willful misconduct or breach of any warranty or failure to comply with this Agreement; (c) any misuse of the Service by you, your employees or agents; (d) your failure to comply with applicable state and federal laws and regulations; (e) actions by third parties, such as an introduction of a virus, that delay alter or corrupt the transmission of information to us.

Notices

You agree to notify us immediately if you discover; (a) any error or discrepancy between your records and the information the Bank provides to you about your accounts or transactions (e.g. in a statement, confirmation or electronic report); (b) unauthorized transactions involving your account; (c) a breach in the confidentiality of the password; or (d) other problems related to the Service. Unless otherwise agreed, notices required by the agreement must be made in accordance with the Deposit Agreement. The Bank will provide notices to you as set forth in the Deposit Agreement.

Assignment

The Bank may assign our rights and delegate our duties under this Agreement to a company affiliated with us or to a third party. You may not assign any right or delegate any obligation under this Agreement without our prior written consent. Any permitted assignees will succeed to and be bound by this Agreement. The Bank may subcontract any of the work, services, or other performance required of us under this Agreement without your consent, and the Bank will be responsible for the work of such subcontractors in accordance with this Agreement.

Change in Terms

The Bank may add to, delete or change the terms herein of this Agreement at any time, with such notice as may be required by law.

Other Terms

This agreement incorporates the terms of your Deposit Agreement with us. Please see your Account Agreement for additional terms. In the event of a conflict between the terms of this Agreement and the terms of the Deposit Agreement, the terms of this Agreement shall apply solely with respect to the Service and otherwise in the event such conflict the terms of the Deposit Agreement shall prevail.

The Bank may, on a monthly basis, debit a Customer account maintained at and selected by the Bank for payment of charges due, unless the Customer arranges another payment procedure acceptable to the Bank or designates a specific Customer account maintained at the Bank.

Termination or Suspension of Service

The Bank may terminate your use of this Service at any time, with or without cause. The Bank may suspend or terminate the Service without prior notice to you if: you breach any agreement with us (including without limitation any agreement under the Deposit Agreement) or if the Bank discovers any willful misconduct by you; the Bank believes there has been a breach in the security of the Service or unauthorized activity involving your account; or the Bank is uncertain regarding the authorization completeness, or accuracy of the information sent to us. Any termination will not affect obligations arising prior to termination, such as the obligation to indemnify us. You agree not to develop a product or service substantially similar to the Service at any time. All provisions of this Agreement that are intended by their terms to survive termination of the Agreement will survive any such termination.

Authorized Signature

Date

Print Name/Title

Mailing Address

City, State, & Zip

Email Address

Brannen Bank

Authorized Signature

Date

Print Name/Title

SCHEDULE A
AUTHORIZED USERS

You understand by authorizing the users below, these person(s) will have the ability to submit Check Files and create ACH rules, View Account and Reports, Process Exceptions, and Add Users.

Name _____

Title _____

E-mail Address _____

Phone Number _____

Name _____

Title _____

E-mail Address _____

Phone Number _____

Name _____

Title _____

E-mail Address _____

Phone Number _____

Name _____

Title _____

E-mail Address _____

Phone Number _____

SCHEDULE B
AUTHORIZED ACCOUNTS

Account Number _____
Account Title _____

Account Number _____
Account Title _____

Account Number _____
Account Title _____

Clear form

SCHEDULE C

Positive Pay Fee Schedule

ACH Fee \$_____/month

Check Fee \$_____/month

*Other fees may apply and are subject to change without notice

ACH BLOCK/FILTER SERVICE PRODUCT SCHEDULE

By signing this ACH Block/Filter Service Product Schedule ("Product Schedule") ("Customer") hereby requests Brannen Bank ("Financial Institution") to provide the Service described in this Product Schedule. Customer agrees that this Product Schedule sets forth the terms and conditions pursuant to which Financial Institution will provide to Customer the Service outlined herein, and is entered into as a Product Schedule under the Brannen Bank Business Online Banking Master Agreement ("Master Agreement"). Financial Institution and Customer agree that by executing this Product Schedule, Customer acknowledges receipt of and agrees to the terms of the Master Agreement. Terms not otherwise defined in this Product Schedule shall have the meaning ascribed to those terms in the Master Agreement. In the event of inconsistency between a provision of this Product Schedule, the Uniform Commercial Code (the "UCC"), the Master Agreement, and/or the Depository Agreement, the provisions of this Product Schedule shall prevail.

Therefore, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Financial Institution and Customer, intending to be legally bound, do hereby agree as follows:

1. **Description of Service.** Subject to the terms and conditions of this Service Agreement, Financial Institution shall provide the Service to Customer, which allows Customer to authorize or block Automated Clearing House ("ACH") transfers to or from Customer's deposit accounts at Financial Institution. As used herein, "ACH Transaction(s)" shall refer to certain electronic funds transfers which settle within a financial institution or between financial institutions according to specified rules and procedures governed by the Federal Reserve Bank and the National Automated Clearing House Association ("NACHA"). "Debit Entry" shall refer to any ACH Transaction which has the intended result of removing funds from Customer's demand deposit account(s). "Credit Entry" shall refer to any ACH Transaction which has the intended effect of depositing funds to Customer's demand deposit account(s). Customer acknowledges and agrees that by instructing Financial Institution to block designated ACH Entries, Financial Institution shall dishonor and return all such blocked ACH Entries.
2. **Transmitting and Processing ACH Block/Filter Instructions.** Customer, or its authorized representative or agent, shall provide ACH Block/Filter instructions ("Operating Instructions"), attached hereto and made a part hereof as **Exhibit 1**, to Financial Institution. Amendments of the Operating Instructions shall be by such method and in such format as Financial Institution shall specify. Financial Institution shall process Operating Instructions received from Customer in accordance with the procedures and requirements set forth herein. Financial Institution shall be allowed a reasonable period of time in which to process the Operating Instructions following their receipt from Customer. Financial Institution shall not be obligated to process Operating Instructions unless all of Financial Institution's specified requirements and conditions have first been satisfied or waived by Financial Institution, in its sole and absolute discretion.
3. **Form of ACH Block/Filter Instructions.** Instructions may include any one or more of the following actions:
 - a) Customer may block all ACH Debit and/or Credit Entries on its Account(s) for a specified period of time.
 - b) Customer may authorize specified ACH Debit and/or Credit Entries to post against its Account(s) and block all others.
 - c) Customer may block all ACH Debit and/or Credit Entries to its Account(s) (i) greater than a specified amount, (ii) from specified accounts, (iii) Customer ID, and/or (iii) specified SEC Codes.
 - d) Customer may authorize specified ACH Debit and/or Credit Entries to post on a single or recurring occasion.
4. **Limit of Liability.**
 - a) **Dispute over Return of ACH Debit Entry.** Customer acknowledges that the return of an ACH Debit Entry is subject to dispute on the part of the Sender. In the event of such a dispute the Financial Institution must act according to applicable laws, regulations, and the rules, including any attachments or appendices thereto now in effect, or as may be amended from time to time, of the National Automated Clearing House

Association governing ACH transactions ("Rules"). Customer hereby indemnifies and holds Financial Institution, its officers, directors, shareholders, agents, employees, and Affiliates, and their respective officers, directors, agents and employees, harmless from and against any and all losses, costs, suits, damages, claims, liabilities and expenses (including reasonable attorneys' fees) arising from or related in any way to the use of the Service by Customer.

- b) **Identification of ACH Transactions to Block.** Customer and Financial Institution acknowledge that ACH transactions are originated according to certain processing Rules which require the use of an Originator Name and Originator Identification Number imbedded in the transaction to identify its source, and this imbedded data is a critical component of Financial Institution's ability to monitor for transactions which Customer desires to block. Financial Institution shall act in good faith to process Customer's Operating Instructions. However, if the identifying information in the transaction is inconsistent or is described inconsistently by Customer in Operating Instructions, Financial Institution shall be held harmless for posting an ACH transaction to Customer's account and any dispute related to such a transaction shall be between Customer and the Originator of the transaction.
- c) **No Change in the Agreement Limits of Liability.** This Section 4 supplements the limits of Financial Institution's liability described in the Master Agreement, which remain in full force and effect without change.
- d) **Right to Suspend Services.** Without liability to any party, and without limiting any other right or remedy available to Financial Institution, Financial Institution shall be entitled to cease or suspend the Service, in whole or in part, in Financial Institution's sole and absolute discretion and with or without notice to Customer if Customer shall fail to properly perform its duties, obligations, and responsibilities in connection with the Service, or commit any act or omission which impairs Financial Institution's ability to provide or prevents Financial Institution from providing the Service.
- e) **Examination of Account Statements.** Nothing in this Service Agreement shall be construed as relieving Customer of its normal due diligence responsibilities regarding the examination of account statements and individual ACH Debit Transactions to detect exceptions outside the scope of the Service provided to Customer hereunder. Financial Institution shall not be liable for any loss arising from Customer's failure to exercise due diligence.
- f) **Hold Harmless.** Customer shall accept liability to any party and hold the Financial Institution harmless for any damages, losses, fines, fees, taxes, legal expenses, or actions at law arising from the return (dishonor) of any ACH Debit Transaction if such return resulted from the correct application of the Customer's pay/return instructions.
- g) **Properly Payable Debit.** Any ACH Debit Transaction that is paid in accordance with the Service shall be considered properly payable and Customer agrees that Financial Institution shall have no liability to Customer for paying ACH Debit Transactions in accordance with the Service.

5. **Security Procedures.**

- a) In its sole and absolute discretion, Financial Institution may elect to specify Security Procedures which relate to this Service. When such procedures are specified, Customer agrees that the purpose of the Security Procedures is to verify the authenticity of the Operating Instructions submitted to Financial Institution by Customer. Customer's continued use of this Service following receipt of any Security Procedure specifications from Financial Institution constitutes Customer's acceptance of the Security Procedure, Customer's acknowledgement that the Security Procedures are commercially reasonable, and Customer's agreement that all Operating Instructions communicated by Customer hereunder will comply with the Security Procedures.
- b) Customer agrees to establish and maintain internal procedures to adequately safeguard against unauthorized Operating Instructions, and to limit access to the ACH Block/Filter procedures to only those individuals whom Customer has authorized to act on their behalf with respect to this Service. Any Operating Instruction (including a request for cancellation, amendment, or reversal of an Operating Instruction) or other communication delivered to Financial Institution that purports to have been submitted or authorized by Customer in accordance with this Service Agreement shall be effective and binding upon Customer even if the Operating Instruction was not in fact authorized by Customer, provided Financial Institution has acted in good faith.
- c) If Customer believes the Security Procedures have been compromised or that confidential information regarding the use of this Service has become known to any individual who might initiate unauthorized

Operating Instructions, Customer agrees to promptly notify Financial Institution to initiate such corrective action as might be necessary to prevent unauthorized access to the Service.

This Product Schedule must be signed on behalf of Customer by an Authorized Customer Representative.

IN WITNESS WHEREOF, the parties hereto have executed this Product Schedule through their duly authorized officers on the dates indicated below.

CUSTOMER:

FINANCIAL INSTITUTION:

Brannen Bank

By: _____
(Signature)

By _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT 1

OPERATING INSTRUCTIONS

These Operating Instructions are part of the ACH Block/Filter Service Agreement and, unless otherwise stated, terms contained in these Operating Instructions shall have the same meaning as the terms in the ACH Block/Filter Service Agreement. The terms and conditions of these Operating Instructions shall control over any inconsistent terms and conditions of the Service Agreement.

1. CUSTOMER INFORMATION

Customer Name: _____

Customer Address: _____

Account Numbers: _____

City/State/ZIP: _____

Federal Taxpayer ID: _____

Contact Person: _____

Phone Number: _____ E-Mail: _____

FAX: _____

2. ACH BLOCK TYPE

- ☐ All Debits (Withdrawals) ☐ All Credits (Deposits) ☐ All ACH Transactions presented, including
☐ ARC ☐ BOC

3. BLOCKED ACH TRANSACTION EXCEPTIONS

Customer requests that Financial Institution limit or block ACH transactions to the Accounts listed above from the accounts and/or SEC Code as indicated below. All ACH transactions received that match the criteria specified below will be blocked and returned. If "All" designation is selected, indicate whether POP, ARC and/or BOC transactions should be included in such "All" designation. If POP, ARC, and/or BOC Entries are included, Financial Institution shall dishonor and return such Entries. If an ACH transaction is not listed below, the transaction(s) will be posted to Customer's account.

[illegible]

*If "All" designation is selected, indicate whether ARC and/or BOC transactions should be included in such "All" designation.

CUSTOMER AUTHORIZATION AND ACCEPTANCE BY FINANCIAL INSTITUTION

Authorized Signature _____ Date: _____

Accepted by Financial Institution _____ Date: _____

REMOTE DEPOSIT SERVICES AGREEMENT

This agreement is made between Brannen Bank (Financial Institution) and _____ (the Customer) as of the last date of execution set forth below.

A. Introduction

This Remote Deposit Services Agreement (the "Agreement") governs the use of Brannen Bank's Remote Deposit Services (the "Service"). The Service allows you to operate an image scanner device specified by the Bank to scan paper checks to create an image cash letter file to send to Bank through the System. This Agreement establishes the terms and conditions for electronic access to the remote deposit capture system (the "System"). When you use any of the Service(s) described in this Agreement, you agree to the terms and conditions of this Agreement.

For purposes of this Agreement, the words "we," "our," "us," "Bank" and other similar terms mean Brannen Bank. "You," "Your," "User," "Customer," "Company" and other similar terms refer to the account holder named below and anyone else authorized by that account holder to exercise control over account holder's deposits through the Service. "Account" or "accounts" means your accounts at the Bank.

B. Rules, Laws and Regulations

You agree to abide by and comply with all local, state, and federal rules, laws and regulations, including but not limited to, Regulation CC - "Expedited Funds Availability Act", its Subparts B, C and D (Subpart D implements the Check Clearing for the 21st Century Act (Check 21 Act), Bank Secrecy Act (BSA), the rules of the National Automated Clearing House Association (NACHA), sanctions laws administered by the Office of Foreign Assets Control (OFAC), and laws administered by the United States of America in existence as of the date of this Agreement and as amended from time to time (herein collectively referred to as the "Rules"). The specific duties of the Company provided in the following paragraphs of this agreement in no way limit the foregoing undertaking. Unless otherwise defined herein, capitalized terms shall have the meanings provided in the Rules.

C. Other Agreements

The terms and conditions of the deposit agreements and disclosures for each of your Bank accounts, in addition to your other agreements with the Bank such as loans, continue to apply notwithstanding anything to the contrary in this Agreement.

D. Pricing and Payment

Company shall compensate Bank for the performance of the Service in accordance with the pricing established by Bank, which is attached as Schedule A. Amounts payable by Customer to Bank shall be collected on a monthly basis by Bank. Bank may collect any of the foregoing amounts and any other amounts due by Customer to Bank hereunder or in connection with the provision of the Service to Customer by debiting any of Company's accounts with Bank, billing Company, and/or setting off against any amounts Bank owes Company, without any obligation to give prior notice thereof to Company. Bank may change pricing from time to time by providing Company with thirty (30) days written notice of a pricing change. If Company does not accept the pricing change, then Company must notify Bank within fifteen (15) days of the effective date of the pricing change. Company shall also pay any sales, use or similar tax applicable to the Service. If Bank is required to pay any such taxes, Company shall reimburse Bank upon demand. Company shall also pay all attorneys' fees and other costs and expenses Bank may incur in collecting any fees or other sums Company may owe to Bank in connection with the Service. Bank shall also have the right to credit or debit any accounts of Company with Bank to correct any processing irregularity in connection with the Service.

E. Using Remote Deposit Service

To use the System, you must have at least one checking account at the Bank, acquire the computer hardware and software required to access the System, World Wide Web access via a secure Internet Service Provider (ISP), an Internet browser that supports a minimum 128 bit encryption standard, anti-virus software, and a valid e-mail address. The System can be used to send check images for deposit to only the Bank accounts designated for access by the System in your Remote Deposit Services Application. You can add, change or delete any of your Bank accounts or User access from this Agreement by completing a new Remote Deposit Services Application or Change Form. Remote deposit access to your accounts through the System will be based upon the identification of users and authority levels specified by you in your Remote Deposit Services Application. We undertake no obligation to monitor transactions through the System to determine that they are made on behalf of the accountholder.

You agree to take appropriate steps to ensure that all User ID's, Passwords, Authentication Methods and any other applicable security procedure issued to its agents, representatives, employees or officers are protected and kept confidential. In your review of the System, including those aspects of the System pertaining to the issuance, use, and protection of User ID's, Passwords, Authentication Methods and security procedures, you agree to notify the Bank in the event your use of the System would necessitate or be better served by a level of security that exceeds that offered by the System. If you fail to notify the Bank, you acknowledge and agree that the security aspects of the System are appropriate for your needs and will provide you with a commercially reasonable degree of security against unauthorized use.

You agree to indemnify and release the Bank from any and all liability, and agree not to make any claim against the Bank or bring any action against the Bank, relating to its honoring or allowing any actions or transactions that were conducted under your User ID, Password and Authentication Method or acting upon messages or authorizations provided to us using your User ID, Password and Authentication Method.

You agree that we shall not be responsible for any loss, property damage or bodily injury arising out of or resulting from the failure of any person to provide you with access to the System, whether caused by the equipment, software, the Bank, Internet service providers, Internet browsers, or the parties providing communication services to or from us to you. We are not liable for war, acts of government that may restrict or impair use of System services, hurricanes, floods or other disasters, nor shall we be responsible for any direct, indirect, special or consequential, economic or other damages relating in any way to the foregoing.

F. Data Protection

You understand the importance of your role in preventing misuse of your accounts through the System and you agree to promptly examine your paper statement for each of your Bank accounts as soon as you receive it. You agree to protect the confidentiality of your account and account number, and your personal identification information, such as your driver's license number and social security number. You understand that personal identification information by itself, or together with information related to your account, may allow unauthorized access to your account. Your User ID, Password and Authentication Method are intended to provide security against unauthorized entry and access to your accounts. Data transferred via the System is encrypted in an effort to provide transmission security and the System utilizes identification technology to verify that the sender and receiver of System transmissions can be appropriately identified by each other. Notwithstanding our efforts to insure that the System is secure, you acknowledge that the Internet is inherently insecure and that all data transfers, including electronic mail, occur openly on the Internet and potentially can be monitored and read by others. We cannot and do not warrant that all data transfers utilizing the System, or e-mail transmitted to and from us, will not be monitored or read by others.

G. Services

You can use the System to access these Services:

1. Scan checks into imaged items and make deposits into your accounts designated on the Remote Deposit Services Enrollment Form; and
2. View deposit history, check images and reports.

Imaged Items sent to the Bank or the Bank's designated processor will be cleared as Substitute Checks, Image Exchange Items, or ACH Entries in accordance with this Agreement.

Some of the Services may appear on your screen that have not been approved for you and, therefore, will not be available to you. Also, the Bank may, from time to time, introduce new Services. We shall update this Agreement to notify you of the existence of these new services. By using these services when they become available, you agree to be bound by the terms and conditions in this Agreement and any updates thereto.

H. Equipment

You are required to purchase or lease equipment from the Bank necessary to use the System (the "Equipment"). You agree to purchase or lease the Equipment in accordance with the prices listed in the Bank's Schedule A Pricing. The Bank makes no warranties of merchantability or fitness for a particular purpose or any other warranty, express or implied, on or regarding the Equipment. Warranties of the manufacturer of the Equipment (based upon standards applied by the manufacturer) may accompany the Equipment. If the Equipment fails while still under the manufacturer's warranty, you are instructed to contact the manufacturer (or its representative thereof) in accordance with the warranty instructions that may be provided with equipment. The Bank is not responsible for the servicing or repair of the Equipment. In the event the manufacturer's warranty may be transferred, the Bank shall transfer the warranty to you. The Bank is not responsible for any errors or failures relating to any malfunction of the Equipment, nor for any computer virus or related problems that may be associated with the use of the Equipment. The Bank has the right, in its discretion and at any time, to make changes to the Service that may result in the incompatibility of certain Equipment. The Bank shall have no duty or obligation to update or replace any Equipment purchased by you in the event of such a change. In no event shall the Bank be liable to you for any damages, including lost profits, lost savings, or other direct, indirect, incidental, special, or consequential damages arising out of the Bank's use, or inability to use, or installation of, the Equipment, or for any claim by another party relating thereto.

I. Posting of Deposits

Deposits initiated through the System before **3:00 P.M.** on a business day are posted to your account that business day. The System will provide you with automated deposit confirmations in the form of a unique transaction confirmation number from successful transmissions at the time a deposit is transmitted to the Bank. It is your responsibility to understand and build into your Company's transmission schedules the appropriate deadlines necessary to meet the availability schedules of the Bank as set forth in the Deposit Account Agreements or as otherwise established by the Bank. In addition, you are responsible for understanding and building into your Company's transmission schedule the changes in transmission windows required by time changes associated with Daylight Savings Time.

You agree to communicate this information with any other persons with authorized access to your accounts concerning any transfers, payments, or other transactions from your accounts in order to avoid overdrafts.

J. Your Operational Responsibilities

1. Maintaining at least one or more checking accounts at the Bank eligible for the receipt of deposits of digitized images of checks.
2. Using the System only for your internal business purposes.
3. Agreeing to implement appropriate internal controls at all of your locations where the Service is used, including providing any information regarding operational audits or additional information required or requested of the Bank.
4. Implementing separation of duties and other compensating controls to help mitigate the risk of one person having responsibility for end to end Service processing.
5. If the System is down, for whatever reason, you are responsible for making your deposits at any Brannen Bank branch as needed.
6. Exercising due care in preserving the confidentiality of any User ID, Password, or other Authentication Method provided by the Bank and to prevent the use of the System by unauthorized persons, in addition assuming full responsibility for the consequences of any missing or unauthorized use of or access to the System or disclosure of any confidential information or instructions by the customer, its employees and agents.
7. Installing and implementing any changes and upgrades to the System as required by the Bank within five business days to ensure compliance with regulatory changes or developments, or to protect the integrity and security of the System.
8. Using only equipment authorized and approved by the Bank.
9. Ensuring equipment is clean and operating properly at all times.

10. Inspecting and verifying the quality of images, thus ensuring that the digitized images of the front and back of original checks (defined as a check for any amount in U.S. Dollars drawn on or payable through a U.S. Bank that has not been previously presented and paid) are legible for all posting and clearing purposes by the Bank. Specifically, you are representing and warranting that:
- A. The check image is an accurate representation of all information on the front and back of the original check at the time the original check was converted to a check image, and the check image contains all endorsements from the original check that permits Banks to:
 - Acquire rights of a holder in due course in the collection process of Items;
 - Handle, process, maintain and destroy original checks; and
 - Ensure that no Bank (depository, collecting or payor), drawee, drawer or endorser receives presentment or return of, or otherwise is charged for an Item more than once in any form.
 - B. Each check image (or related electronic data file) contains a record of all MICR line information required for a substitute check and otherwise satisfies all of the requirements of the American National Standards Institute (ANSI) X9.37 standards for image quality required by Check 21 and Regulation CC for the creation and/or transferring of a substitute check created from that check image;
 - C. The original check, a duplicate check image, or any copy of the original check or check image will not be deposited by you with the Bank (unless the Bank instructs you to do so) or under any circumstances with any other bank; and
 - D. The original check, a duplicate check image, or any copy of the original check or check image will not be presented, transferred or returned such that the Bank or any other person (such as the drawer of the check) will be asked to make payment based on a check or check image that the Bank or the other person already paid.

In addition, your account(s) will be charged for any deposited check that is later returned to the Bank owing to an actual or alleged breach of any such representation or warranty.

11. Using the System and equipment to enter, process and transmit original checks. You will create a check image of an original check using scanning equipment to scan the front and back of each original check, including the responsibility for entering the correct dollar amount of each check image. In addition, you are responsible for ensuring the MICR line information from the original check is accurately scanned, entered or repaired for each check image;

NOTE: A check image is considered received by the Bank at a licensed location of the Bank, and the Bank is not responsible for any losses arising directly or indirectly from damage or alteration to the check image prior to its receipt by the Bank. In the event the Bank receives a check image from you on a day that is not a business day or after the applicable processing cutoff hour for a business day, the check image is deemed to have been received by the Bank at the opening of the next business day.

12. Any loss or failure to collect a check image that results from an inaccurate or illegible check image or failure to provide full and correct MICR data or dollar amount for a check image.
13. Complying with the following security procedures and agreeing not to bypass, override or disable any security mechanisms in the software or processing equipment:
- A. The person assigned as your Administrator has the authority to determine who will be authorized to use the Service on your behalf. You assume sole responsibility for the actions of the Administrator, the authority the Administrator provides to others to act on your behalf, and the actions of the persons designated by the Administrator to access and use the Service.
 - B. You are solely responsible for establishing, maintaining and following security protocols as deemed necessary to ensure that imaged items transmitted directly to the Bank are intact, secure and confidential until received by the Bank.
 - C. You agree to implement security procedures that the Bank may offer from time to time to verify the authenticity of any imaged item transmitted to Bank in the name of your Company. You agree that the Bank may rely on and you are obligated on the imaged item transmission file, whether or not the file was authorized by you regardless of the security procedures implemented by you. In addition, if an imaged item transmission file was authorized by you, you are obligated on the file even if the Bank did not verify its authenticity using the security procedures and even if the security procedures would have prevented error. You agree that the security procedures are intended to verify authenticity and not to detect error (e.g., duplicate transmissions of imaged items or errors in information provided to Bank). The Bank is not obligated to detect errors by you.
 - D. You are required to limit access to any Passwords, Authentication Methods, and equipment to persons who have a need for such access, closely and regularly monitor the activities of employees who access the Service, immediately notify the Bank if you have any reason to believe the security or confidentiality provisions required by this Agreement have been or may be breached, and immediately change the Password or Authentication Method if you know or suspect the confidentiality of the Password or Authentication Method has been compromised in any way.
 - E. You agree to periodically change the Password(s) including whenever anyone who has had access to the Password is no longer employed or authorized by you to use the Service. The Bank may elect to verify the authenticity or content of any transmission by placing a call to any authorized signer on your account or any other person designated by you for that purpose at the Bank's discretion. The Bank may deny your access to the Service without prior notice if it is unable to confirm any person's authority to the access the Service or if the Bank believes such action is necessary for security reasons.
14. Maintaining qualified, trained and experienced personnel sufficient to perform the overall use of the Service, including the supervision and auditing of your employees' use of the Service by designated administrative staff.
15. Verifying Bank's receipt of your transmission(s) by verifying that deposits have been posted to the appropriate accounts, in addition to cooperating in any investigation and resolving any unsuccessful or lost transmission with the Bank.
16. Retaining each check for at least 75 days after the check has been digitized and processed, and promptly (but in all events within five business days) providing any retained check (or, if the check is no longer in existence, a sufficient copy of the front and back of the check) to the Bank as

requested to aid in the clearing and collection process or to resolve claims by third parties with respect to any check. You are responsible for taking appropriate security measures to ensure that:

- A. Only authorized personnel have access to the original checks; and
 - B. The information contained on the original checks or on any corresponding imaged items is not disclosed to third parties.
17. Using commercially reasonable method(s) to destroy original checks after the required retention period has expired. You agree to destroy and dispose of the original checks with a high degree of care, including selecting and implementing appropriate destruction and disposal procedures. You are required to implement such procedures to ensure that the original checks are not accessed by unauthorized persons during the destruction and disposal process and, once destroyed, the original checks are no longer readable or capable of being reconstructed (e.g., through the use of competent shredding equipment).
18. Retaining all information regarding your digitizing of checks as created by the System for at least 75 days.
19. Cooperating with the Bank in providing information in the event of lost, mistaken, incomplete or unusable electronic items, or in the event of claims of fraud, alteration, counterfeit or otherwise, including access to such records.
20. Agreeing not to use the System to deposit or otherwise process:
- A. Noncash items;
 - B. Items for which the customer is not a holder in due course;
 - C. Third party checks;
 - D. Any checks which are drawn on a deposit account of yours at the Bank or any other Bank, or a deposit account of any business entity of which you are a principal, officer or authorized signer unless prior approval has been obtained from the Bank in writing; or
 - E. Substitute checks, except those which have been returned to the customer for any reason. Any previously truncated and reconverted substituted check must be physically deposited with the Bank.
21. Prohibited from engaging in any business or activity that:
- A. Would result in your Company being or becoming a "money service business" as defined in the Bank Secrecy Act and its implementing regulations;
 - B. Knowingly accepting restricted transactions in connection with another person in unlawful Internet gambling as defined in the Unlawful Internet Gambling Enforcement Act and Regulation GG (Prohibition on Funding of Unlawful Internet Gambling); or
 - C. Directly or indirectly related to the use of the Service that is illegal or fraudulent.
22. Ensuring that no information has been deleted or degraded from a substitute check returned by the Bank in the event you capture for processing a digital image of a previously truncated and reconverted substitute check returned to you by the Bank. If you capture for processing a digital image of any other previously truncated and reconverted substitute check, you are to ensure that the substitute check meets the requirements for legal equivalency under Regulation CC and the identifications of previous truncating and reconverting bank(s) (as such terms are defined in Regulation CC) are preserved.

K. Contact in Event of Unauthorized Access

If you believe that your User ID, Password or Authentication Method has been lost or stolen, or that someone has accessed the System without your permission, call our IT Department at 1-352-726-1221.

L. Confidentiality

We will disclose information to third parties about your account or the checks you deposit:

- 1. When it is necessary for completing deposits, or
- 2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant, or
- 3. In order to comply with government agency or court orders, or
- 4. If you give us written permission.

M. Additional Disclosures

In addition to the above paragraph regarding confidentiality, you understand information about your accounts or the deposit you make may automatically be disclosed to others. For example, tax laws require disclosure to the government of the amount of interest you earn, and some transactions, such as large currency and foreign transactions, must be reported to the government. We may also provide information about your accounts to persons or companies we believe would use the information for reasonable purposes, such as when a prospective creditor seeks to verify information you may have given in a credit application or a merchant calls to verify a check you have written. In addition, we routinely inform credit bureaus when accounts are closed because they were not handled properly. We may also seek information about you from others, such as the credit bureau, in connection with the opening or maintaining of your account or in connection with approving your access to the System. You agree and hereby authorize all of these transfers of information.

N. Disclaimer of Warranty, Limitation of Liability and Indemnity

We make no warranty of any kind, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, the existence of any latent or patent defects, viruses, or the accuracy or freedom from error, of the data or the program used by or furnished to the Bank or to you by licensor or others, in connection with the System or Service(s) provided to you under this Agreement. Without limiting the generality of the foregoing, the Bank makes no representation or warranty, express or implied, against any infringement of any proprietary rights of any other party. You assume the entire risk as to the quality and performance of the System, the suitability of the Service, and with respect to any documentation. This paragraph shall survive the termination of this Agreement by either account holder or the Bank, and also limits the liability of any agent, employee or affiliate of the Bank. We do not and cannot warrant that the System will operate without errors, or that any or all Service(s) will be available and operational at all times.

The Bank agrees to be responsible only for performing the Service(s) expressly provided for in this Agreement and shall be responsible only for its actions or inactions for which the Bank has engaged in gross negligence or willful misconduct in performing those Service(s). The Bank will not be responsible for your acts or omissions and none of your employees or agents shall be considered agents of the Bank. You agree to defend, indemnify and hold the Bank harmless against any loss, liability or expense (including attorney's fees and expenses) resulting from or arising out of:

1. Any claim of any person that is responsible for any act or omission by you or your employees or agents;
2. Any claims against the Bank from a third party resulting directly or indirectly under this Agreement where the Bank has acted in accordance with your instructions and/or within the terms of this Agreement;
3. Your negligence or breach of this Agreement
4. Your failure to provide the appropriate information for an instruction via the System;
5. Your failure to provide and maintain accurate information in this Agreement and Remote Deposit Services Enrollment Form; and
6. Any breach by you of any representation or agreements made pursuant to or in this Agreement.

You understand and agree that the Bank's liability and your sole and exclusive remedy for claims in connection with or arising out of this Agreement for any cause whatsoever and regardless of the form of action shall be limited to actual, direct damages for losses resulting from the Bank's gross negligence or willful misconduct. In no event shall the Bank be liable for special, consequential, incidental, exemplary or similar damages including, but not limited to, lost profits or lost savings, even if the Bank was advised of the possibility thereof.

Without limiting the generality of the foregoing provisions, the Bank shall be excused from failing to act or delay in acting:

1. If any legal constraint or circumstances beyond the Bank's control caused such failure or delay;
2. If the System was not working properly, and you knew about the breakdown when you started the check image and deposit instruction; or
3. If there are other exceptions stated in our agreement with you.

Nothing contained in this Agreement shall be deemed to relieve you of any liability, duty or obligation which may be imposed upon you by any federal, state or municipal laws, including without limitation, laws requiring you to maintain records regarding your business or employees or to withhold taxes or other deductions.

You will indemnify and hold harmless the Bank, its licensors and providers of services, and their respective directors, officers, shareholders, employees and agents (each an "Indemnified Party") from and against any third party suits, proceedings, claims, demands, causes of action, damages, liabilities, losses or expenses (including reasonable attorneys' fees and other legal expenses) that result from or arise out of:

1. The wrongful acts or omissions of you, or any person acting on your behalf, in connection with your use of the System or processing of checks hereunder, including without limitation:
 - A. A breach by you of any provision, representation or warranty of this Agreement;
 - B. The negligence or willful misconduct (whether by act or omission) of you, your customers, or any third party on behalf of you;
 - C. Any modifications or changes to the System made by you or any third party within the control or on behalf of you;
 - D. Any misuse of the System by you or any third party within the control or on behalf of you; or
 - E. The failure by you to comply with applicable state and federal laws and regulations.
2. Any act or omission of the Bank that is in accordance with this Agreement or instructions from you; or
3. Any claim by any recipient of a substitute check corresponding to a check processed by you hereunder, that such recipient incurred loss due to the receipt of the substitute check instead of the original check (a "Claim").

The Bank will not be liable to you for any of the following, unless liability or loss is a result of the Bank's breach of this Agreement or the gross negligence or willful misconduct of the Bank or its employees or agents:

1. Any damages, costs or other consequences caused by or related to the Bank's actions that are based on information or instructions that you provide to the Bank;
2. Any unauthorized actions initiated or caused by you or its employees or agents;
3. The failure of third persons or vendors to perform satisfactorily, other than persons to whom the Bank has delegated the performance of specific obligations provided in this Agreement;

4. Any refusal of a Payor Bank to pay an electronic item or substitute check for any reason, including without limitation that the check, electronic item or substitute check was allegedly unauthorized, was a counterfeit, had been altered, or had a forged signature;
5. Any other party's lack of access to the Internet or inability to transmit or receive data;
6. Failures or errors on the part of Internet service providers, telecommunications providers or any other party's own internal systems; or
7. Actions by third parties, such as the introduction of a virus, that delay, alter or corrupt the transmission of an electronic item to the Bank.

The Bank's liability for errors or omissions with respect to the data transmitted or printed by the Bank will be limited to correcting the errors or omissions. Correction will be limited to reprinting and/or representing substitute checks or electronic items to the Payor Bank.

The Bank shall indemnify and hold harmless you, and your directors, officers, shareholders, employees, and agents (each an "Indemnified Party") from and against any third party suits, proceedings, claims, demands, causes of action, damages, liabilities, losses or expenses (including reasonable attorneys' fees and other legal expenses) arising from a claim by a third party that your use of the System to:

1. Capture electronic images of original checks;
2. Electronically transmit the resulting electronic images to the Bank for processing,; and/or
3. Store electronic copies of such electronic images within the System, directly infringes any valid United States copyright or United States patent of such third party (a "Claim").

The Bank shall have no liability under this provision to the extent a Claim is attributable to:

1. Modification of the System by anyone other than the Bank without the express prior written consent of the Bank, if liability for infringement would not have arisen but for such modification;
2. Combination or use of the System with any software or hardware not provided by the Bank, if liability for infringement would not have arisen but for such combination or use with such software or hardware;
3. Use of the System in any way not authorized by this Agreement, if liability for infringement would not have arisen but for such unauthorized use;
4. Transmission of electronic images to any other computer, system or media, other than, transmission to the Bank for the purpose of processing such electronic images as contemplated herein, if liability for infringement would not have arisen but for such transmission;
5. Use of other than the most current release of the System provided to you, if liability for infringement would not have arisen if the most current release had been in use; or
6. Any breach by you of this Agreement, if liability for infringement would not have arisen but for such breach.

If your use of the System is, or in the Bank's opinion is likely to be, enjoined due to any Claim, the Bank shall, at its sole option and expense, do one or more of the following:

1. Provide you the right to continue using the System at no additional expense;
2. Replace or modify the System with non-infringing software, without a material reduction in functionality or performance;
3. Resolve any Claim so that you may continue using the System at no additional expense; or
4. Terminate the Service and the license of the System.

Any action by the Bank shall not relieve the Bank of its obligation to indemnify Indemnified Parties in accordance with the other provisions of this provision, and you agree and acknowledge that the remedy provided in this provision is the sole and exclusive remedy of you, and consequently the sole and exclusive liability of the Bank, with respect to any Claim or any related action, and the Bank shall not be otherwise liable to you for providing non-infringing software.

An Indemnified Party shall:

1. Provide the indemnifying party prompt written notice of any Claim for which the Indemnified Party intends to claim indemnification;
2. Provide the indemnifying party (and/or its licensors, in case the Bank is the indemnifying party) the right to control and direct the investigation, defense and settlement of the Claim; and
3. Cooperate fully with the indemnifying party (and/or its licensors, in case the Bank is the indemnifying party) in the investigation, defense and settlement of such Claim.

The failure to deliver notice to the indemnifying party promptly after an Indemnified Party becomes aware of a Claim, if prejudicial to the indemnifying party's ability to defend such action, shall relieve the indemnifying party of any liability to Indemnified Parties under this provision to the extent of such prejudice. An Indemnified Party shall not settle or compromise any Claim, and any settlement or compromise by an Indemnified Party of a Claim shall be void as against the indemnifying party and shall terminate the indemnifying party's obligation to indemnify such Indemnified Party. The indemnifying party (and/or its licensors, in case the Bank is the indemnifying party) may settle or compromise any Claim, provided that such settlement or compromise does not involve any admission of wrongdoing on the part of any Indemnified Party or require any payment or other performance by any Indemnified Party.

O. Credit and Audit Review

You are subject to satisfactory credit and audit review by the Bank from time to time, at the Bank's sole option and discretion, and in accordance with

the Bank's established credit and auditing criteria. You shall, upon the Bank's request, provide to the Bank any such credit and audit related information and assistance as the Bank may require to perform any such review. Your failure to meet such standards in the sole discretion of the Bank or to provide such information or assistance when requested shall constitute a breach of this Agreement and shall permit the Bank to terminate this Agreement and the Service.

P. Site Inspection and Visitation

You are subject to an on-site inspection at any location of your business at any time and from time to time at the sole discretion of the Bank to ensure compliance with the provisions of this Agreement. The Bank shall not be liable or responsible to you or any third party for any loss, bodily harm, property damage, claims of the introduction of a virus or other malicious code into your system, including any which allegedly delay, alter or corrupt the data of yours, whether related to the transmission of imaged items or other data to the Bank, or whether caused by the equipment, Service, the Bank, Internet service providers, Internet browsers, or other parties providing communication services to or from the Bank to you in connection with the Bank's entry on your premises for the purposes of installation or maintenance of the equipment and Service, and for the purpose of conducting an on-site inspection.

Q. Severability

If any provision of this Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect.

R. Headings

The headings in this Agreement are for convenience or reference only and will not govern the interpretation of the provisions.

S. Waiver

Any waiver (express or implied) by either party of any default or breach of this Agreement must be in writing and shall not constitute a waiver of any other or subsequent default or breach.

T. Assignment

You may not assign this Agreement. The Bank may assign this Agreement either in part or in whole at any time and with or without notice to you. This Agreement is binding upon your heirs and Bank's successors and assigns.

U. Entire Agreement

This Agreement, together with the **Remote Deposit Services Application**, constitutes the entire agreement between you and the Bank with respect to the subject matter in this Agreement and there are no understandings or agreements relative to this Agreement which are not fully expressed in this Agreement.

V. Change in Terms

The Bank may at any time amend, modify, add or delete (collectively and individually a "change") the terms of this Agreement with or without notice unless prohibited by applicable law. A change may include a change to existing terms, a change in terms, a change that involves a new term or a change that involves conditions not otherwise contemplated by account holder or Bank at the time this Agreement is entered. If advance notice of the change is not required, and disclosure does not jeopardize the security of the account or our electronic fund transfer system, you agree that we may notify you of the change in terms by mail or by posting a notice on our website. Further you agree that your continued use of the Service(s) constitutes your agreement to the change. If you wish to decline to be bound by the change, you must terminate the account or discontinue the System to which the change relates; otherwise you will be deemed to have accepted and agreed to the change.

W. Termination

We reserve the right to terminate this Agreement or limit your use of the System at any time and for any reason at our discretion reserve the right to cancel this Agreement at any time, with or without cause and without prior notice. Examples of when we may cancel this Agreement and the use of the Service(s) without prior notice include, but are not limited to:

1. If you breach this or any other agreement we may have with you;
2. If we have reason to believe that there has been or may be an unauthorized use of your User ID, Password and Authentication Method or account(s);
3. If there is conflicting claims as to the funds in any of your account(s);
4. If you request us to do so;
5. If you do not access the System for a period of three months or longer;
6. If you have insufficient funds in any one of your Bank accounts; or
7. If you do not designate a new Primary Account immediately after you or we close your Primary Account.

You may cancel your System at any time by calling us at 1-352-726-1221, or by writing us at 320 US Hwy 41 South, Inverness, FL 34450. Your access to the System will be suspended within one business day of our receipt of your instructions to cancel the System. Termination will not affect your liability or obligations under this Agreement for transactions that have been processed on your behalf. You will remain responsible for all outstanding fees and charges incurred prior to the date of termination. Termination will apply only to the System and does not terminate your other relationships with us.

Any termination will not affect obligations arising prior to termination, such as the obligation to process any checks and electronic items (including returned electronic items) that were in the process of being transmitted or collected prior to the termination date. In addition, you will keep your

account(s) at the Bank open until the later of:

1. 90 days after the date of termination; or
2. Final payment with respect to all processing fees, and will maintain funds in such account(s) in amounts and for a period of time determined by the Bank in its reasonable discretion to cover any outstanding checks and your obligations for returns of checks, warranty claims, fees and other obligations.

If any such liabilities exceed the amount in the applicable account, the Bank may charge such excess against any of your other accounts at the Bank, and you will pay immediately upon demand to the Bank any amount remaining unpaid. You will also continue to retain checks and forward checks to the Bank.

X. Governing Law

This Agreement shall be construed in accordance with and governed by the laws of the State of Florida and this Agreement. It shall be the responsibility of the Company that deposit transactions processed through the Service comply with all local, state, and federal laws, rules and regulations, including but not limited to, sanctions laws administered by the Office of Foreign Assets Control (OFAC), and laws administered by the United States of America in existence as of the date of this Agreement and as amended from time to time. It shall further be the responsibility of the Company to obtain information regarding such OFAC enforced sanctions. (This information may be obtained directly from the OFAC Compliance Hotline.)

Y. Security Interest in Accounts and Settlement Reserve

You grant us a security interest in all Accounts or other deposits (whether general or special) of yours at the Bank, and in all funds in such Accounts or other deposits, to secure your obligations to us under this Agreement. This security interest will survive termination of this Agreement. We may hold any funds on deposit with us by you after termination of this Agreement for up to 90 days following the expiration of any return or chargeback rights regarding any request or ACH entry processed by you using the System or, if later, until any other claims to such funds have expired.

You may be required to maintain a reserve ("Settlement Reserve") of an amount to be solely determined by the Bank. You acknowledge and agree that any Settlement Reserve will be deposited in a Bank account for exclusive use by the Bank for purposes of offsetting any of your obligations under this Agreement. You authorized the Bank to immediately replenish the Settlement Reserve to an amount to be determined by the Bank via an ACH debit to your account or by a direct deposit to the Settlement Reserve if your Settlement Reserve falls below the required amount. You grant the Bank a security interest in any Settlement Reserve to enable the Bank to enforce any obligation owed by you under this Agreement without notice or demand to you. Your obligation to maintain a Settlement Reserve shall survive the termination of this Agreement, with such obligation lasting until all of your obligations under this Agreement have been fully offset. The Bank's security interest shall continue until all of your obligations under this Agreement have been fully offset.

Z. Your Representations and Warranties

You represent and warrant to the Bank as follows:

1. You have all requisite power and authority to enter into this Agreement. The entering of the Agreement, and execution of the corresponding application incorporating the same, has been duly and validly authorized by all necessary action. Further, the individual or individuals who execute the application for the services contemplated under the Agreement on your behalf is each duly authorized by you to do so;
2. Any transaction contemplated hereby will not be in violation of state or federal law; and
3. All formalities will be followed with respect to each transfer of funds, including but not limited to, proper authorization of individual transactions and any record keeping requirements with respect thereto.

By signing this Agreement, you acknowledge that you have read and understood this Agreement and the separate agreements, disclosures, schedules and exhibits as they appear on the Bank's website or given to you, including but not limited to, optional services (if selected by you).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth below.

_____ Applicant Signature	_____ Printed Name	_____ Title	_____ Date
_____ Applicant Signature	_____ Printed Name	_____ Title	_____ Date
_____ Guarantor Signature	_____ Printed Name	_____ Date	
_____ Guarantor Signature	_____ Printed Name	_____ Date	

Corporate Certification (Corporate Applicants Only): I certify that I am Secretary of the Applicant and the signatures and title set forth above are the genuine signatures and titles of persons indicated.

_____ Secretary Signature	_____ Printed Name	_____ Date
Brannen Bank		
_____ Bank Officer Signature	_____ Printed Name	_____ Date

Schedule A – Pricing

Monthly Fee:	NA
Item Fee Over 150	NA
Scanner Rental (Monthly)	NA
Scanner Purchase	NA
Daily Deposit Limit (for Processing)	\$5,000.00
Other Fees (If Applicable)	NA

Officer Approval: _____ Date: _____

Schedule B – Account and Scanner Information

Account Numbers	

Scanner Identification (Type and Serial Number)	

Schedule C – Remote Deposit Authorized Users

Authorized User Names	

I understand that by completing and signing this form, I am approving the processing of remote deposits to the account(s) listed above. Transactions conducted by the user shown above are my responsibility, the Bank will not be held liable for such transactions. I agree to keep all check items in a secure location.

Authorized Signer

Date

System Set Up - For Bank Use Only

Date Taken: _____ Officer Approval: _____

System Input: _____ Employee: _____

Cancellation of Remote Deposit Service
By signing below, I am discontinuing the remote deposit service authorizations for the account(s) listed above.

Authorized Signer

Date

System Change - For Bank Use Only

Date Taken: _____ Officer Approval: _____

System Input: _____ Employee: _____

Authorization

By Domestic Government Unit

Financial Institution

Brannen Bank
P.O. Box 1929
Inverness, FL 34451-1929

Domestic Government Unit

[REDACTED]
[REDACTED]
[REDACTED]

Date: December 13, 2024

Entity Certifications

I, the undersigned, certify that:

- I have, or have been designated as having, the authority to act on behalf of Domestic Government Unit, Federal Taxpayer Number [REDACTED]
- I am authorized to execute an original or a copy of this Authorization for Financial Institution, and anyone else requiring a copy.
- Domestic Government Unit is properly formed and validly existing under the laws of Florida and that Domestic Government Unit has the power and authority to conduct business and other activities as now being conducted.
- Domestic Government Unit has the power and authority to adopt and provide this Authorization and to confer the powers granted in this Authorization; the designated Agents have the power and authority to exercise the actions specified in this Authorization; and Domestic Government Unit properly adopted these authorizations and appointed the Agents and me to act on its behalf.
- Domestic Government Unit conducts business and other activities under the additional trade name or fictitious name of District School Board of Citrus County and that Domestic Government Unit has the legal power and authority to use this trade name or fictitious name.
- Domestic Government Unit will not use any trade name or fictitious name without Financial Institution's prior written consent and will preserve any existing name, trade names, fictitious names and franchises.
- Domestic Government Unit will notify Financial Institution before reorganizing, merging, consolidating, recapitalizing, dissolving or otherwise materially changing ownership, management or organizational form. Domestic Government Unit will be fully liable for failing to notify Financial Institution of these material changes.

General Authorizations

I certify that Domestic Government Unit authorizes and agrees to the following:

- Brannen Bank ("Financial Institution") is designated to provide Domestic Government Unit the financial accommodations indicated in this Authorization, subject to the Financial Institution's rules, as they may change from time to time. If any dispute should arise with respect to Domestic Government Unit funds or the powers granted by this Authorization, Domestic Government Unit agrees that Financial Institution may, immediately after giving me notice, suspend any transactions until the dispute is resolved to Financial Institution's satisfaction.
- All prior transactions obligating Domestic Government Unit to Financial Institution by or on behalf of Domestic Government Unit are ratified by execution of this Authorization.
- Any Agent, while acting on behalf of Domestic Government Unit, is authorized, subject to any expressed restrictions, to make all other arrangements with Financial Institution which are necessary for the effective exercise of the powers indicated within this Authorization.
- The signature of the Agent is conclusive evidence of their authority to act on behalf of Domestic Government Unit.
- Unless otherwise specified and agreed to in writing, this Authorization replaces any earlier Authorization that has previously fulfilled the identical purpose. This Authorization will remain effective until Financial Institution receives and records an express written notice of its revocation, modification or replacement. Any revocation, modification

- Financial Institution may verify credit history of Domestic Government Unit by obtaining a credit report from a credit reporting agency or by any other necessary means.

The following Agent is authorized to act on behalf of Domestic Government Unit in exercising the following Powers Granted: (Indicate a power is granted by checking the box corresponding to the letter of the power, as each power is defined below.)

Name and Title	Powers Granted
[REDACTED]	A B C D E F G H I J K
[REDACTED]	☒ ☒ ☒ ☒ ☒ ☒ ☒ ☒ ☐ ☐
[REDACTED]	
[REDACTED] Date	Facsimile Signature (if used)

Name and Title 	Powers Granted										
	A	B	C	D	E	F	G	H	I	J	K
	☒	☒	☒	☒	☒	☒	☒	☒	☒	☐	☐
	Facsimile Signature (if used)										
	Date										

Name and Title	Powers Granted
	A B C D E F G H I J K
	☒ ☒ ☒ ☒ ☒ ☒ ☒ ☒ ☒ ☐ ☐
Date	Facsimile Signature (if used)

A. Open or close any share or deposit accounts in Domestic Government Unit's name, including, without limitation, accounts such as share draft, checking, savings, certificates of deposit or term share accounts, escrow, demand deposit, reserve, and overdraft line-of-credit accounts. Number of signatures required: 1

C. Enter into and execute commercial wire transfer agreements that authorize transfers by telephone or other communication systems through the network chosen by Financial Institution. Number of signatures required: 1

E. Sign checks or orders for the payment of money, withdraw or transfer funds on deposit with Financial Institution. If Financial Institution accepts this power with a multiple signature limitation, Domestic Government Unit agrees to waive

the multiple signatures requirement for any withdrawal in a format that does not allow Financial Institution an opportunity to examine signatures. Number of signatures required: 1

F. Enter into and execute agreements for night depository, lock-box, safe deposit box or other similar cash management services. Number of signatures required: 1

G. Receive and acknowledge receipt for funds, whether payable to the order of Domestic Government Unit or an Agent, without additional certification as to the use of the proceeds. Number of signatures required: 1

H. Periodically amend, restructure, renew, extend, modify, substitute or terminate any agreements or arrangements with Financial Institution that relate to this Authorization. Number of signatures required: 1

I. Enter into and execute other agreements that Financial Institution may require, and perform or cause to be performed any further action necessary to carry out the purposes of this Authorization. Number of signatures required: 1

J. Appoint and authorize additional agents to act on Agent's behalf in exercising all other powers granted to this Agent under this Authorization (but not including this power to delegate authority). Number of signatures required: 1

K. N/A

Number of signatures required: 1

☐ **Facsimile Signatures Permitted.** For all powers granted under this Authorization, Financial Institution may rely on those facsimile signatures that resemble the specimens within this Authorization or the specimens that Domestic Government Unit periodically files with Financial Institution, regardless of by whom or by what means the signatures were affixed.

Special Limitations of this Authorization

Supersedes Resolution Dated 12/11/2023

Interpretation

Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Authorization. If the number of required signatures is not specified for any granted power, any one authorized signature will be adequate to exercise that power.

Signatures

By signing, I, the undersigned, certify and agree to the terms contained in this Authorization on behalf of Domestic Government Unit. I also acknowledge receipt of a copy of this Authorization.

District School Board of Citrus County
A Florida Government Unit

Date

Attesting Witness

Date

Financial Institution

Brannen Bank

A Florida State Non Member Bank


Shawn Houle
Branch Manager

1/8/25
Date

FOR FINANCIAL INSTITUTION USE ONLY

Account # _____ Authorization and agreement completed and effective _____
By _____ for the Financial
Institution.

Account Agreement

Financial Institution

Brannen Bank
P.O. Box 1929
Inverness, FL 34451-1929

Account Holder

[REDACTED]
[REDACTED]
[REDACTED]

Agreement Date: December 13, 2024

Replacement Agreement

This Account Agreement replaces all previous Agreements for the Accounts described.

Important Account Opening Information

Federal law requires us to obtain sufficient information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

Account(s) - Type, Number, Initial Deposit

[REDACTED]

Ownership of Account

The ownership you have selected and intend is: **Domestic Government Unit.**

Additional Information

Number of signatures required for withdrawal: 1

Other Terms/Information

[REDACTED]

Signatures

Each of the undersigned certifies the accuracy of the information provided and authorizes the financial institution to investigate credit and employment history and obtain reports from consumer reporting agencies on them as individuals. Except as otherwise provided by law or other documents, each of the undersigned is authorized to make withdrawals from the account(s), provided the required number of signatures indicated above is satisfied. The undersigned personally and as, or on behalf of, the account owner(s) agree to the terms and acknowledge receipt of copies of this document and the

following: Terms and Conditions, Privacy, Electronic Fund Transfers, Non-Consumer Account Disclosure, Substitute Checks, Funds Availability and Common Features

District School Board of Citrus County
A Florida Government Unit

[Redacted]
[Redacted] Date

[Redacted]
[Redacted] Date

[Redacted]
[Redacted] Date

Backup Withholding Certifications

TIN: [Redacted]

Taxpayer Identification Number (TIN) - The taxpayer identification number (TIN) shown above is my correct taxpayer identification number.

Backup Withholding - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding. *(Strike out this statement if the IRS has notified you that you are subject to backup withholding.)*

FATCA Code - The FATCA code entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

I certify under penalties of perjury the statements made in this section and that I am a U.S. citizen or other U.S. person (as defined in the instructions).

[Redacted]
[Redacted] Date



Attachment 8
Drug Fee Workplace

DRUG-FREE WORKPLACE CERTIFICATION

A. The below Financial Institution certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violation of such prohibition.
- (b) Establishing an on-going drug-free awareness program to inform employees about:
 - (1) The dangers of drug abuse in the workplace.
 - (2) The employer's policy of maintaining a drug-free workplace.
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs, and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- (c) Making it a requirement that each employee to be engaged in the performance of this contract be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under this contract, the employee will:
 - (1) Abide by the terms of the statement; and
 - (2) Notify the Employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the City, in writing, within 10 calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Consultants of convicted employees must provide notice, including position and title to: City Manager, City of Inverness, Florida, and 212 W. Main Street, Inverness, FL 34450
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is convicted.
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended, or
 - (2) Requiring such employee to participate satisfactorily in drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency.
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B. The Financial Institution may insert in the space provided below the site(s) for the performance of work done in connection with the specific contract:

Place of performance (street address, city, county, state, zip code)

320 US Highway 41 S

Inverness, FL 34450

Check [] if there are workplaces on file that are not identified here.

As a duly authorized representative of the Financial Institution, I hereby certify that the Financial Institution will comply with the above certifications.

Brannen Bank
Financial Institution

Kimberly Darby, SVP/Controller
Printed Name and Title of Authorized Representative



Signature

March 7, 2025
Date



Attachment 9

**SWORN STATEMENT PURSUANT TO SECTION 287.133(3) (A), FLORIDA STATUTES ON PUBLIC
ENTITY CRIMES**

**SWORN STATEMENT PURSUANT TO SECTION 287.133(3) (A), FLORIDA STATUTES,
ON PUBLIC ENTITY CRIMES**

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. THIS SWORN STATEMENT IS SUBMITTED TO the City of Inverness, Florida

By Kimberly Darby, SVP/Controller
(Print Individual's Name and Title)

For Brannen Bank
(Print Name of Entity Submitting Sworn Statement)

Whose business is Financial Institution

And (if applicable) its Federal Employer Identification Number (FEIN) is 59-0153930

2. I understand that a "public entity crime" as defined in Paragraph 287.133 (1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1) (b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Paragraph 287.133(1) (a), Florida Statutes, means:
 1. A predecessor or successor of a person convicted of a public entity crime; or
 2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Paragraph 287.133(1) (e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provisions of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners,

shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (Indicate which statement applies)

XX Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity, nor any affiliates of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (Attach a copy of the final order)

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR A CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

Shirley C. Dabbs
(Signature)

Sworn and subscribed before me this 7th day of March, 2025.

Personally known ✓

(Notary)
OR produced identification _____

(Type of Identification)

Notary Public State of Florida

My commission expires: March 25, 2026

Sheryla A. Whitley





Banking Services Proposal

City of Inverness RFP No. 2025-01-FIN

Prepared by:
Dwight McKey and Michele Pellino
Capital City Bank
402 East Tennessee Street
Tallahassee, FL 32301
3/7/2025

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March 7, 2025

City of Inverness, Florida
Susan Jackson, City Clerk
212 W. Main Street
Inverness, FL 34450

RE: Banking Services Request for Proposal RFP No. 2025-01-FIN

Dear Clerk Jackson,

Thank you for the opportunity for Capital City Bank (CCBG) to provide The City of Inverness with the attached proposal for banking services. For the past 130 years, Capital City has strived to serve, understand, and meet the financial needs of our clients and the communities we serve. Your dedicated municipal banking team will work with you to achieve the City's financial goals, protect and develop your community.

In the following pages you will find that Capital City Bank not only has the technical capabilities to meet the organization's needs, but the CCBG proposal will provide Inverness with a significant financial advantage because of our unique approach to banking. As a strategic partner, your Capital City team will focus on solutions that make your banking safer, more cost effective and efficient.

Capital City strives to build partnerships vs. relationships with our clients. Capital City Bank is engaged and committed to our: communities, citizens, businesses, non-profit organizations and municipal clients that are a part of the community fabric. In 2023, Capital City Bank logged over 11,829 hours of community service throughout our footprint. On the support side, the Capital City Bank Group Foundation leads the way. The CCB Foundation is a 501(c)(3) not-for-profit, tax-exempt organization that was created in 1983 by Capital City Bank Group. The Foundation works with worthy organizations throughout the Capital City Bank Group service area by donating valuable funds for special projects and community needs. In 2024, the Foundation gave nearly \$200,000 to deserving organizations within the communities we serve.



**EFFICIENT FEE
STRUCTURE
OPTIMIZES
INTEREST
EARNINGS**



**LOCAL
RELATIONSHIP
TEAM &
LEADERSHIP**



**BEST IN CLASS
SERVICE WITH
CLIENT FOCUSED
PRIORITIES**



**INNOVATIVE
IDEAS TO CREATE
EFFICIENCIES AND
COST SAVINGS**

Clients are at the very core of what makes Capital City Bank unique. Therefore, we strive on a daily basis to provide our clients with the guidance, expertise and customer-centric service to push beyond the limits of a client relationship towards that of a partnership. As a client of Capital City Bank, City of Inverness would benefit from:

- A unique client focused hybrid account only available to our clients that maximizes their interest earning potential by earning both interest and earnings credit on total available balances.
- Local representation and decision making.
- Semi-Annual Treasury Reviews to continue to fine tune the accounts, finance and treasury functions of the City of Inverness.
- Quarterly treasury technology/industry updates through our Treasury Insights, Client Events and other opportunities for discussion.
- Business Process Reviews – an opportunity to engage the bank to review, document and optimize on key financial functions and processes within to find cost saving opportunities.
- Accounts Payable Optimization Studies leverages information about your vendors to find the most advantageous and efficient way for The City to pay them.
- Access to Capital City Bank advisors to work with employees on their financial health.

We are honored to have the opportunity to maintain the City of Inverness as our distinguished client. We have no doubt in our minds that Capital City Bank will raise the bar on the meaning of “Banking Partner”.

Your bankers,



Michele Pellino

Assistant Vice President, Institutional Banking

Pellino.michele@ccbg.com 850.402.7770



Michael Reed

Commercial Banker

Reed.michael@ccbg.com 352.423.5216



Dwight Mckey

Treasury Management Sales Banker

Mckey.dwight@ccbg.com 352.339.7642

CITY OF INVERNESS, FLORIDA
RFP No. 2025-01-FIN
BANKING SERVICES
PROPOSAL SUMMARY FORM

Name of Bank: Capital City Bank Group

Address: 304 E. Tennessee Street

City & State: Tallahassee, FL Zip Code 32301

Telephone: (850) 402-7770 Fax: (850) 402-7729

Federal Tax Identification Number 59-3277398

Name of Official Completing Proposal: Michele Pellino

Title: Institutional Banker AVP

1. Type of Bank (Federal or State Charter): State

2. Is your Bank a member of the Federal Depository Insurance Corp? Yes X No _____

3. Is your Bank a member of the Federal Reserve System? Yes X No _____

4. Deposits Federally insured up to: \$250,000

5. Authorized Florida Public Depository? Yes X No _____

6. Location of home office: 217 N. Monroe Street, Tallahassee, Florida 32301

7. Hours of Local Branch closest to the City: Inverness Office- 810 W Main St, Inverness, FL 34450: M-F 9am-5pm

8. Please attach a list that includes location and business hours for each branch in Citrus County.
Is list attached? Yes X No _____

9. List any local government agencies to which you have provided the type of services required herein:

Name: City of Alachua Contact: Rob Bonetti Telephone: 386-418-6100

Name: City of Perry Contact: Penny Staffney Telephone: 850-584-7161

Name: Bradford County Contact: Rachel Rhoden Telephone: 904-966-6327

10. Please include a copy of your audited financial statements for the last two years, and recent credit rating reports.

Are copies attached? Yes X No _____

11. Please provide a summary of any litigation filed against the respondent in the past three years which is related to the services that respondent provides in the regular course of business.

Is list attached? Yes _____ No _____ N/A X

12. **PRICING:** The proposer is required to complete the following pricing list which reflects the estimated requirements of the City and will be the determining factor in evaluating the cost of services. Indicate NIC if there is no charge for an item. If the proposer wishes to incorporate additional service items, please use the blanks provided. Banking services not detailed will be provided to the City at no cost.

SERVICE	ACTIVITY	UNIT PRICE	ACTIVITY CHARGE	REQUIRED BALANCE
Maintenance Fee	5	\$17	\$85	\$34,000
Deposit Assessment	\$9,571,453.02	.0550%	\$447.10	\$178,841.94
On-Us Items Deposited	42	\$0.12	\$5.28	\$2,112.00
Transit Items Deposited	1,381	\$0.12	\$165.72	\$66,288
Remote Deposits	20	\$.35	\$7	\$24,000
Monthly Charge - Remote Deposits	1	\$60	\$60	\$2,800
Stop Payment	0	\$35	\$0	\$0
Online Stop Payment Discount	0	\$20	\$0	\$0
Chargeback Fee	0	\$9	\$0	\$0
ZBA Primary	1	\$40	\$40	\$16,000
ZBA Additional	1	\$25	\$25	\$10,000
Debits	230	\$.18	\$41.40	\$16,560
Credits	19	\$.70	\$13.30	\$5,320
Positive Pay Monthly Fee	3	\$50	\$150	\$60,000
Positive Pay Items	428	\$.04	\$17.12	\$6,848
Positive Pay I ARP File Fee	0	\$0	\$0	\$0
Treasury Connect Wire Module	1	\$25	\$25	\$10,000
Treasury Connect Outgoing Wire	3	\$15	\$45	\$18,000
Wire Transfer Fee - Incoming	0	\$25	\$0	\$0
Treasury Connect ACH Module	1	\$35	\$35	\$14,000
ACH Items Originated	1,835	\$0.12	\$220.20	\$88,080
ACH Positive Pay	4	\$25	\$100	\$40,000
ACH File Fee	0	\$0	\$0	\$0
ACH Debit	27	\$0.18	\$4.86	\$17,140
ACH Credit	130	\$0.33	\$42.90	\$1,944
ACH Chargeback Debit	3	\$9	\$27	\$10,800
Treasury Connect Maintenance	1	\$25	\$25	\$10,000
FED EDI Report Maintenance	0	\$55	\$0	\$0
FED EDI Additional Account	0	\$2.25	\$0	\$0
Positive Pay Payee Match	3	\$15	\$45	\$18,000
Positive Pay Exception Items	20	\$10	\$200	\$80,000
ACH Fraud Control Monthly Fee	4	\$25	\$100	\$40,000
Lockbox Archive Access	1	\$69	\$69	\$27,600
LB Data Capture per Keystroke	4,086	\$.015	\$61.29	\$24,516
Lockbox Image Backup	863	\$.09	\$77.67	\$31,068
Lockbox Image Archive	1,614	\$.025	\$40.35	\$16,140
Retail LB Monthly Maintenance	1	\$255	\$255	\$102,000
Retail LB OCRA Matched Item	481	\$.25	\$120.25	\$48,100
Retail LB OCRA Unmatched Item	47	\$.27	\$12.69	\$5,076
Retail LB OCRA Multiple Items	24	\$.39	\$9.36	\$3,744
Check Only	274	\$.39	\$106.86	\$42,744

PROFILE OF THE PROPOSER

CAPITAL CITY BANK QUALIFICATIONS

1. Capital City Bank is headquartered in Tallahassee and conducts business in Florida, Georgia and Alabama
2. Capital City Bank is insured by the Federal Deposit Insurance Corporation (FDIC). See Attachment A for Federal Reserve and FDIC Information
3. Capital City Bank is a well-capitalized company with a 5 Star rating with Bauer Financial. Capital City Bank is FDIC #9622
<https://www.bauerfinancial.com/star-ratings/?ref=#2-loadhere>
4. Please see 2023 and 2024 Financials at:
<https://investors.ccbg.com/financial-information/financial-results>

BACKGROUND, OVERVIEW AND GOALS

Capital City Bank Group, Inc. (NASDAQ: CCBG) is one of the largest publicly traded financial holding companies headquartered in Florida and has approximately \$4.3 billion in assets. We provide a full range of banking services, including traditional deposit and credit services, mortgage banking, asset management, trust, merchant services, bankcards, securities brokerage services and financial advisory services, including the sale of life insurance, risk management and asset protection services. Our bank subsidiary, Capital City Bank, was founded in 1895 and now has 728 associates, 57 banking offices and 86 ATMs/ITMs in Florida, Georgia, and Alabama. For more information about Capital City Bank Group, Inc., visit www.ccbg.com.

Capital City Bank is a “qualified public depository” in the State of Florida and in full compliance with all provisions of Chapter 280, Florida Statutes. Capital City Bank did not accept TARP funds nor raise defensive capital during the prior economic downturn. Capital City Bank is a member of the Federal Reserve System and Insured by FDIC.

Capital City Bank is an equal opportunity employer. Our equal employment opportunity efforts comply with applicable federal, state and local laws governing non-discrimination in employment. We do not discriminate in recruitment, hiring, training, promotion, or other employment practices for reasons of race, color, sex, religion, age, marital status, national origin, physical or mental handicap, disability or any other characteristic protected by law. Selection and promotion of staff is made based on qualifications, experience and ability to perform specific duties related to the job. We are committed to providing outstanding client service and technology support to our clients.

Capital City Trust Company employs 20 associates and was formed in 1961 as a wholly owned subsidiary of Capital City Bank Group. With more than \$650,000 million in assets under management, they currently serve a variety of institutional clients including foundations, endowments and pension plans. Capital City Trust Company strives to add value by providing the financial support our institutional clients need to help them advance their organizational mission.

Capital City Investments employs 23 associates. The financial advisors, with LPL Financial, build financial plans and invest funds for individuals, families, companies, associations and small institutions. Our clients seek comprehensive, customized investment recommendations with an emphasis on total asset management and consistent financial direction. Advisors' responsibilities include designing personalized portfolios, establishing retirement plans, starting systematic investment programs and coordinating long-term investment plans. And our practice continues to grow primarily through referrals from clients, tax professionals, attorneys and our colleagues throughout Capital City Bank Group.

Capital City Home Loans employs 200 associates Capital City Home Loans, formerly Brand Mortgage, is focused on being the best and strongest lender in the Southeast and, while we provide loans in 10 states, we are a full-service lender that has never outgrown our Georgia roots. Offering a wide variety of mortgage finance products, we look to help each, and every client choose the best options to fit their budget and meet their individual needs. Capital City Home Loans strives to take the guesswork out of the application process and to explain all the options in simple, straightforward language so our clients feel comfortable and secure with their decision. To learn more about Capital City Home Loans and their broad assortment of mortgage finance products, please visit www.cchl.com.

Capital City Strategic Wealth Group employs 13 associates and aims to deliver the highest quality insurance planning, risk management and asset protection services to individuals, families and businesses throughout the Southeast. Our team of wealth consultants, planners and strategists and insurance consultants focuses on evaluating and optimizing the efficiency of clients' financial situations through wealth-maximization strategies, tax planning, leveraging assets, legacy planning and more.

Capital City Strategic Wealth was founded in 1995 as Strategic Wealth Group, LLC with a focus on becoming the Southeast's leading wealth and risk manager from its hometown South Georgia offices in Albany, Colquitt, Moultrie, Pelham and Valdosta. Strategic Wealth Group, LLC was acquired by Capital City Bank Group (NASDAQ: CCBG) on April 30, 2021, adding five wealth-management offices to Capital City Bank's full-service banking offices in Florida, Georgia and Alabama and expanding the availability of wealth management services while maintaining the high level of service clients have come to expect from Capital City.

Capital City Bank has a long history of supporting the local community, using both time and money. In 2023, Capital City Bank has logged over 11,829 hours of community service throughout our footprint. On the support side, the Capital City Bank Group Foundation leads the way. The CCB Foundation is a 501(c)(3) not-for-profit, tax-exempt organization that was created in 1983 by Capital City Bank Group. The Foundation works with worthy organizations throughout the Capital City Bank Group service area by donating valuable funds for special projects and community needs. A District of Directors manages the Foundation and a committee of Capital City Bank Directors and Associates review requests for funds once a year. The District works on a voluntary, unpaid basis. For more information about the CCB Foundation, as well as how to submit a grant application, please visit www.ccbg.com/ccbg-foundation.

At the time of this RFP, Capital City does not have any active or foreseen mergers and/or acquisitions.

The City of Inverness will work primarily with Capital City's Institutional Banking team and Treasury Management team.

Institutional Banking Team:

Michele Pellino

Assistant Vice President, Institutional Banker
304 East Tennessee Street
Tallahassee, FL 32301
850.402.7770 office
850.728.7419 mobile
Pellino.Michele@ccbg.com

Mrs. Pellino holds a Bachelor of Arts in English Literature from Florida State University but has found her passion in the financial services sector. As a Public Finance industry expert, Michele partners with Women in Public Finance, Florida Governmental Finance Officers Association and Georgia Governmental Finance Officers Association. She routinely consults with key partners ranging from Bond Counsel, Capital City bankers and Community leaders. Mrs. Pellino stays abreast of industry trends through engagement of Economic Development forums, local Chamber events, Georgia Municipal Association engagements and Florida League of Cities functions.

Mrs. Pellino shares the CCB vision of a strong community, and she volunteers her time to various organizations. Mrs. Pellino is passionate about instilling financial literacy, entrepreneurial skills, and community awareness in today's youth. She is often found volunteering and has a history of partnering with organizations that focus on the most vulnerable members of her community ranging from: The United Way, Second Harvest, March of Dimes, Early Learning Coalition, Hospice, Habitat for Humanity, Elder Care Services and she currently serves on the Executive Committee for Junior Achievement.

Lonya Lawrence

Administrative Assistant
304 E Tennessee Street
Tallahassee, FL 32301
850.402.7725 office
Lawrence.Lonya@ccbg.com

Over the past 24 years, Mrs. Lawrence has become a pivotal associate in helping Capital City Bank deliver our Client 1st Service Model. Lonya is dedicated to working directly with Ms. Pellino throughout the Institutional Banking Group to provide a wide variety of services to our client base. She is often thought of as the right hand to our relationship delivery team, spending her time taking care of client needs behind the scenes to enable Michele the opportunity to spend time working directly with her clients.



Treasury Management Team:**Dwight McKey**

Treasury Management Consultant
 5200-A West Newberry Road
 Gainesville, FL 32607
 352.339.7642 office
 305.498.9783 mobile
 Mckey.Dwight@ccbg.com

Mr. McKey is the Treasury Management Consultant for the bank's North Central Florida market and works out of the Gainesville office. His primary focus is on Treasury Management and helping clients optimize their financial processes and working capital, by leveraging treasury management solutions. A native South Floridian, McKey brings over 25 years of experience in the banking industry and treasury management sales, serving markets in South Florida and North Central Florida with notable contributions to middle market, large corporate and commercial real estate divisions. McKey's formal degreed education includes a BBA, an MBA, and ABA Banking degree. McKey is actively involved in community service. He serves as a board member with the Rotary Club of Gainesville, the Rotary Foundation board, and holds positions at Holy Trinity Episcopal Church, including vestry member, finance chair and treasurer. McKey resides in Gainesville with his wife, Liz.

Ryan Crawford

Treasury Management Analyst
 304 E Tennessee Street
 Tallahassee, FL 32301
 850.402.7768 office
 Crawford.Ryan@ccbg.com

Ryan has spent the last 11 years of his professional career in various capacities learning and growing his expertise in curating a unique and engaging client experience. Ryan's career has spanned numerous opportunities throughout retail, banking operations, client support as well as in our treasury management group. Ryan's talents in delivering an exceptional client experience continue to surpass both our client's expectations as well as those of his fellow banking associates.

When Ryan is not assisting our clients, he enjoys spending time with his growing family- wife Felicia and baby Luna. He is also active in supporting local charities Habitat for Humanity and Goodwill. Having attended Florida State and being born and raised in Tallahassee, Ryan is an avid Seminole fan.

Treasury Management Support

866.317.6582 toll free

850.402.7126 local

electronicbanking@ccbg.com

Capital City Bank has spent the last 126+ years building a reputation for Client 1st Service. The Treasury Management Support Group (TMSG) is a cornerstone upon which our foundation for service and support is built. TMSG is a specialized group within Capital City Bank dedicated to helping the bank's Treasury Management Clients and our TMSG associates take great pride in knowing every client under their care. The group has a combined 100+ years of experience assisting clients with a variety of requests. Their vast experience enables Capital City Bank to quickly get our Treasury Management Clients taken care of and back to running their organization as efficiently as possible.

City of Inverness Team:**Michael Reed**

Commercial Banker

810 W Main Street

Inverness, FL 34450

352.423.5216 office

Reed.Michael@ccbg.com

Michael Reed has been in the Banking Industry for 40 years, having spent the last 30 years in the Citrus County Market. Before coming to Capital City Bank, he established and was Market President for Old Florida Bank, which subsequently sold to Iberiabank. While at Iberiabank, he was responsible for the daily Banking activities for the City of Inverness, the City of Crystal River, the Citrus County Mosquito Control Board, and the Citrus County Hospital Board. He currently serves at Senior Vice President/ Commercial Banker. He has worked with numerous businesses, municipalities and non-profit organizations providing them with financial advice and services. He currently serves as a member of the board of Directors for the Citrus County Educational Foundation

BANKING LOCATIONS:

Capital City Bank has the following office locations in Citrus County:

Office Location:	Hours:	
Inverness Office 810 W Main Street Inverness, FL 34450 (352) 726-3200	Monday	9:00am - 5:00pm
	Tuesday	9:00am - 5:00pm
	Wednesday	9:00am - 5:00pm
	Thursday	9:00am - 5:00pm
	Friday	9:00am - 5:00pm
Floral City Office 7697 South Florida Avenue Floral City, FL 34436 (352) 344-1555	Monday	9:00am - 4:00pm
	Tuesday	9:00am - 4:00pm
	Wednesday	9:00am - 4:00pm
	Thursday	9:00am - 4:00pm
	Friday	9:00am - 5:00pm
Citrus Springs Office 10241 North Florida Avenue Citrus Springs, FL 34434 (352) 465-0035	Monday	9:00am - 4:00pm
	Tuesday	9:00am - 4:00pm
	Wednesday	9:00am - 4:00pm
	Thursday	9:00am - 4:00pm
	Friday	9:00am - 5:00pm
Crystal River Office 101 Southeast US Hwy 19 Crystal River, FL 34429 (352) 795-6100	Monday	9:00am - 4:00pm
	Tuesday	9:00am - 4:00pm
	Wednesday	9:00am - 4:00pm
	Thursday	9:00am - 4:00pm
	Friday	9:00am - 5:00pm

SECTION II: SCOPE OF WORK

Capital City Bank is agreeable to the desired contract terms provided by City of Inverness. Contract Terms is a three (3) year commitment to begin May 1, 2025, through May 1, 2028. With the possible addition of a three (3) additional one (1) year contract extensions that can be entered into upon the mutual agreement of both parties.

1. General Operating Account:

Account Structure

For the City's accounts, Capital City Bank will provide the Hybrid Exception Managed Earnings Credit Rate, on collected balances, to offset service fees. Any excess balances not required to offset service fees will earn a Hybrid interest rate. The Hybrid Exception Indexed Interest Rate is tiered by the remaining account balance. The Capital City Bank Hybrid Indexed Interest rate will ensure that City of Inverness continues to receive a market competitive interest rate by having the interest rate tied to the 30-day moving average of the Fed Funds Effective Rate. At the time of this proposal, the Managed Earnings Credit Rate is 3.00%.

2. Wire and Electronic Funds Transfers:

The Capital City Bank OnLine platform provides Wire Transfer origination using a unique System Id, User Ids, passwords, security tokens and pre-authorized security settings (user role limitations, dual control, etc.). The system will also provide the City of Inverness with the ability to input multiple wire transfers and create templates for faster origination. The system also provides functionality to provide for multi-wire transfers on one screen and batch wire uploads as well.

Wires must be transmitted to Capital City Bank via the online banking platform no later than 5:00 PM ET for processing on that business day. Entries received after the cut-off time shall be deemed to have been received the next business day. The Bank may amend cut-off deadlines from time to time at the bank's sole discretion.

3. Stop Payments:

The City will have the capability to issue stop payment orders of checks via telephone, online or in person by authorized City personnel. You have the right to stop payment on any check drawn on your account that has not been paid or certified.

4. Returned Items:

The Bank will automatically redeposit NSF checks for a second time before returning the check to the City. Inverness will receive the returned items by mail and may sign up for an optional service to receive an advance email advice copy.

Capital City Bank may reject or reverse any transfer or bill payment if there are not enough funds in the selected funding account. For more information, you can refer to the Capital City Bank Online Banking Terms and Conditions Agreement.

The Bank offers clients overdraft protection coverage to avoid embarrassment and problems associated with overdrafts and insufficient or declined Items. A fee applies for each daily transfer or draw. Refer to the Bank's Terms & Conditions for full details.

- Transfer from a linked Checking or Savings Account
- Advance from a linked line of credit

5. Void Checks:

The City will have the right to stop payment on any check drawn on your account that has not been paid or certified. A stop payment order may be given by any person who is authorized to draw checks against the account and must be in writing. Void checks can be submitted via positive pay to ensure a check isn't paid past its stop payment date

Stop payments may also be submitted by an authorized user on the City's Treasury Management Online Banking Platform.

6. Positive Pay Service:

Our Positive Pay system is a fraud prevention tool that provides verification for issued checks. The City of Inverness will provide an electronic file of its issued checks to the bank. Then the check number, payee name, and dollar amount are matched against checks that are presented at the teller line, or through regular clearing channels. Items not matching the client's check issue file are not cashed or returned unpaid. We will provide an e-mail notification of exception items and allow the client to make a payment decision regarding these items through our online banking platform. All these functions can be performed on the Bank OnLine platform. A variety of reports are available to the City of Inverness as well.

Exception notifications are generally sent around 9:00 AM ET every morning with a cutoff time of 1:00 PM ET for exceptions to be worked. Notifications can be sent via email or text message to remind users that exceptions have not been worked prior to the 1:00 PM ET deadline.

Items are available for review and decisioning through the treasury management platform. Specific user roles can be setup to allow tailored levels of access for both input, review, and decisioning of the items.

Enhanced Fraud Protection is also available for our Positive Pay clients and includes a similar process for detecting unauthorized ACH debit transactions. Suspect ACH debit transactions are added to the client's Positive Pay cue for client decisioning. Both check and ACH debit exceptions are processed through the same portal thereby providing a seamless, effective means of protecting the City of Inverness from both check and/or ACH debit fraud.

7. Bank Statements:

Monthly statements for each account close on the last business day of the month and are delivered electronically via the Bank's electronic statement portal typically on the first business day of the month.

The Capital City Bank Treasury Management platform has multiple file types that can be exported or integrated into ERP systems. The BAI file type is a universal file and can be integrated into the City's ERP. These file types are downloaded within the Treasury Management platform and can be set up to run daily or at any frequency by the City.

8. Check Imaging Services:

Paid check and deposit ticket images are available thru our Bank OnLine platform once they have posted to the City's account(s). Images of deposited items are available in a variety of ways including:

If the City elects to utilize our Remote Deposit service, this platform does provide the City with the capability to save an image file containing the deposited item images. Image files are available in PDF or Excel format and can be stored on a City computer, server, etc.

9. ACH Services:

Capital City Bank is a member of the Federal Reserve Bank, and we utilize the Fed as our ACH Operator. All ACH transactions are processed per National Automated Clearing House Association (NACHA) rules and regulations. The City of Inverness will have the ability to submit ACH files through the Capital City Bank OnLine platform. The City of Inverness can easily construct a database of payees, employees, etc. Payments to and from the subject payees can be directed as often as needed with minimal data input. The data base is easily modified if a payee changes banks, moves, etc. Bank OnLine also readily accepts NACHA formatted files, as well as an import of data from non-NACHA formatted files such as an Excel spreadsheet. ACH Debit or Credit files must be transmitted to Capital City Bank via the Bank OnLine platform no later than 4:00pm EST for the transaction to be processed on the settlement date of the request. Bank may amend cut-off deadlines from time to time. Entries received after the cut-off time shall be deemed to have been received on the next business day.

10. Account Reconciliation Service:

Monthly statements for each account close on the last business day of the month and are delivered electronically via the Bank's electronic statement portal typically on the first business day of the month. The Capital City Bank Treasury Management platform has multiple file types that can be exported or integrated into ERP systems. The BAI file type is a universal file and can be integrated into the the City of Inverness' ERP. These file types are downloaded within the Treasury Management platform and can be set up to run daily or at any frequency by the City.

11. Branch Deposits:

The City of Inverness can make deposits in person, by mail or by any other method Capital City Bank makes available, such as our night depositories, our ATMs, our mobile deposit app, or remote deposit capture. At our local office, we offer Safe Deposit Boxes, Instant Issue Debit Cards, a 24-hour ATM, full teller services, virtual teller services, and drive-in teller services. Capital City Bank can order deposit slips through our vendor Harland Clarke. The City's relationship team will work with Inverness to order the preferred style and customizations. Capital City will provide tamper-proof disposable deposit bags, endorsement stamps and coin wrappers to the City of Inverness as needed.

Your local Inverness team remains eager to support the needs of the city and brings combined 85 years of banking experience to the partnership.

- Carmon Forbus - Client Experience Manager -8 years in Inverness
- Jolene Smith - Universal Associate -5 years in Inverness
- Joanne Albury - Lead Teller -3 years in Inverness
- Michael P. Reed, SVP – Commercial Banker (Six years at Capital City Bank, Banker in Citrus County since 1989, Inverness Resident)
- Bart C. Bennet, VP-Business Banker (Seven years at Capital City Bank, 33 years Banking Experience, Citrus County Resident)

12. Lockbox Service:

Capital City Bank offers a full featured, fully customizable lockbox service for our governmental and business clients. We treat each new lockbox as a development project to ensure we provide our client with the needed reporting, formats, access levels, image reporting, etc.

Based upon the City's utility coupon and OCR scan line, we will work with the City to develop the needed data report for import into the City's account system. We will also develop "operating instructions" to determine the City's preference on exception item processing, including checks with no coupon, out of balance transactions, altered coupons, etc.

Capital City Bank's lockbox processing center is located St. Petersburg, FL and all lockbox addresses are via a Tampa P.O. Box. Tampa is utilized as our processing location given the Central Florida location and fast processing of U.S. mail.

For lockbox services, Capital City Bank has partnered with our item processing vendor of 10+ years, Fidelity National Information Services, Inc. (FIS).

13. Cost of Services:

Capital City has prepared a detail proforma for the City's review. A consolidated proforma has been prepared showing activity associated with each account, associated fees, and calculating the Earnings Credit Rate (ECR) of 3.00% to offset those fees reflecting Net Monthly Banking Fees of \$0.00.

For the City's accounts, Capital City Bank will provide the Hybrid Exception Managed Earnings Credit Rate, on collected balances, to offset service fees. Any excess balances not required to offset service fees will earn a Hybrid interest rate. The Hybrid Exception Indexed Interest Rate is tiered by the remaining account balance.

The benefits of the exception managed earnings credit rate (currently at 3.00%) are to offset any associated fees and pay the City the exception indexed interest rate (currently at 3.35%). The City would receive an interest credit applied to their account. We have provided a sample Account Analysis statement as Exhibit F to show this unique benefit of additional income to the City.

Capital City is committed to both accuracy and transparency. Should an error be identified by the City, Inverness will work directly with their relationship team to resolve. If the error is discovered by the Bank, your relationship team will notify the City as soon as possible and talk through the resolution steps.

14. Disaster Recovery:

Capital City Bank currently has an extensive Business Continuity Program that is reviewed and tested on an annual basis. We have developed methods to maintain open channels of communication, coordinate efforts between divisions/departments, and minimize impact of normal business operations in the event of a disaster or pandemic. We have primary and backup data centers with redundancy present in both locations. The City of Inverness would contact their relationship manager for any issues if the online solutions became temporarily unavailable.

The purpose of the Business Continuity Program at Capital City Bank is to provide for recovery of mission critical business processes in the event of a natural or man-made disruptive event. Anticipating effects of a disruption helps ensure rapid response to and successful recovery from the disruptive event. The objectives of advanced preparations and the establishment of an agreed upon set of procedures for responding to a disruptive event are to minimize financial loss to the Company, continue to serve clients and financial market participants and mitigate the negative effects disruptions can have on the strategic plans of Capital City Bank, reputation, operations, liquidity, credit quality, market position, and ability to remain in compliance with applicable laws and regulations.

The Business Continuity Program includes methods to maintain open channels of communication, coordinate efforts between divisions/departments and minimize impact on

normal business operations. The Program is tested at least annually to ensure recovery strategies are effective. The Program is also reviewed by auditors and state and federal examiners.

15. Employee Benefits Package:

Capital City Bank welcomes the opportunity to offer competitive products to City of Inverness employees. We offer a wide variety of financial services including deposit accounts, various loan types, investments, retirement planning, etc. Products may be subject to underwriting, approval, etc.

Capital City Bank offers competitive products for Inverness employees including a promotional program that offers a \$50 bonus upon opening a personal checking account.

Capital City Home Loans

Capital City Home Loans is a trusted full-service lender that offers a suite of mortgage financing options like FHA, VA, conventional, jumbo and portfolio products. City of Inverness employees will have access to a dedicated professional to help with their unique goals.

Wealth Management Services

Capital City Investments and their financial advisors, with LPL Financial, build financial plans and invest funds for individuals, families, companies, associations and small institutions. Our clients seek comprehensive, customized investment recommendations with an emphasis on total asset management and consistent financial direction. Advisors' responsibilities include designing personalized portfolios, establishing retirement plans, starting systematic investment programs and coordinating long-term investment plans. And our practice continues to grow primarily through referrals from clients, tax professionals, attorneys and our colleagues throughout Capital City Bank Group.

Capital City Strategic Wealth Group aims to deliver the highest quality insurance planning, risk management and asset protection services to individuals, families and businesses throughout the Southeast. Our team of wealth consultants, planners and strategists and insurance consultants focuses on evaluating and optimizing the efficiency of clients' financial situations through wealth-maximization strategies, tax planning, leveraging assets, legacy planning and more.

16. Web-based Internet Access:

Capital City Bank OnLine is our real-time, Internet-based, online banking platform. The following functionality is available:

- Availability 24 hours a day, 7 days a week
- Consistent view across desktop PC, tablet and smart phone

- Full mobile App functionality
- Real-time transactions
- Strong security features including, VeriSign tokens (either hard or virtual tokens are available) and Risk & Fraud Analytics software
- Company policy management and highly flexible, granular user entitlements
- View images of paid items & deposit tickets
- View real-time transaction history (18 months)
- View copies of electronic bank statements (18 months) with the ability to have copies of the statement sent to additional recipients
- Export transaction history for account reconciliation
- Initiate internal transfers – up to 10:00 pm (EST)
- Text & e-mail alert system (wire transfers, high & low balance alerts, expiring stop payments, presentment of a specific check, and much more)
- Send secure e-mails to bank associates
- Full ACH origination capabilities including file upload & import for NACHA and non-NACHA formatted files
- Full wire transfer capability for domestic & international wires
- Positive Pay file upload, item decision with image and multiple reports and search capabilities.
- ACH Positive Pay through same platform channel as check Positive Pay. Both check and ACH items are decisioned thru Bank OnLine
- Full Account Reconciliation files & reports available in a variety of formats
- Prior day reporting (BAI2 format)
- Account layout customization on the Home Page
- Customizable views in the Activity Center
- Enhanced reporting options with new standard report options
- Exporting by Transaction Type in the Activity Center
- Enhanced Quick Transfer
- Multi-Account Transfers from one screen
- Creating Account Transfer Templates
- Multi-Wire Transfers from one screen
- Batch Wire Uploads
- Enhanced Business Bill Pay service

Bank OnLine provides the ability for multiple users from multiple locations to access banking information for the City of Inverness. The City of Inverness will identify security access levels for as many users as it deems necessary. Account information can be restricted to partial information on a per-account, per-user basis.

17. Continuous Services:

Capital City Bank has a team of dedicated professionals to provide excellent customer service to the City of Inverness. Your relationship managers and treasury management banker, Michele Pellino and Dwight McKey will be your primary point of contact for any day-to-day requests, issues or strategic initiatives. Michael Reed will serve as your local point of contact for all community needs. Together, they will work to ensure all needs of the City are handled efficiently and satisfactorily. Michele Pellino, Michael Reed and Dwight McKey are available during normal business hours and after hours as needed. The Capital City Bank dedicated treasury management support team is available Monday – Friday from 8:00 AM ET to 5:00 PM ET.

18. Access to Records:

Capital City Bank's online banking platform will provide the City of Inverness with current day reporting information on all accounts. Users will be able to view transactions, including funds transfers, wire transfers, and ACH transactions, as these items are memo posted to the account(s). This access also provides the user with the ability to export cleared information for reconciliation purposes, generate statements, search for transactions as well as develop customized reports. Most used reports include the "Balance and Activity Report" and "Cash Position Report." In conjunction with Positive Pay, various reconciliation reports are also available through this platform. There is a large variety of options for reconciliation reports.

Capital City Bank also offers reporting Bank Account Information (BAI) format. Electronic Data Interchange (EDI) reporting is also available for ACH Payments with enhanced remittance information.

These solutions allow reduction in costs by automating electronic posting over manual posting of transactions, reduce errors by limiting the manual components of your reconciliation and posting processes, and improve audit controls by directly connecting accounting software to the bank.

Included in the Treasury Management Platform is Capital City Bank Online Banking Service. This is our real-time, Internet-based, online banking platform. This service is available with the following general system functionality:

- Availability 24 hours a day, 7 days a week
- Real-time transactions
- View account balances
- View images of paid items & deposits
- View real-time transaction history
- View copies of electronic bank statements with the ability to have copies of the statement sent to additional recipients
- Export transaction history for account reconciliation
- Initiate internal transfers – up to 10:00 PM (ET)
- Stop payments

Capital City Bank's online banking also provides the following additional functionality as part of our Treasury Management offerings.

- Full ACH origination capabilities including file upload & import for NACHA and non-NACHA formatted files (direct deposit for employees, collect from customers, pay suppliers, etc.).
- Full wire transfer capability for domestic & international wires
- Positive Pay
- ACH Fraud Control
- Account Reconciliation
- Prior day reporting (BAI2 format)

Our Treasury Management platform provides the ability for multiple users to access banking information for The City. Inverness will identify security access levels for as many users as it deems necessary. Account information can be restricted to partial information on a per-account, per-user basis.

Please see Exhibit G for sample monthly bank statements and Exhibit F for account analysis statement.

19. Holiday Closings:

Please see Exhibit D for our 2025 Holiday Schedule

20. Cashing Petty Cash Checks:

Capital City Bank will cash petty cash checks at no charge to the City or employee cashing the checks as long as the checks are identified as such. Standard bank identification procedures of the Bank will be followed when cashing these items.

21. Optional Banking Services:

Your Capital City Bank team will collaborate with you to review services and solutions on an ongoing basis. As technology evolves, we will remain connected to ensure the City is receiving the most from its relationship with Capital City Bank.

Capital City Bank provides a full range of banking services, including traditional deposit and credit services, mortgage banking, asset management, trust, merchant services, bankcards, securities brokerage services and financial advisory services, including the sale of life insurance, risk management and asset protection services.

Additional services for the City's consideration include the following.

Cash Vault

Capital City Bank offers Cash Vault as our solution for daily cash deposits. Cash Vault transforms cash handling from a slow manual process into an automated and secure solution. The City would simply feed bills into a Smart Safe provided by our Cash Vault partner, Brinks. The Smart Safe verifies the currency, checks for counterfeits and electronically notifies Capital City Bank. We will provide next-day credit for this deposited cash. Once the cash is deposited, it is stored in the Smart Safe and can only be accessed by our secure pick up service. Pickups are typically once per week but may vary dependent upon cash volume, location, etc. Daily reports are available including a daily credit reconciliation report.

As mentioned, please note Capital City Bank has contracted with Brinks for this service. The City will contract directly with Brinks for Smart Safe rental & installation, as well as required pickups that are generally on a weekly basis. Fees from Brinks are to be determined and will be based upon equipment needs, frequency of pickups, etc. Fees from Capital City Bank for posting of daily credits are to be determined and will be based upon cash volumes deposited, frequency of pickups, deposit float, etc.

Sweep and ZBA Accounts

Capital City Bank offers several types of investment accounts, including overnight sweep arrangements. Our accounts can be setup as a sweep with a target balance for the City of Inverness. The target balance is used in conjunction with the Sweep account, where funds more than the target balance are swept into the interest-bearing account. Funds are moved back to cover items that are submitted for payment, but only as the items are presented. This will maximize earnings by keeping funds in the interest-bearing account as long as possible.

The target balance will not earn interest but will be paid an "earnings credit" to offset monthly service fees. Please note the target may need to be adjusted, up or down, to reflect changes in account activity, interest rates, other services selected, etc. While we do review target balances periodically, we encourage our clients to review their monthly analysis statements to determine if their target balance is set at an appropriate level. If the target balance is too low, the account will be subject to a charge for the shortfall. If the target balance is too high, there are excess dollars that could be invested. Excess Earnings Credit will not be carried forward and used to reduce subsequent monthly balance requirements. An additional fee of \$95 per month will be applied for all investment sweep accounts.

Zero balance accounts are also utilized to concentrate funds for investment purposes. Payroll accounts, etc. are often setup as zero balance accounts and funds are only swept to the zero-balance account as items are presented for payment. This will maintain balances in the investment account as long as possible, thereby maximizing earnings for the relationship.

VendorPay®

This is part of our payables solution and provides a software platform for vendor OR client uploading of invoices, invoice tracking by the vendor, optional “quick pay” for vendors and actual payment of invoices by Capital City Bank. The platform can streamline the invoice approval process and helps move the client from paper to digital invoices.

Remote Deposit

Our Remote Deposit Capture service allows the City of Inverness to electronically deposit checks from various locations. Simply scan the checks, and securely transmit them to Capital City Bank. Checks can be deposited remotely from any location with internet access, thereby eliminating the physical transportation of checks to the bank. Monthly maintenance fees accompany these services along with a scanner provided by the bank. Savings to the City include elimination of time and travel to the bank office for check deposits and no purchase of deposit tickets. The deposit cutoff time for Remote Deposit is 8:00 PM EST.

Image Cash Letter

For high volume check deposit applications, Capital City Bank can provide a portal for transmission of x9.37 check image files directly to the bank. This provides our clients with the flexibility of utilizing their own check scanning software and hardware in lieu of our Remote Deposit service. We currently utilize this service for several of our high-volume utility billers who have this software capability built into their accounting systems.

Merchant Card Services

Capital City Bank offers Merchant Service credit card payment solutions through our partner, Elavon. Elavon provides first rate, client focused credit card processing with multiple options depending on the City of Inverness’ needs.

Corporate Card

Capital City Bank also offers several credit card solutions through our partner, Elan. These include Purchase Cards and Credit Cards. Cards improve cash flow by extending days payable, optimizes purchase order approval process, converts payables to less-costly electronic payments, automates expense reporting and payment posting, and increases profitability by capturing rebates. The City’s dedicated banker will work the City to determine the best card type to fit the needs of the organization.

Municipal Finance

Capital City Bank is an active municipal lender. Via private placement, we close many types of transactions including short-term TAN financing, sales tax pledge, utility systems, etc. We are very active in this space and would appreciate the opportunity to work with the City of Inverness for its financing needs.

Business Process Review

Capital City's Institutional team is committed to providing personalized guidance to our clients through a Business Process Review. Your Capital City team will work side by side with you to understand your strategy and goals, observe technological capabilities and barriers, create solutions and work with you to develop an implementation plan. Because we are highly specialized and understand the unique challenges of our Institutional clients, we take pride in helping organizations maximize their dollars, resources and efficiencies. As your business partner, we are ideally equipped to provide a comprehensive assessment of your processes in three key areas by understanding your payables, receivables and data integration process.

Our clients love participating in Business Process review. After proposing a plan that saved a Water Authority tens of thousands of dollars, they said "We discussed at length about how pleased we were with the A/P process review and report we received. Capital City did a GREAT job outlining our processes/procedures/opportunities in this area. And again, thank you very much for your dedication and detail in helping us evaluate our A/P processes."

SECTION III: ADDITIONAL INFORMATION TO ASSIST PROPOSER

Capital City agrees to maintain accounts as described within this RFP. The City's relationship team will remain close to the City and recommend any changes as appropriate.

BANKING SERVICES PROPOSAL SUMMARY ADDENDUM

- I. Describe the process by which the interest rate to be paid will be calculated and list the last six months applicable rates. Describe the process by which the interest will be applied to the General Operating Account. If applicable, indicate the minimum interest rate guaranteed.

For the City's accounts, Capital City Bank will provide the Hybrid Exception Managed Earnings Credit Rate, on collected balances, to offset service fees. Any excess balances not required to offset service fees will earn a Hybrid interest rate. The Hybrid Exception Indexed Interest Rate is tiered by the remaining account balance. The current rates are as follows:

CITY OF INVERNESS HYBRID CHECKING ACCOUNT

	Tier 1 < \$100K	Tier 2 \$100K- \$250K	Tier 3 \$250K - \$1MM	Tier 4 ≥ \$1MM
Earnings Credits				
Exception Managed Earnings Credit Rate	1.00%	1.50%	2.50%	3.00%

	Tier 1 < \$500K	Tier 2 \$500K - \$1MM	Tier 3 \$1MM - \$5MM	Tier 4 \$5MM - \$10MM	Tier 5 > \$10MM
Interest Rates					
Exception Indexed Interest Rate	2.35%	2.85%	3.10%	3.35%	3.50%

Please note the Exception Indexed Interest Rate is based on the 30 day moving average of the Federal Funds Effective Rate and is subject to change monthly. Rates presented are as of 02/28/2025.

We have provided sample Account Analysis statements as Exhibit F to show the benefits of the exception managed earnings credit rate (3.00%) and exception indexed interest rate (3.35%).

Below are the last six months' applicable rates:

	Tier 1 < \$100K	Tier 2 \$100K- \$250K	Tier 3 \$250K - \$1MM	Tier 4 ≥ \$1MM	
Earnings Credits					
Exception Managed Earnings Credit Rate	1.00%	1.50%	2.50%	3.00%	Feb-25
	1.00%	1.50%	2.50%	3.00%	Jan-25
	1.00%	1.50%	2.50%	3.00%	Dec-24
	1.00%	1.50%	2.50%	3.00%	Nov-24
	1.00%	1.50%	2.50%	3.00%	Oct-24

	1.00%	1.50%	2.50%	3.00%	Sep-24	
	1.00%	1.50%	2.50%	3.00%	Aug-24	
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	
Interest Rates	< \$500K	\$500K - \$1MM	\$1MM - \$5MM	\$5MM - \$10MM	> \$10MM	
Exception Indexed Interest Rate	2.35%	2.85%	3.10%	3.35%	3.50%	Feb-25
	2.51%	3.01%	3.26%	3.51%	3.66%	Jan-25
	2.72%	3.22%	3.47%	3.72%	3.87%	Dec-24
	2.83%	3.33%	3.58%	3.83%	3.98%	Nov-24
	3.20%	3.70%	3.95%	4.20%	4.35%	Oct-24
	3.33%	3.83%	4.08%	4.33%	4.48%	Sep-24
	3.33%	3.83%	4.08%	4.33%	4.48%	Aug-24

II. Describe your EFT/wire transfer department, where it is located, what the normal cut-off time is for outgoing transfers, and your incoming notification process. List any EFTS fees not specifically covered under Pricing.

Capital City Bank's EFT/wire transfer department is centralized for all Capital City Bank offices and is located at our Operations Center in Tallahassee, Florida. Our staff is very dedicated to timely and accurate processing of EFT and wire transactions. In addition, we are very focused on fraud prevention for these payment types as Business E-mail compromise and corporate account takeover attempts have become more common in the industry. We utilize a variety of solutions and practices to create a multi-layered strategy toward fraud prevention.

Please see Exhibit J, Processing Schedule, for daily processing cutoff times for wires, ACH origination, etc.

We will require the City to process outgoing wire transfers via our Bank OnLine platform OR via an in-person request by authorized account signer in one of our offices. We will not accept wire transfer instructions via e-mail or phone. There is a pricing advantage to do the wires through our Bank OnLine platform and trust the City will find our online platform to be the most efficient and cost-effective way to process wire transfers.

III. Describe the details of how your bank administers ACH services. Include the methods by which payment files can be processed for drafting our clients' accounts and time frames for receiving and processing these files. Describe any limitations as far as participating financial institutions.

Capital City Bank is a member of the Federal Reserve Bank, and we utilize the Fed as our ACH Operator. All ACH transactions are processed per National Automated Clearing House Association (NACHA) rules and regulations. Our ACH processing deadline is 5:00 P.M. EST per banking day. ACH debit, or collection, files may be submitted up until this deadline with next banking day settlement. Per NACHA rules, ACH credit, or payment, files should be submitted 2 banking days prior to the settlement date. We have no limitation for processing ACH transactions and currently process 60,000+ origination transactions per month. Any limitation with another financial institution would be specific to that organization. As mentioned, we process in accordance with the Fed timetable and according to NACHA rules and regulations.

IV. Describe what credit card/purchasing card services you may offer.

Capital City Bank has enjoyed a long relationship with Elan for our credit/purchasing card products. There are two primary cards available to our governmental clients, the CommUnity Card and the One Card. In summary, the CommUnity Card is a no cost, full featured credit card for governmental and other non-profit organizations. It offers a no-fee structure and a full array of reporting capabilities. The One Card is our purchasing card offering and is a full-featured solution with card access features, integrated reporting and valuable cash rebates (typically \$1MM annual spend required for rebates).

V. Describe your disaster recovery plan to include specific plans related to servicing the City in the event of a disaster. Provide information regarding your ability to provide uninterrupted service.

The purpose of the Business Continuity Program at Capital City Bank is to provide for recovery of mission critical business processes in the event of a natural or man-made disruptive event. Anticipating effects of a disruption helps ensure rapid response to and successful recovery from the disruptive event. The objectives of advanced preparations and the establishment of an agreed upon set of procedures for responding to a disruptive event are to minimize financial loss to the Company, continue to serve clients and financial market participants and mitigate the negative effects disruptions can have on the strategic plans of Capital City Bank, reputation, operations, liquidity, credit quality, market position, and ability to remain in compliance with applicable laws and regulations.

The Business Continuity Program includes methods to maintain open channels of communication, coordinate efforts between divisions/departments and minimize impact on normal business operations. The Program is tested at least annually to ensure recovery strategies are effective. The Program is also reviewed by auditors and state and federal examiners.

VI. Describe your web-based services to include the ability to access account balances and activity, initiate stop payments, and transmit tenant payment files. Describe the security features to include user identification and password maintenance. Include any other features that may be useful to the City.

Capital City Bank OnLine is our real-time, Internet-based, online banking platform. The following functionality is available:

- Availability 24 hours a day, 7 days a week
- Consistent view across desktop PC, tablet and smart phone
- Full mobile App functionality
- Real-time transactions
- Strong security features including, VeriSign tokens (either hard or virtual tokens are available) and Risk & Fraud Analytics software
- Company policy management and highly flexible, granular user entitlements
- View images of paid items & deposit tickets
- View real-time transaction history (18 months)
- View copies of electronic bank statements (18 months) with the ability to have copies of the statement sent to additional recipients
- Export transaction history for account reconciliation
- Initiate internal transfers - up to 10:00 pm (EST)
- Text & e-mail alert system (wire transfers, high & low balance alerts, expiring stop payments, presentment of a specific check, and much more)
- Send secure e-mails to bank associates
- Full ACH origination capabilities including file upload & import for NACHA and non-NACHA formatted files
- Full wire transfer capability for domestic & international wires
- Positive Pay file upload, item decision with image and multiple reports and search capabilities.
- ACH Positive Pay through same platform channel as check Positive Pay. Both check and ACH items are decisioned thru Bank OnLine
- Full Account Reconciliation files & reports available in a variety of formats
- Prior day reporting (BAI2 format)
- Account layout customization on the Home Page
- Customizable views in the Activity Center
- Enhanced reporting options with new standard report options
- Exporting by Transaction Type in the Activity Center
- Enhanced Quick Transfer
- Multi-Account Transfers from one screen
- Creating Account Transfer Templates
- Multi-Wire Transfers from one screen

- Batch Wire Uploads
- Enhanced Business Bill Pay service

Bank OnLine provides the ability for multiple users from multiple locations to access banking information for the City of Inverness. The City of Inverness will identify security access levels for as many users as it deems necessary. Account information can be restricted to partial information on a per-account, per-user basis.

VII. Describe the process and length of time required to obtain copies of a check, deposit ticket, and/or checks included in a deposit.

Paid check and deposit ticket images are available thru our Bank OnLine platform once they have posted to the City's account(s). Images of deposited items are available in a variety of ways including:

- If the City elects to utilize our Remote Deposit service, this platform provides the City with the capability to save an image file containing the deposited item images. Image files are available in PDF or Excel format and can be stored on a city computer, server, etc.

VIII. Provide a holiday schedule for the current year.

Please see Exhibit D for our 2025 Holiday Schedule.

IX. Describe your method and policy of handling lock box activity. Describe any equipment or software required and any associated costs.

CCB Response: Capital City Bank offers a full featured, fully customizable lockbox service for our governmental and business clients. We treat each new lockbox as a development project to ensure we provide our client with the needed reporting, formats, access levels, image reporting, etc.

Based upon the City's utility coupon and OCR scan line, we will work with the City to develop the needed data report for import into the City's account system. We will also develop "operating instructions" to determine the City's preference on exception item processing, including checks with no coupon, out of balance transactions, altered coupons, etc.

Capital City Bank's lockbox processing center is located St. Petersburg, FL and all lockbox addresses are via a Tampa P.O. Box. Tampa is utilized as our processing location given the Central Florida location and fast processing of U.S. mail.

For lockbox services, Capital City Bank has partnered with our item processing vendor of 10+ years, Fidelity National Information Services, Inc. (FIS).

X. Describe your financial condition, stability of current conditions, and track record of effective management decisions. Indicate your rating as reported by a nationally recognized rating agency.

Capital City Bank was established in 1895 and is the oldest Florida-based, publicly traded bank. We have a long history of being a well-capitalized, well-run organization. Capital City Bank did not accept TARP funds, nor raise defensive capital, during the recent economic downturn. Please see Exhibit E for our financial highlights.

We have also provided the last two years of our annual reports and audited financial statements. We are glad to discuss any questions you may have. Capital City Bank is not rated by a nationally recognized rating agency.

For financial support, the Capital City Bank Group Foundation leads the way. The CCB Foundation is a 501(c)(3) not-for-profit, tax-exempt organization that was created in 1983 by Capital City Bank Group. The Foundation works with worthy organizations throughout the Capital City Bank Group service area by donating valuable funds for special projects and community needs.

A Board of Directors manages the Foundation and a committee of Capital City Bank Directors and Associates reviews requests for funds once a year. The Board works on a voluntary, unpaid basis. For more information about the CCB Foundation, as well as how to submit a grant application, please visit <https://www.ccbgfoundation.org/>.

Capital City Bank has provided funding for various non-profit organizations in Citrus County, including the following:

- Mid-Florida Community Services Inc
- Citrus County Blessings
- Habitat for Humanity of Citrus County Inc.
- Jericho Road Ministries
- Pace Center for Girls inc.
- Citrus County Abuse Shelter Assoc. Inc.
- Nature Coast Ministries
- The Restoration Center of Florida Inc.
- United Way of Hernando County Inc.

XI. Include a sample of any service agreements your bank requires.

Please see attached Exhibit A for our Treasury Management Services Booklet along with related documents. Additional agreements may be required dependent upon services requested by the City.

XII. Include samples of a monthly bank statement and analysis statement.

A sample analysis statement is provided as Exhibit F and sample bank statement is provided as Exhibit G

XIII. In addition to the services described proposals for optional services may be submitted for other services that the proposer feels may be of interest to the City. Other services might include, for example, sweep accounts, positive pay services, purchasing cards, and municipal lending services.**Wire Transfer Services**

The Capital City Bank OnLine platform provides Wire Transfer origination using a unique System Id, User Ids, passwords, security tokens and pre-authorized security settings (user role limitations, dual control, etc.). The system will also provide the City of Inverness with the ability to input multiple wire transfers and create templates for faster origination. The system also provides functionality to provide for multi-wire transfers on one screen and batch wire uploads as well.

Cash Vault

Capital City Bank offers Cash Vault as our solution for daily cash deposits. Cash Vault transforms cash handling from a slow manual process into an automated and secure solution. The City would simply feed bills into a Smart Safe provided by our Cash Vault partner, Brinks. The Smart Safe verifies the currency, checks for counterfeits and electronically notifies Capital City Bank. We will provide next-day credit for this deposited cash. Once the cash is deposited, it is stored in the Smart Safe and can only be accessed by our secure pick-up service. Pickups are typically once per week but may vary dependent upon cash volume, location, etc. Daily reports are available including a daily credit reconciliation report.

As mentioned, please note Capital City Bank has contracted with Brinks for this service. The City will contract directly with Brinks for Smart Safe rental & installation, as well as required pickups that are generally on a weekly basis. Fees from Brinks are to be determined and will be based upon equipment needs, frequency of pickups, etc. Fees from Capital City Bank for posting of daily credits are to be determined and will be based upon cash volumes deposited, frequency of pickups, deposit float, etc.

Sweep and ZBA Accounts

Capital City Bank offers several types of investment accounts, including overnight sweep arrangements. Our accounts can be setup as a sweep with a target balance for the City of Inverness. The target balance is used in conjunction with the Sweep account, where funds more than the target balance are swept into the interest-bearing account. Funds are moved back to cover items that are submitted for payment, but only as the items are presented. This will maximize earnings by keeping funds in the interest-bearing account as long as possible.

The target balance will not earn interest but will be paid an “earnings credit” to offset monthly service fees. Please note the target may need to be adjusted, up or down, to reflect changes in account activity, interest rates, other services selected, etc. While we do review target balances periodically, we encourage our clients to review their monthly analysis statements to determine if their target balance is set at an appropriate level. If the target balance is too low, the account will be subject to a charge for the shortfall. If the target balance is too high, there are excess dollars that could be invested. Excess Earnings Credit will not be carried forward and used to reduce subsequent monthly balance requirements. An additional fee of \$95 per month will be applied for all investment sweep accounts.

Zero balance accounts are also utilized to concentrate funds for investment purposes. Payroll accounts, etc. are often setup as zero balance accounts and funds are only swept to the zero-balance account as items are presented for payment. This will maintain balances in the investment account as long as possible, thereby maximizing earnings for the relationship.

Supply Chain Finance

This is part of our payables solution and provides a software platform for vendor OR client uploading of invoices, invoice tracking by the vendor, optional “quick pay” for vendors and actual payment of invoices by Capital City Bank. The platform can streamline the invoice approval process and helps move the client from paper to digital invoices.

Automated Daily Balance Reporting

As stated in the first subsection, Capital City Bank OnLine is a real-time, internet-based banking platform in which the City of Inverness can reach 24 hours a day, 7 days a week. Various reports are available offering detail on posted and pending transactions. Most used reports include the “Balance and Activity Report” and “Cash Position Report.” In conjunction with Positive Pay, various reconciliation reports are also available through this platform.

Remote Deposit

Our Remote Deposit Capture service allows the City of Inverness to electronically deposit checks from various locations. Simply scan the checks, and securely transmit them to Capital City Bank. Checks can be deposited remotely from any location with internet access, thereby eliminating the physical transportation of checks to the bank. Monthly maintenance fees accompany these services along with a scanner provided by the bank. Savings to the City include elimination of time and travel to the bank office for check deposits and no purchase of deposit tickets. The deposit cutoff time for Remote Deposit is 8:00 PM EST.

Image Cash Letter

For high volume check deposit applications, Capital City Bank can provide a portal for transmission of x9.37 check image files directly to the bank. This provides our clients with the flexibility of utilizing their own check scanning software and hardware in lieu of our Remote Deposit service. We currently utilize this service for several of our high-volume utility billers who have this software capability built into their accounting systems.

Direct Deposit / ACH Vendor Payments & Other Disbursements

The City of Inverness will have the ability to submit ACH files through the Capital City Bank OnLine platform. The City of Inverness can easily construct a database of payees, employees, etc. Payments to and from the subject payees can be directed as often as needed with minimal data input. The data base is easily modified if a payee changes banks, moves, etc. Bank OnLine also readily accepts NACHA formatted files, as well as an import of data from non-NACHA formatted files such as an Excel spreadsheet. ACH Debit or Credit files must be transmitted to Capital City Bank via the Bank OnLine platform no later than 5:00pm EST for the transaction to be processed on the settlement date of the request. Bank may amend cut-off deadlines from time to time. Entries received after the cut-off time shall be deemed to have been received on the next business day.

Positive Pay

The City of Inverness will provide Capital City Bank with an electronic file of its issued checks and the check numbers, dollar amounts and payees are matched against checks that are presented at the teller line, or through regular clearing channels. There is no limit as to how many files can be loaded daily. An email notification of any exception items will be sent to the City of Inverness each business day. The City of Inverness must decide to either pay or return the exception item by 1 PM EST that day or the item will be processed as designated by the City of Inverness in the Positive Pay agreement (return exception items or pay exception items if no response by the cut-off time of 1pm). All these functions

can be performed on the Bank OnLine platform. A variety of reports are available to the City of Inverness as well.

Enhanced Fraud Protection is also available for our Positive Pay clients and includes a similar process for detecting unauthorized ACH debit transactions. Suspect ACH debit transactions are added to the client's Positive Pay cue for client decisioning. Both check and ACH debit exceptions are processed through the same portal thereby providing a seamless, effective means of protecting the City of Inverness from both check and/or ACH debit fraud.

Municipal Finance

Capital City Bank is an active municipal lender. Via private placement, we close many types of transactions including short-term TAN financing, sales tax pledge, utility systems, etc. We are very active in this space and would appreciate the opportunity to work with the City of Inverness for its financing needs.

Employee Benefit Package

Capital City Bank welcomes the opportunity to offer competitive products to City of Inverness employees. We offer a wide variety of financial services including deposit accounts, various loan types, investments, retirement planning, etc. Products may be subject to underwriting, approval, etc.

Cashing Petty Cash Checks

Capital City Bank will cash petty cash checks at no charge to the City or employee cashing the checks as long as the checks are identified as such. Standard bank identification procedures of the Bank will be followed when cashing these items.

1. Wire and Electronic Funds Transfers:

The Capital City Bank OnLine platform provides Wire Transfer origination using a unique System Id, User Ids, passwords, security tokens and pre-authorized security settings (user role limitations, dual control, etc.). The system will also provide the City of Inverness with the ability to input multiple wire transfers and create templates for faster origination. The system also provides functionality to provide for multi-wire transfers on one screen and batch wire uploads as well.

Wires must be transmitted to Capital City Bank via the online banking platform no later than 5:00 PM ET for processing on that business day. Entries received after the cut-off time shall be deemed to have been received the next business day. The Bank may amend cut-off deadlines from time to time at the bank's sole discretion.

2. Stop Payments:

The City will have the capability to issue stop payment orders of checks via telephone, online or in person by authorized City personnel. You have the right to stop payment on any check drawn on your account that has not been paid or certified.

3. Returned Items:

The Bank will automatically redeposit NSF checks for a second time before returning the check to the City. Inverness will receive the returned items by mail and may sign up for an optional service to receive an advance email advice copy.

Capital City Bank may reject or reverse any transfer or bill payment if there are not enough funds in the selected funding account. For more information, you can refer to the Capital City Bank Online Banking Terms and Conditions Agreement.

The Bank offers clients overdraft protection coverage to avoid embarrassment and problems associated with overdrafts and insufficient or declined Items. A fee applies for each daily transfer or draw. Refer to the Bank's Terms & Conditions for full details.

- Transfer from a linked Checking or Savings Account
- Advance from a linked line of credit

4. Void Checks:

The City will have the right to stop payment on any check drawn on your account that has not been paid or certified. A stop payment order may be given by any person who is authorized to draw checks against the account and must be in writing.

Stop payments may also be submitted by an authorized user on the City's Treasury Management Online Banking Platform.

5. Positive Pay Service:

Our Positive Pay system is a fraud prevention tool that provides verification for issued checks. The City of Inverness will provide an electronic file of its issued checks to the bank. Then the check number, payee name, and dollar amount are matched against checks that are presented at the teller line, or through regular clearing channels. Items not matching the client's check issue file are not cashed or returned unpaid. We will provide an e-mail notification of exception items and allow the client to make a payment decision regarding these items through our online banking platform. All of these functions can be performed on the Bank OnLine platform. A variety of reports are available to the City of Inverness as well.

Exception notifications are generally sent around 9:00 AM ET every morning with a cutoff time of 1:00 PM ET for exceptions to be worked. Notifications can be sent via email or text message to remind users that exceptions have not been worked prior to the 1:00 PM ET deadline. Items are available for review and decisioning through the treasury management platform. Specific user roles can be setup to allow tailored levels of access for both input, review, and decisioning of the items.

Enhanced Fraud Protection is also available for our Positive Pay clients and includes a similar process for detecting unauthorized ACH debit transactions. Suspect ACH debit transactions are added to the client's Positive Pay cue for client decisioning. Both check and ACH debit exceptions are processed through the same portal thereby providing a seamless, effective means of protecting the City of Inverness from both check and/or ACH debit fraud.

6. Bank Statements:

Monthly statements for each account close on the last business day of the month and are delivered electronically via the Bank's electronic statement portal typically on the first business day of the month.

The Capital City Bank Treasury Management platform has multiple file types that can be exported or integrated into ERP systems. The BAI file type is a universal file and can be

integrated into the City's ERP. These file types are downloaded within the Treasury Management platform and can be set up to run daily or at any frequency by the City.

7. Check Imaging Services:

Paid check and deposit ticket images are available thru our Bank OnLine platform once they have posted to the City's account(s). Images of deposited items are available in a variety of ways including:

If the City elects to utilize our Remote Deposit service, this platform does provide the City with the capability to save an image file containing the deposited item images. Image files are available in PDF or Excel format and can be stored on a City computer, server, etc.

The City is also welcome to work with their dedicated team to obtain copies of any check and/or deposit items.

8. ACH Services:

Capital City Bank is a member of the Federal Reserve Bank and we utilize the Fed as our ACH Operator. All ACH transactions are processed per National Automated Clearing House Association (NACHA) rules and regulations. The City of Inverness will have the ability to submit ACH files through the Capital City Bank OnLine platform. The City of Inverness can easily construct a database of payees, employees, etc. Payments to and from the subject payees can be directed as often as needed with minimal data input. The data base is easily modified if a payee changes banks, moves, etc. Bank OnLine also readily accepts NACHA formatted files, as well as an import of data from non-NACHA formatted files such as an Excel spreadsheet. ACH Debit or Credit files must be transmitted to Capital City Bank via the Bank OnLine platform no later than 4:00pm EST for the transaction to be processed on the settlement date of the request. Bank may amend cut-off deadlines from time to time. Entries received after the cut-off time shall be deemed to have been received on the next business day.

9. Account Reconciliation Service:

Monthly statements for each account close on the last business day of the month and are delivered electronically via the Bank's electronic statement portal typically on the first business day of the month. The Capital City Bank Treasury Management platform has multiple file types that can be exported or integrated into ERP systems. The BAI file type is a universal file and can be integrated into the City of Inverness' ERP. These file types are downloaded within the Treasury Management platform and can be set up to run daily or at any frequency by the City.

10. Branch Deposits:

The City of Inverness can make deposits in person, by mail or by any other method Capital City Bank makes available, such as our night depositories, our ATMs, our mobile deposit app, or remote deposit capture. At our local office, we offer Safe Deposit Boxes, Instant Issue Debit Cards, a 24-hour ATM, full teller services, virtual teller services, and drive-in teller services. Capital City Bank can order deposit slips through our vendor Harland Clarke. The City's relationship team will work with Inverness to order the preferred style and customizations. Capital City will provide tamper-proof disposable deposit bags, endorsement stamps and coin wrappers to the City of Inverness as needed.

Your local Inverness team remains eager to support the needs of the city and brings combined 85 years of banking experience to the partnership.

- Carmon Forbus - Client Experience Manager -8 years in Inverness
- Jolene Smith - Universal Associate -5 years in Inverness
- Joanne Albury - Lead Teller -3 years in Inverness
- Michael P. Reed, SVP – Commercial Banker (Six years at Capital City Bank, Banker in Citrus County since 1989, Inverness Resident)
- Bart C. Bennet, VP-Business Banker (Seven years at Capital City Bank, 33 years Banking Experience, Citrus County Resident)

11. Lockbox Service

Capital City Bank offers a full featured, fully customizable lockbox service for our governmental and business clients. We treat each new lockbox as a development project to ensure we provide our client with the needed reporting, formats, access levels, image reporting, etc.

Based upon the City's utility coupon and OCR scan line, we will work with the City to develop the needed data report for import into the City's account system. We will also develop "operating instructions" to determine the City's preference on exception item

processing, including checks with no coupon, out of balance transactions, altered coupons, etc.

Capital City Bank's lockbox processing center is located St. Petersburg, FL and all lockbox addresses are via a Tampa P.O. Box. Tampa is utilized as our processing location given the Central Florida location and fast processing of U.S. mail.

For lockbox services, Capital City Bank has partnered with our item processing vendor of 10+ years, Fidelity National Information Services, Inc. (FIS).

12. Cost of Services:

Capital City has prepared a detail proforma for the City's review. A consolidated proforma has been prepared showing activity associated with each account, associated fees, and calculating the Earnings Credit Rate (ECR) of 3.00% to offset those fees reflecting Net Monthly Banking Fees of \$0.00.

For the City's accounts, Capital City Bank will provide the Hybrid Exception Managed Earnings Credit Rate, on collected balances, to offset service fees. Any excess balances not required to offset service fees will earn a Hybrid interest rate. The Hybrid Exception Indexed Interest Rate is tiered by the remaining account balance.

The benefits of the exception managed earnings credit rate (currently at 3.00%) are to offset any associated fees and pay the City the exception indexed interest rate (currently at 3.35%). The City would receive an interest credit applied to their account. We have provided a sample Account Analysis statement as Exhibit F to show this unique benefit of additional income to the City.

Capital City is committed to both accuracy and transparency. Should an error be identified by the City, Inverness will work directly with their relationship team to resolve. If the error is discovered by the Bank, your relationship team will notify the City as soon as possible and talk through the resolution steps.

13. Disaster Recovery:

Capital City Bank currently has an extensive Business Continuity Program that is reviewed and tested on an annual basis. We have developed methods to maintain open channels of communication, coordinate efforts between divisions/departments, and minimize impact of normal business operations in the event of a disaster or pandemic. We have primary and backup data centers with redundancy present in both locations. The City of Inverness would contact their relationship manager for any issues if the online solutions become temporarily unavailable.

The purpose of the Business Continuity Program at Capital City Bank is to provide for recovery of mission critical business processes in the event of a natural or man-made disruptive event. Anticipating effects of a disruption helps ensure rapid response to and successful recovery from the disruptive event. The objectives of advanced preparations and the establishment of an agreed upon set of procedures for responding to a disruptive event are to minimize financial loss to the Company, continue to serve clients and financial market participants and mitigate the negative effects disruptions can have on the strategic plans of Capital City Bank, reputation, operations, liquidity, credit quality, market position, and ability to remain in compliance with applicable laws and regulations.

The Business Continuity Program includes methods to maintain open channels of communication, coordinate efforts between divisions/departments and minimize impact on normal business operations. The Program is tested at least annually to ensure recovery strategies are effective. The Program is also reviewed by auditors and state and federal examiners.

14. Employee Benefits Package:

Capital City Bank welcomes the opportunity to offer competitive products to City of Inverness employees. We offer a wide variety of financial services including deposit accounts, various loan types, investments, retirement planning, etc. Products may be subject to underwriting, approval, etc.

Capital City Bank offers competitive products for Inverness employees including a promotional program that offers a \$50 bonus upon opening a personal checking account.

Capital City Home Loans

Capital City Home Loans is a trusted full-service lender that offers a suite of mortgage financing options like FHA, VA, conventional, jumbo and portfolio products. City of Inverness employees will have access to a dedicated professional to help with their unique goals.

Wealth Management Services

Capital City Investments and their financial advisors, with LPL Financial, build financial plans and invest funds for individuals, families, companies, associations and small institutions. Our clients seek comprehensive, customized investment recommendations with an emphasis on total asset management and consistent financial direction. Advisors' responsibilities include designing personalized portfolios, establishing retirement plans, starting systematic investment programs and coordinating long-term investment plans. And our practice continues to grow primarily through referrals from clients, tax professionals, attorneys and our colleagues throughout Capital City Bank Group.

Capital City Strategic Wealth Group aims to deliver the highest quality insurance planning, risk management and asset protection services to individuals, families and businesses throughout the Southeast. Our team of wealth consultants, planners and strategists and insurance consultants focuses on evaluating and optimizing the efficiency of clients' financial situations through wealth-maximization strategies, tax planning, leveraging assets, legacy planning and more.

15. Web-based Internet Access:

Capital City Bank OnLine is our real-time, Internet-based, online banking platform. The following functionality is available:

- Availability 24 hours a day, 7 days a week
- Consistent view across desktop PC, tablet and smart phone
- Full mobile App functionality
- Real-time transactions
- Strong security features including, VeriSign tokens (either hard or virtual tokens are available) and Risk & Fraud Analytics software
- Company policy management and highly flexible, granular user entitlements
- View images of paid items & deposit tickets
- View real-time transaction history (18 months)
- View copies of electronic bank statements (18 months) with the ability to have copies of the statement sent to additional recipients
- Export transaction history for account reconciliation
- Initiate internal transfers - up to 10:00 pm (EST)
- Text & e-mail alert system (wire transfers, high & low balance alerts, expiring stop payments, presentment of a specific check, and much more)
- Send secure e-mails to bank associates
- Full ACH origination capabilities including file upload & import for NACHA and non-NACHA formatted files
- Full wire transfer capability for domestic & international wires

- Positive Pay file upload, item decision with image and multiple reports and search capabilities.
- ACH Positive Pay through same platform channel as check Positive Pay. Both check and ACH items are decisioned thru Bank OnLine
- Full Account Reconciliation files & reports available in a variety of formats
- Prior day reporting (BAI2 format)
- Account layout customization on the Home Page
- Customizable views in the Activity Center
- Enhanced reporting options with new standard report options
- Exporting by Transaction Type in the Activity Center
- Enhanced Quick Transfer
- Multi-Account Transfers from one screen
- Creating Account Transfer Templates
- Multi-Wire Transfers from one screen
- Batch Wire Uploads
- Enhanced Business Bill Pay service

Bank OnLine provides the ability for multiple users from multiple locations to access banking information for the City of Inverness. The City of Inverness will identify security access levels for as many users as it deems necessary. Account information can be restricted to partial information on a per-account, per-user basis.

16. Continuous Services:

Capital City Bank has a team of dedicated professionals to provide excellent customer service to the City of Inverness. Your relationship managers and treasury management banker, Michele Pellino and Dwight McKey will be your primary point of contact for any day-to-day requests, issues or strategic initiatives. Michael Reed will serve as your local point of contact for all community needs. Together, they will work to ensure all needs of the City are handled efficiently and satisfactorily. Michele Pellino, Michael Reed and Dwight McKey are available during normal business hours and after hours as needed. The Capital City Bank dedicated treasury management support team is available Monday – Friday from 8:00 AM ET to 5:00 PM ET.

17. Access to Records:

Capital City Bank's online banking platform will provide the City of Inverness with current day reporting information on all accounts. Users will be able to view transactions, including funds transfers, wire transfers, and ACH transactions, as these items are memo posted to the account(s). This access also provides the user with the ability to export cleared information for reconciliation purposes, generate statements, search for transactions as well as develop

customized reports. Most used reports include the “Balance and Activity Report” and “Cash Position Report.” In conjunction with Positive Pay, various reconciliation reports are also available through this platform. There is a large variety of options for reconciliation reports.

Capital City Bank also offers reporting Bank Account Information (BAI) format. Electronic Data Interchange (EDI) reporting is also available for ACH Payments with enhanced remittance information.

These solutions allow reduction in costs by automating electronic posting over manual posting of transactions, reduce errors by limiting the manual components of your reconciliation and posting processes, and improve audit controls by directly connecting accounting software to the bank.

Included in the Treasury Management Platform is Capital City Bank Online Banking Service. This is our real-time, Internet-based, online banking platform. This service is available with the following general system functionality:

- Availability 24 hours a day, 7 days a week
- Real-time transactions
- View account balances
- View images of paid items & deposits
- View real-time transaction history
- View copies of electronic bank statements with the ability to have copies of the statement sent to additional recipients
- Export transaction history for account reconciliation
- Initiate internal transfers – up to 10:00 PM (ET)
- Stop payments

Capital City Bank’s online banking also provides the following additional functionality as part of our Treasury Management offerings.

- Full ACH origination capabilities including file upload & import for NACHA and non-NACHA formatted files (direct deposit for employees, collect from customers, pay suppliers, etc.).
- Full wire transfer capability for domestic & international wires
- Positive Pay
- ACH Fraud Control
- Account Reconciliation
- Prior day reporting (BAI2 format)

Our Treasury Management platform provides the ability for multiple users to access banking information for The City. Inverness will identify security access levels for as many users as it deems necessary. Account information can be restricted to partial information on a per-account, per-user basis.

18. Holiday Closings:

Please see Exhibit D for our 2025 Holiday Schedule

19. Cashing Petty Cash Checks:

Capital City Bank will cash petty cash checks at no charge to the City or employee cashing the checks as long as the checks are identified as such. Standard bank identification procedures of the Bank will be followed when cashing these items.

20. Optional Banking Services:

Your Capital City Bank team will collaborate with you to review services and solutions on an ongoing basis. As technology evolves, we will remain connected to ensure the City is receiving the most from its relationship with Capital City Bank.

Capital City Bank provides a full range of banking services, including traditional deposit and credit services, mortgage banking, asset management, trust, merchant services, bankcards, securities brokerage services and financial advisory services, including the sale of life insurance, risk management and asset protection services.

Additional services for the City's consideration include the following.

Cash Vault

Capital City Bank offers Cash Vault as our solution for daily cash deposits. Cash Vault transforms cash handling from a slow manual process into an automated and secure solution. The City would simply feed bills into a Smart Safe provided by our Cash Vault partner, Brinks. The Smart Safe verifies the currency, checks for counterfeits and electronically notifies Capital City Bank. We will provide next-day credit for this deposited cash. Once the cash is deposited, it is stored in the Smart Safe and can only be accessed by our secure pick-up service. Pickups are typically once per week but may vary dependent upon cash volume, location, etc. Daily reports are available including a daily credit reconciliation report.

As mentioned, please note Capital City Bank has contracted with Brinks for this service. The City will contract directly with Brinks for Smart Safe rental & installation, as well as required pickups that are generally on a weekly basis. Fees from Brinks are to be determined and will be based upon equipment needs, frequency of pickups, etc. Fees from Capital City Bank for posting of daily credits are to be determined and will be based upon cash volumes deposited, frequency of pickups, deposit float, etc.

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Capital City Bank offers several types of investment accounts, including overnight sweep arrangements. Our accounts can be setup as a sweep with a target balance for the City of Inverness. The target balance is used in conjunction with the Sweep account, where funds

more than the target balance is swept into the interest-bearing account. Funds are moved back to cover items that are submitted for payment, but only as the items are presented. This will maximize earnings by keeping funds in the interest-bearing account as long as possible.

The target balance will not earn interest but will be paid an “earnings credit” to offset monthly service fees. Please note the target may need to be adjusted, up or down, to reflect changes in account activity, interest rates, other services selected, etc. While we do review target balances periodically, we encourage our clients to review their monthly analysis statements to determine if their target balance is set at an appropriate level. If the target balance is too low, the account will be subject to a charge for the shortfall. If the target balance is too high, there are excess dollars that could be invested. Excess Earnings Credit will not be carried forward and used to reduce subsequent monthly balance requirements. An additional fee of \$95 per month will be applied for all investment sweep accounts.

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VendorPay®

This is part of our payables solution and provides a software platform for vendor OR client uploading of invoices, invoice tracking by the vendor, optional “quick pay” for vendors and actual payment of invoices by Capital City Bank. The platform can streamline the invoice approval process and helps move the client from paper to digital invoices.

Remote Deposit

Our Remote Deposit Capture service allows the City of Inverness to electronically deposit checks from various locations. Simply scan the checks, and securely transmit them to Capital City Bank. Checks can be deposited remotely from any location with internet access, thereby eliminating the physical transportation of checks to the bank. Monthly maintenance fees accompany these services along with a scanner provided by the bank. Savings to the City include elimination of time and travel to the bank office for check deposits and no purchase of deposit tickets. The deposit cutoff time for Remote Deposit is 8:00 PM EST.

Image Cash Letter

For high volume check deposit applications, Capital City Bank can provide a portal for transmission of x9.37 check image files directly to the bank. This provides our clients with the flexibility of utilizing their own check scanning software and hardware in lieu of our Remote Deposit service. We currently utilize this service for several of our high-volume utility billers who have this software capability built into their accounting systems.

Merchant Card Services

Capital City Bank offers Merchant Service credit card payment solutions through our partner, Elavon. Elavon provides first rate, client focused credit card processing with multiple options depending on the City of Inverness' needs.

Corporate Card

Capital City Bank also offers several credit card solutions through our partner, Elan. These include Purchase Cards and Credit Cards. Cards improve cash flow by extending days payable, optimizes purchase order approval process, converts payables to less-costly electronic payments, automates expense reporting and payment posting, and increases profitability by capturing rebates. The City's dedicated banker will work the City to determine the best card type to fit the needs of the organization.

Municipal Finance

Capital City Bank is an active municipal lender. Via private placement, we close many types of transactions including short-term TAN financing, sales tax pledge, utility systems, etc. We are very active in this space and would appreciate the opportunity to work with the City of Inverness for its financing needs.

Business Process Review

Capital City's Institutional team is committed to providing personalized guidance to our clients through a Business Process Review. Your Capital City team will work side by side with you to understand your strategy and goals, observe technological capabilities and barriers, create solutions and work with you to develop an implementation plan. Because we are highly specialized and understand the unique challenges of our Institutional clients, we take pride in helping organizations maximize their dollars, resources and efficiencies. As your business partner, we are ideally equipped to provide a comprehensive assessment of your processes in three key areas by understanding your payables, receivables and data integration process.

Our clients love participating in Business Process review. After proposing a plan that saved a Water Authority tens of thousands of dollars, they said "We discussed at length about how pleased we were with the A/P process review and report we received. Capital City did a GREAT job outlining our processes/procedures/opportunities in this area. And again, thank you very much for your dedication and detail in helping us evaluate our A/P processes."

SECTION III: ADDITIONAL INFORMATION TO ASSIST PROPOSER

Capital City agrees to maintain accounts as described within this RFP. The City's relationship team will remain close to the City and recommend any changes as appropriate.

In accordance with your request for proposals, instructions and specifications, attached hereto, and subject to all conditions thereof, I (we), the undersigned, hereby agree if this proposal is accepted, to contract with the City of Inverness, Florida to furnish any service requested herein and deliver the same to the City at the specified location.

The undersigned further declares that they have carefully examined the specifications and is thoroughly familiar with them and their provision(s). They further declare that no other person than the proposer herein named has any interest in this proposal or in the contract to be executed, and that it is made without connection with any other person(s) making a proposal for the same services, and it is in all respects fair without outside control, collusion, fraud, or otherwise illegal action.

Name & Title of Authorized Representative: Michele Pellino, Institutional Banking AVP

(Printed)



(Signature)

Treasury Management Services Terms and Conditions



217 North Monroe Street
Tallahassee, FL 32301

Toll Free: 866.317.6582

Phone: 850.402.7126

Fax: 850.402.7259

Email: electronicbanking@ccbg.com

www.ccbg.com

By signing the Treasury Management Services Enrollment Form ("**Enrollment Form**"), the entity designated in the Enrollment Form ("**Client,**" "**you,**" "**your,**" "**yours**") acknowledges and agrees that it has received, read, and understands Capital City Bank's ("**Capital City Bank,**" "**Bank,**" "**our,**" "**we,**" "**us**") Treasury Management Service Terms and Conditions Booklet ("**Booklet**") in the form attached hereto and the Client agrees to be bound by the terms and conditions of the Booklet, the Enrollment Form and any Schedules and Operating Instructions described therein.

After the Client executes the Enrollment Form, the Client may from time to time request the Bank to provide any of the services described in the Booklet ("**Services**"). The Client may begin to use any such Service once Bank has approved such use and has received all required properly executed forms. By enrolling for the use of any Service, or by using or allowing any others to use any Service in relation to any of Client's Accounts, Client accepts and agrees to the terms and conditions of Part I of this Booklet, which is applicable to all Services, as may be in effect from time to time. Client also accepts and agrees to the terms and conditions of those Sections in Part II of this Booklet governing the specific Service(s) Client has selected in the Enrollment Form. Terms defined in Part I are applicable to all of the terms contained in this Booklet. Terms contained within Part II are applicable only to the provisions of the Service contained in the Service Section in which the term is defined. In the event of a conflict between the terms in Part I and the terms in Part II, the terms in Part II shall control.

The Client warrants and certifies that the Client has taken all action required by its organizational or constituent documents to authorize the Client representative to execute and deliver on behalf of the Client the Enrollment Form, the Operating Instructions and any other documents the Bank may require with respect to the Services.

No signature is required on this Treasury Management Service Terms and Conditions. By signing the Enrollment Form, Company acknowledges its receipt of and agreement to the terms of this Booklet.

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INTRODUCTION

Thank you for choosing Capital City Bank for your Treasury Management business needs. We appreciate the opportunity to serve you. If you have any questions about our Treasury Management Services or about this Booklet, please contact your Treasury Management representative.

The General Terms and Conditions and separate sections for the Services within this Booklet also contain capitalized terms which are defined therein.

This Booklet contains the terms and conditions under which we provide you with treasury management services. It is used in conjunction with the terms and conditions applicable to the deposit accounts for which Services are provided. Please read this Booklet carefully and keep it for your records.

Some Services require Client to complete additional forms or reference other documents, including but not limited to the Bank's Processing Schedule ("**Operating Instructions**"), which provides Bank with necessary information to set up the Service. The Operating Instructions must be completed by you before using the applicable Service. The Operating Instructions are incorporated herein and made a part of this Booklet. You may begin using the Service when we have received all required and properly executed forms.

Part I below is the General Terms and Conditions that apply to all the Services. Following the General Terms and Conditions are the Service Sections which contain the terms and conditions applicable to each Service.

PART I: GENERAL TERMS AND CONDITIONS

The following terms and conditions apply to all the Treasury Management Services provided by Bank. These Services currently include, but are not limited to, the Capital City Bank Online Banking Service, ACH Blocking/Filter Service, ACH Origination, Wire Transfer of Funds, Bill Pay, Remote Deposit Capture, Positive Pay and Reverse Positive Pay, Lockbox Services, Electronic Payments Reporting Service, Sweep Account Services, Zero Balance Account Service and Imaging Services (individually the "**Service**," collectively the "**Services**"). Bank and Client agree that this Booklet shall also govern all new Treasury Management Services used by Client in the future. Bank agrees to provide and Client agrees to purchase certain Services provided for and described in this Booklet and agrees to such terms and conditions of this Booklet. Client agrees as follows:

1.1 Authority, Representations and Warranties.

Client hereby warrants that it has full right, authority and power to agree to the terms of this Booklet and that execution of the Enrollment Form and any Operating Instructions have been duly authorized by necessary governing bodies or executive officers, as the case may be. Client agrees to supply Bank any information that the Bank may reasonably request including, but not limited to, such documents as may be satisfactory to the Bank which establish the authority of any representative to enter into or act on behalf of Client in regards to this Booklet or to enter into the Services and or to perform any other act contemplated under this Booklet.

Client further warrants that it is validly existing and in good standing under the laws of the applicable state and any consent or authorization of any governmental authority or third party required to be obtained by Client in connection with this Booklet or any Treasury Management Service used or performed has been obtained.

You acknowledge, represent and warrant that the Services will not be used for accounts established primarily for personal, family or household purposes. Specifically, you acknowledge, represent and warrant that the transfer of funds from your Accounts is for business purposes and not for personal, family or household purposes. Accordingly, the provisions of the federal Electronic Fund Transfer Act, as amended, and the Consumer Financial Protection Bureau's Regulation E, as amended, and any other laws or regulations, as well as any terms or provisions of this Booklet, intended for the protection of consumers or governance of transactions involving consumers or consumer accounts do not apply to any Service transactions affecting your Accounts.

1.2 Affiliate Entities.

Client, and each Affiliate Entity, (as defined below) represent and warrant to Bank: (1) that each of the Affiliate Entities is an entity in which the Client or its Parent (herein defined) has direct or indirect interest; (2) that each such entity maintains one or more checking accounts with Bank (each, an "Affiliate Entity"); (3) that the person executing the Enrollment Form and/or Operating Instructions on behalf of the Client is an authorized signatory on each of the Affiliate Entity Accounts with Bank; (4) that the execution of the Enrollment Form and/or Operating Instructions by such person constitutes the acceptance of and agreement to the terms and conditions contained in this Booklet and the Operating Instructions, both on behalf of the Client and each such Affiliate Entity, for the purpose of granting authority for such person to perform transactions under this Booklet and the Operating Instructions; (5) that all actions by such person on behalf of the Client or a Affiliate Entity constitutes the duly authorized action of the Client and/or such Affiliate Entity, as applicable; and (6) that each Affiliate Entity is deemed to be a party to this Booklet. For purposes of this Booklet, "Parent" means a person or entity that has a majority ownership interest in Client.

a. Bank, in its discretion, may permit Client to link its Accounts maintained at Bank to the Accounts of other Affiliate Entities through the Services, to permit Client to perform all banking transactions authorized in the Service Sections and this Booklet, relating to such Affiliate Entities' Accounts without requiring other signatures or further authorizations of the applicable Affiliate Entities.

b. Client, and each Affiliate Entity, represent to Bank that they have entered into an agreement in which Client agrees to perform certain treasury management Services, on behalf of Affiliate Entities that requires Client to have access to, and authority to conduct banking transactions on behalf of and with respect to, the Affiliate Entities' Accounts maintained at Bank. By signing the Enrollment Form and/or Operating Instructions, Client and each Affiliate Entity make such representation to Bank and authorize Bank to perform such transactions based upon Client's instructions.

c. Client and each Affiliate Entity represents and warrants to Bank that if Accounts held under different tax IDs are linked, the person signing the Enrollment Form and/or Operating Instructions is an authorized signatory for each Affiliate Entity, is authorized to designate the multiple company access included in this Booklet and the Service Section, and that no Account included for common access is restricted from such common access by any

provisions of Client's charter, bylaws or similar documents or any applicable laws or any existing resolution, declaration or agreement with Bank and that each of the requested Services has been duly and legally authorized by Client and each Affiliate Entity. Where Accounts held under different tax identification numbers are requested to be linked, Client, and each Affiliate Entity, acknowledges that Bank shall rely on the Security Procedure to determine authority of Client to transfer funds or conduct other transactions effecting Accounts of other Affiliate Entities. Client and each Affiliate Entity acknowledges that it is responsible for determining any limitations on access to its Accounts by its officers, employees, or other designated representatives.

d. Where Bank permits linkage between Affiliate Entity accounts, Client and each of the Affiliate Entities hereby jointly and severally direct Bank and authorize it: (a) to provide complete access by Client to Affiliate Entities' Account(s), and (b) to recognize, accept and effectuate all transactions initiated through the Services available under this Booklet by Client, with respect to Affiliate Entities' Accounts, all without further inquiry regarding: (i) the authority of the person(s) initiating the transaction(s), and (ii) any aspect of the transaction(s) itself. Bank shall not otherwise be deemed to have any knowledge of the provisions of the agreement between Client and its Affiliate Entities respecting such banking or other matters, nor any of their respective duties thereunder, it being understood that recitation of the said agreement herein is for reference purposes only.

e. By executing the Enrollment Form, and/or Operating Instructions and agreeing to the terms and conditions contained in the Booklet, Client and each Affiliate Entity represents and warrants to Bank that (i) it has fully advised the appropriate owners, officers, and other personnel of Client and each Affiliate Entity regarding the terms hereof, including with respect to, among other things, terms and conditions relating to Client's rights and obligations with respect to Account linkage matters and with respect to the Affiliate Entity's joint and several obligations hereunder relating to such transactions; (ii) Client and each Affiliate Entity fully agrees to be bound by the terms hereof in respect of its Accounts, including with respect to, among other things, the charging of fees to its Accounts as described in this Booklet; (iii) Client and each Affiliate Entity hereby assume all obligations and risks pursuant to the terms of this Booklet with respect to transactions affecting Client and each Affiliate Entity's Accounts. Bank shall have no responsibility with respect to the application of funds pursuant to transactions under this Booklet and Bank's obligations with respect to such funds and Account linkage matters shall be limited strictly and specifically to those expressly set forth herein.

f. Monthly maintenance fees for use of the Services shall be charged to Client's Account. All transaction fees and charges incurred for specific transactions and Services by Affiliate Entities executed using the Services shall be charged to the applicable designated Account of the applicable Affiliate Entity.

g. Client and each Affiliate Entity, jointly and severally, hold Bank harmless and indemnify Bank for any loss, damage, injury, assessment, judgment or liability, suffered or incurred by Bank, and for any claim, proceeding, action or cause of action brought against Bank (including reasonable attorneys' fees relating thereto), arising from, or in any manner in connection with any transactions executed under the terms and conditions of this Booklet and the Service Sections.

h. A Affiliate Entity may withdraw the authority granted under this Booklet for Client's authorized representative to act on behalf of such Affiliate Entity hereunder and under one or more Service Sections by providing notice of such withdrawal of authority to Bank as provided herein, but such notice shall not be effective until five (5) business days after receipt and written acknowledgment of such receipt, by Bank, or such earlier time as Bank may effectuate such withdrawal of authority. Client and Bank agree that in the event of withdrawal of the authority granted herein by a Affiliate Entity, Client and Bank shall terminate this Booklet and all applicable Service Sections (collectively "**Service Sections**") in accordance with the termination provisions of the Service Sections.

i. The delivery of notices, documents and correspondence to Client in connection with this Booklet and each Service Section shall be deemed to be delivery to each Affiliate Entity.

1.3 Deposit Account Terms and Conditions.

Client acknowledges and agrees that Client's demand deposit accounts maintained with Bank (individually "**Account**," collectively "**Accounts**") are an integral part of the Services offered by Bank and that all transactions and Services initiated or processed pursuant to this Booklet are subject to the terms and conditions of the rules, regulations and agreements ("**Terms and Conditions**") governing accounts in effect from time to time between Client and Bank including without limitation, the arbitration provisions. The Deposit Account Agreement is expressly incorporated herein by reference. The terms and conditions of this Booklet shall control over any inconsistent terms and conditions of the Deposit Account Agreement. Client acknowledges that it has signed and executed all agreements, resolutions, signature cards and forms governing Client's demand deposit account required by Bank. If Client has not signed the foregoing forms required by Bank, by signing the Enrollment Form, Client acknowledges that it has read the contents of and agrees to be bound by the terms of those forms, agreements and documents, and adopts and ratifies, as an authorized signatory(s), the signature(s) of any person(s) who has signed a signature card or any check on Client's account. Client also agrees to establish all accounts that must be opened in conjunction with the Service provided by Bank.

1.4 Required Deposit Balance.

If required by Bank, Client agrees to maintain the minimum collected balance ("**Required Deposit Balance**") in the amount and in the account specified in the Service terms and conditions of the specific Services selected and designated by Client and the set of detailed instructions referred to as the "Operating Instructions," establishing the procedures and operating instructions governing the Service.

1.5 Services Requested by Client.

Bank shall perform the Services selected by Client in accordance with the Service terms and conditions contained herein and the Operating Instructions governing the selected Service. "Operating Instructions" shall mean any information provided by Bank to Client and any information provided by Client to Bank giving instructions for use of the Service. The Operating Instructions, which may be communicated within the terms and conditions of the Service, by online screen instructions or other forms of written notice permitted by this Booklet, are made a part hereof. Some of the Services require Client to complete and provide to Bank

information or documentation in, or as part of the Enrollment Form, schedules, addenda, Operating Instructions, in-put forms or other documents required in connection with these Services. Client's use or continued use of each of such Services will be conditioned on and subject to Client entering into, or completing and providing to Bank, the foregoing when Bank so requests. Use of a Service under an existing agreement for such treasury management service will constitute affirmation that Client agrees to and is bound by the terms and conditions of this Booklet and the applicable Service terms and conditions and not the existing agreement.

1.6 Effective Date.

The effective date of this Booklet shall be the date upon which the Enrollment Form is executed by Client and accepted by Bank. Once the Client has signed the Enrollment Form and/or Operating Instructions, the Client may request the Bank to provide Services which are provided for in this Booklet. Client may begin to use any such Service once Bank has approved such use and has received all required properly executed forms. Bank shall have no obligation to deliver or render the Service(s) until Bank has approved such use and received all required and properly executed forms. The effective date of the terms of a Service contemplated in Part II of this Booklet shall be the date upon which Bank approves Client's use of the Service or the date on which Client uses the Service.

1.7 Data and Information Supplied by Client.

Client shall transmit or deliver data and other information in the format and on the media as provided for in each Service Section terms and conditions contained herein and the Operating Instructions or as otherwise required by the Bank in conjunction with rendering the Service(s) selected by Client. Client shall have the sole responsibility of ensuring the accuracy and correctness of the data transmitted. Client acknowledges and agrees that Bank shall not examine the data for correctness and the Bank shall not have any responsibility for detecting errors in the data transmitted by the Client. The data transmitted by Client must be legible, correct and complete. Bank shall not process, and Bank shall not be liable to Client for failure to process, the data if it is not in the format specified by Bank or if the data is incomplete. Bank shall not be liable for errors or omissions caused by data that is rejected as the result of Client's failure to provide the data in accordance with the standards specified in the Service terms and conditions and the Operating Instructions.

1.8 Update Notice.

Client shall provide written notice to Bank of any changes to the information previously provided by Client to Bank, including, but not limited to, any additional locations, any change in business, any new business, the identity of principals and/or owners, the form of business organization, type of goods and services provided and method of conducting sales. Such notice must be received by Bank within 5 Business Days of the change. Client shall provide any additional information requested by Bank within 5 days of such request.

1.9 Security Procedures.

Bank shall provide Client with a User ID and/or passwords (collectively, a "**Security Code**") to access certain Services. The use of the Security Code, in addition to other authentication methods described below, is a security procedure established by Bank to authenticate the identity of the person attempting to gain access to the Service ("**Security Procedure**"). The Security

Procedure is not designed for the detection of errors. We may require you to change your Security Code from time to time for security reasons. You should keep your Security Code in a secure location. Any person having access to your Security Procedures will be able to access these Services and perform all transactions, including reviewing Account information and making Transfers to other Accounts and to other persons. **You are responsible for safeguarding the Security Procedures. Providing these Security Procedures to another person effectively constitutes a grant of authority to access your Accounts.**

a. You agree to comply with the Security Procedures and any other procedures Bank directs you to use, and you acknowledge and agree that the Security Procedures, including (without limitation) any code, Security Code, password, personal identification number, user identification technology, token, certificate, layered security, software or other element, means, or method of authentication or identification used in connection with a Security Procedure ("**Security Devices**"), constitute commercially reasonable security procedures under applicable law for the initiation of the Services you utilize, including without limitation, transfers and access to confidential information. You authorize us to follow any and all instructions entered and transactions initiated using applicable Security Procedures unless and until you have notified us, according to notification procedures prescribed by us, that the Security Procedures or any Security Device has been stolen, compromised, or otherwise become known to persons other than you or your representative(s) and until we have had a reasonable opportunity to act upon such notice. You agree that the initiation of a transaction or instructions using applicable Security Procedures constitutes sufficient authorization for Bank to execute such transaction or instruction notwithstanding any particular designation by you of authorized persons or signature requirements identified on any signature card or other documents relating to this Booklet or your deposit account maintained with Bank, and you agree and intend that the submission of transactions and instructions using the Security Procedures shall be considered the same as your authorized written signature in authorizing us to execute such transaction or instruction. You acknowledge and agree that you shall be bound by any and all transactions initiated through the use of such Security Procedures, whether authorized or unauthorized, and by any and all transactions and activity otherwise initiated by you, to the fullest extent allowed by law. You further acknowledge and agree that the Security Procedures are not designed to detect error in the transmission or content of communications or transactions initiated by you and that you bear the sole responsibility for detecting and preventing such error.

b. You agree to appoint and designate, in the Enrollment Form or Operating Instructions, an administrator (the "**Administrator**") who will be authorized and responsible for creating and maintaining subsequent User IDs, Passwords and tokens on your behalf, including assigning and revoking access privileges for persons to use the Service, ("**User**") and providing new and subsequent Security Devices to those Users. Administrator will have the ability to alter or amend Security Procedures for Client through the Online Banking Service for any applicable Services used by Client, including without limitation ACH and Wire Transfer Services. Prior to utilizing any Services, Client and Administrator shall review and confirm any and all Security Procedures through the Online Banking Service. Bank will provide Client's designated Administrator, through United

States postal mail, e-mail and/or other delivery service selected by Bank at Bank's option, with a User ID number and Password, and tokens to be distributed by the Administrator to each User with respect to one or more of the Services. Client understands that the Administrator has the capability of providing administrative privileges identical to that of the Administrator to any User, including the ability to create and maintain subsequent User accounts and assigning and revoking access privileges. If these privileges are granted by the Administrator to a User, that User will also be considered an Administrator. Client will be required to use the Security Device each time it accesses the Services. Client acknowledges that any Administrator shall have the ability to control security levels such as Service access and Service transaction limits, including without limitation the ability to assign dollar amount limits to transfers of funds. You also agree that the Administrator or any User shall also have the authority on behalf of Client to electronically accept and approve any and all agreements and amendments to agreements by and between Bank and Client, including but not limited to this Booklet.

c. You agree to keep all Security Procedures and Security Devices protected, secure, and strictly confidential and to provide or make available the same only to your authorized representative(s). You agree not to disclose or provide any Security Procedures or Security Devices to any unauthorized person. You also agree that Users shall not share Security Devices with each other. Where you have the ability to change or modify a Security Device from time to time (e.g., a password or User Name), you agree to change Security Devices frequently in order to ensure the security of the Security Device. You agree to notify us immediately, according to notification procedures prescribed by us, if you believe that any Security Procedures or Security Device have been stolen, compromised, or otherwise become known to persons other than you or your authorized representative(s) or if you believe that any transaction or activity is unauthorized or in error. In the event of any actual or threatened breach of security, we may issue you a new Security Device or establish new Security Procedures as soon as reasonably practicable, but we shall not be liable to you or any third party for any delay in taking such actions. You agree to indemnify, defend all claims, and hold Bank harmless from any loss, damages, or expenses, including but not limited to attorney's fees, caused by your, your employees', or agents' failure to keep the Security procedures or Security Device confidential and secure.

d. You agree to notify us immediately, according to notification procedures prescribed by us, if the authority of any authorized representative(s) shall change or be revoked. You shall recover and return to us any Security Devices in the possession of any of your authorized representative(s) whose authority to have the Security Device has been revoked.

e. We reserve the right to modify, amend, supplement, or cancel any or all Security Procedures, and/or to cancel or replace any Security Device, at any time and from time to time in our discretion. We will endeavor to give you reasonable notice of any change in Security Procedures; provided that we may make any change in Security Procedures without advance notice to you if we, in our judgment and discretion, believe such change to be necessary or desirable to protect the security of our systems and assets. Your implementation and use of any changed Security Procedures after any change in Security Procedures shall constitute your agreement to the change and your agreement that

the applicable Security Procedures, as changed, are commercially reasonable and adequate for the purposes intended.

1.10 Physical and Electronic Security.

a. Client is solely responsible for providing for and maintaining the physical, electronic, procedural, administrative, and technical security of data and systems in Client's possession or under Client's control. Bank is not responsible for any computer viruses (including, without limitation, programs commonly referred to as "malware," "keystroke loggers," and/or "spyware"), problems or malfunctions resulting from any computer viruses, or any related problems that may be associated with the use of an online system or any ACH Origination services. Any material downloaded or otherwise obtained is obtained at Client's own discretion and risk, and Bank is not responsible for any damage to Client's computer or operating systems or for loss of data that results from the download of any such material, whether due to any computer virus or otherwise. Client is solely responsible for maintaining and applying anti-virus software, security patches, firewalls, and other security measures with respect to Client's operating systems, and for protecting, securing, and backing up any data and information stored in or on Client's operating systems. Bank is not responsible for any errors or failures resulting from defects in or malfunctions of any software installed on Client's operating systems or accessed through an Internet connection.

b. Client acknowledges and agrees that it is Client's responsibility to protect itself and to be vigilant against e-mail fraud and other internet frauds and schemes (including, without limitation, fraud commonly referred to as "phishing" and "pharming"). Client agrees to educate User(s), agents, and employees as to the risks of such fraud and to train such persons to avoid such risks. Client acknowledges that Bank will never contact Client by e-mail in order to ask for or to verify Account numbers, Security Devices, or any sensitive or confidential information. In the event Client receives an e-mail or other electronic communication that Client believes, or has reason to believe, is fraudulent, Client agrees that neither Client nor its User(s), agents, and employees shall respond to the e-mail, provide any information to the e-mail sender, click on any links in the e-mail, or otherwise comply with any instructions in the e-mail. Client agrees that Bank is not responsible for any losses, injuries, or harm incurred by Client as a result of any electronic, e-mail, or Internet fraud.

c. In the event of a breach of the Security Procedure, Client agrees to assist Bank in determining the manner and source of the breach. Such assistance shall include, but shall not be limited to, providing Bank or Bank's agent access to Client's hard drive, storage media and devices, systems and any other equipment or device that was used in breach of the Security Procedure. Client further agrees to provide to Bank any analysis of such equipment, device, or software or any report of such analysis performed by Client, Client's agents, law enforcement agencies, or any other third party. Failure of Client to assist Bank shall be an admission by Client that the breach of the Security Procedure was caused by a person who obtained access to transmitting facilities of Client or who obtained information facilitating the breach of the Security Procedure from Client and not from a source controlled by Bank.

1.11 Hardware and Software.

Client understands it must, and hereby agrees to, at its sole cost

and expense, use computer hardware and software that meets all technical requirements for the proper delivery of the Service and that fulfills Client's obligation to obtain and maintain secure access to the Internet. Client understands and agrees it may also incur, and shall pay, any and all expenses related to the use of the Services, including, but not limited to, telephone service or Internet service charges. Client is solely responsible for the payment of any and all costs and expenses associated with meeting and maintaining all technical requirements and additional items necessary for the proper use of the Services. Client understands and agrees that it is solely responsible for the operation, maintenance and updating of all equipment, software and services used in connection with the Services and the cost thereof, and Client hereby agrees that it will perform, or cause to be performed, all vendor recommended maintenance, repairs, upgrades and replacements, and such performance shall be rendered by properly trained personnel, whether they are employees of Client or third-party employees. Bank is not responsible for, and Client hereby releases Bank from any and all claims or damages resulting from, or related to, any computer virus or related problems that may be associated with using electronic mail or the Internet to deliver Services. Bank is not responsible for any errors or failures resulting from defects in or malfunctions of Client's computer hardware or software. In addition to installing antivirus software, Client hereby agrees to scan its computer hardware and software on a regular basis (one or more times per month) using a reliable computer virus detection product in order to detect and remove computer viruses. In connection with its use of the Services, Client shall only use the hardware approved in advance by Bank and shall only use such software as is approved in advance by Bank.

All right, title and interest in and to (a) any and all computer programs, including, but not limited to, the object and source codes therefore, and any and all updates, upgrades, fixes and enhancements thereto, together with any and all documentation, user guides and instructions pertaining thereto (everything in this clause (a), collectively, "**Software**"), and (b) any and all users guides, instructions and other documentation provided to, or used by, Client in connection with the Services (everything in this clause (c) collectively, the "**Documentation**") shall be, and remain, the property of Bank or any third party Software provider, as applicable. Unless otherwise expressly authorized, Client may not (a) copy, reproduce, transmit, retransmit, disseminate, display, publish, sell, broadcast, circulate, distribute, transfer, assign, commercially exploit, reverse engineer, reverse compile or create derivative works of, the Software in any form or (b) copy, reproduce, transmit, retransmit, disseminate, display, publish, sell, broadcast, circulate, distribute, transfer, assign, commercially exploit the Documentation.

1.12 Internet Disclaimer.

For any Service described herein utilizing the Internet, Bank does not and cannot control the flow of data to or from Bank's network and other portions of the Internet. Such flow depends in large part on the performance of Internet Services provided or controlled by third parties. Actions or inactions of such third parties can impair or disrupt Client's connections to the Internet (or portions thereof). Bank cannot guarantee that such events will not occur. Accordingly, Bank disclaims any and all liability resulting from or related to such events and in no event shall Bank be liable for any damages (whether in contract or in tort) that are attributable to the public Internet infrastructure, Client's ability to connect to the

Internet, or Bank's ability to connect to the Internet on Client's behalf.

1.13 Service Limits

Client agrees that Bank may establish limits or restrictions on Services provided in this Booklet and that Bank may amend those limits without notice. The limits or restrictions may apply to transaction amounts, types of accounts that are eligible for the Service, the frequency of the transactions or any other limits or restrictions that Bank deems necessary. Client agrees to abide by and honor the limits or restrictions established by Bank. Client also agrees that Bank shall have no liability to Client for refusal to process any transaction or to act on any request by Client that exceeds the limit or restriction.

1.14 Financial Information and Audit.

Bank may from time to time request information from Client in order to evaluate a continuation of the Service to be provided by Bank hereunder and/or adjustment of any limits set by Bank. Client agrees to provide the requested financial information within a reasonable period of time upon request by Bank, in the form required by Bank. Client authorizes Bank to investigate or reinvestigate at any time any information provided by Client in connection with this Booklet and the Services. Upon request by Bank, Client hereby authorizes Bank to enter Client's business premises for the purpose of ensuring that Client is in compliance with the terms of this Booklet, applicable laws and regulations, and the NACHA Rules and Client specifically authorizes Bank to perform an audit of Client's operational controls, risk management practices, staffing and the need for training and ongoing support, compliance with the NACHA Rules and this Booklet, and information technology infrastructure. Client hereby acknowledges and agrees that Bank shall have the right to mandate specific internal controls at Client's location(s) and Client shall comply with any such mandate. In addition, Client hereby agrees to allow Bank to review available reports of independent audits performed at the Client location related to information technology, the Service and any associated operational processes. Client agrees that if requested by Bank, Client will complete a self-assessment of Client's operations, management, staff, systems, internal controls, training and risk management practices that would otherwise be reviewed by Bank in an audit of Client. If Client refuses to provide the requested financial information, or if Bank concludes, in its sole discretion, that the risk of Client is unacceptable, if Client violates the Service terms and conditions or the Rules, or if Client refuses to give Bank access to Client's premises, Bank may terminate the Service and this Booklet according to the provisions hereof.

1.15 Changes and Modifications.

Bank may amend, add to, modify or delete the terms or replace this Booklet in its entirety at any time, in its sole discretion, by giving written notice to Client. Notwithstanding the foregoing, Bank may amend the Schedule of Fees at any time, in its sole discretion with or without notice. In the event performance of the Service provided herein in accordance with the terms of this Booklet would result in a violation of any present or future statute, regulations or government policy to which Bank is subject, and which governs or affects the transactions contemplated by this Booklet, then this Booklet shall be deemed amended to the extent necessary to comply with such statute, regulation or policy, and Bank shall incur no liability to Client as a result of such violation or amendment. Any practices or course of dealings between Bank

and the Client, or any procedures or operational alternatives used by them, shall not constitute a modification of this Booklet, nor shall they be construed as an amendment to this Booklet.

1.16 Deadlines.

Client shall deliver or transmit all data or information to Bank by the deadline(s) specified in the Service terms and conditions and the Processing Schedule. Bank shall have no obligation to process data or perform the Service if the data is not received by the Bank by the specified deadline.

1.17 Client's Duty to Inspect.

Bank will provide notice of receipts of deposits to Client's Accounts with Bank on Client's periodic Account statement. If Client uses Bank's information/balance reporting services, Client can also receive notice through various mailed reports or terminal printouts. Client shall inspect all reports, journals, and other material evidencing the output of the Service(s) performed by Bank. Client is responsible for detecting and reporting to Bank any discrepancy between Client's records and the records Bank provides to Client. Client must report all errors to the Bank for Services performed and reported to Client daily by the close of business on the banking day following the day on which the report, journal or other material evidencing the output of the Services is rendered. Client must report all other errors within a reasonable time not to exceed sixty (60) days from the date that the error is made. Failure of Client to promptly report errors within such specified time shall preclude Client from asserting the error, discrepancy or any loss caused by the error against the Bank.

1.18 Checks and Other MICR Documents.

Client shall purchase all checks and other Magnetic Ink Character Recognition ("MICR") documents from vendors selected or approved by Bank. In the event that Client selects its own vendor for checks or other MICR documents, Client must submit sample documents to Bank for testing before the Service is rendered. Checks and other MICR documents must meet the standards and specifications selected by Bank in its own discretion. If Client encodes the amount or other information on checks, deposits or other items in magnetic ink, Client warrants that the information encoded is accurate and correct. In the event that the information is not encoded correctly, Bank shall have no liability for any loss, claim, action, or expenses, including reasonable attorneys' fees, arising out of such error.

1.19 Remotely Created Checks.

If Client uses a Service wherein Client creates or deposits a Remotely Created Check, as that term is defined in Federal Reserve Board Regulation CC, Client warrants to Bank that the person on whose account the Remotely Created Check is drawn authorized the issuance of the check in the amount stated on the check and to the payee stated on the check.

1.20 Payment for Services

Client agrees to pay Bank the charges for the services provided in connection with this Booklet, as may be set forth from time to time in the Schedule of Fees.

Client may contact the Treasury Management Department at 850.402.7746, or via e-mail at treasurymanagement@ccbg.com, to obtain a current Schedule of Fees. All fees are subject to change from time to time by Bank, in Bank's sole discretion. Clients will be provided with an advance copy of the revised Schedule of Fees.

Client authorizes Bank to deduct any charges for the services from

any account Client has with the Bank, even if such deductions cause an overdraft in the account. Should Client fail or refuse to pay any charges under this Booklet, Client agrees to pay all collection costs (including reasonable attorney's fees) which may be incurred by Bank. Bank shall have the right to increase or decrease any charges imposed for the Services.

In addition to the Service fees, Client agrees to pay for all taxes, tariffs and assessments levied or imposed by any government agency in connection with the Service, this Booklet, and/or the software or equipment made available to Client (excluding any income tax payable by Bank). Client is also responsible for the costs of any communication lines and any data processing charges payable to third parties.

1.21 Security Interest.

To secure the payment and performance of Client's obligations set forth herein, Client grants to Bank a security interest in and pledges and assigns to Bank all of Client's right, title, and interest in the following described property, whether now owned or hereafter existing or acquired and wherever located: (a) all monies, instruments, savings, checking and other accounts of Client (excluding IRA, Keogh, trust accounts and other accounts subject to tax penalties if so assigned) that are now or in the future in Bank's custody or control; (b) any other collateral described in any security instrument securing the obligations of Client to Bank under this Booklet or any other obligation of Client to Bank; and (c) all proceeds and products of the property as well as any replacements, accessions, substitutions, and additions to any of the above.

1.22 No Obligation to Lend Money.

Client and Bank covenant and agree that nothing in this Booklet shall be deemed to constitute a credit facility of any kind or nature whatsoever in favor of Client even if the Services rendered are in conjunction with a line of credit or even if the Service terms and conditions or the Operating Instructions make reference to a line of credit. Client represents and warrants to Bank that it understands and acknowledges that this Booklet does not create any right to borrow funds from Bank and that Bank has no obligation to lend funds to Client in providing the Services that are the subject of this Booklet. In the event that Bank shall perform a Service for Client that creates an overdraft on the Client's account(s) such action(s) by Bank will not establish a course of dealing or conduct between the parties that would require Bank to perform any subsequent Service which would also create an overdraft.

1.23 Stop Payment Orders.

Unless otherwise specified in the Service terms and conditions or Operating Instructions, any stop payment order which Client wishes to place on a check drawn on an account that is the subject of this Service or is otherwise related to this Service shall be placed in accordance with the Bank's normal stop payment procedures for other accounts in effect at that time.

1.24 Bank Shall Not Examine Items.

Client acknowledges and agrees that Bank will not examine checks, drafts and other items issued by Client or payable to Client and received by Bank and processed in conjunction with the Service rendered by Bank. Therefore, legends and other instructions placed on items by Client or other parties, such as, but not limited to, "not valid over \$500," "void after 90 days," "full accord and satisfaction," shall not be discovered by Bank,

shall not be binding on Bank and shall not be enforceable against Bank. Likewise, Bank shall not discover alterations, postdated checks, stale dated checks, number of required signatures on checks, or discrepancies between the amount of the check or item as written in numbers and words, or other irregularities on the face of the check or item. Client further acknowledges and agrees that Bank shall not be liable to Client for any loss that Client may suffer as the result of Bank's processing items containing such legends, instructions, irregularities or signature requirements.

1.25 Privacy and Confidentiality.

a. Privacy Policy. The importance of maintaining the confidentiality and privacy of the information provided by you is one of our highest priorities. We may disclose information about your Accounts or the Transfers you make: (a) where it is necessary for completing the transfers or processing or maintaining your Accounts; (b) in order to verify the existence or condition of your Accounts for a third party such as a credit bureau or merchant; (c) in order to comply with legal process, government agency or court orders; (d) to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements; or (e) otherwise as permitted by law. An explanation of our privacy policy will be provided to you separately in the manner required by applicable law. Please review it carefully. Our privacy policy may change from time to time and is always available on our website and at our banking locations.

b. All information of a business nature relating to the assets, liabilities or other business affairs disclosed to the Bank by you and your customers in connection with this Booklet and any applicable Service Section is confidential. Bank shall not, without the express written consent of you, disclose or permit access to any such information by any person, firm or corporation and Bank shall cause its officers, employees, and agents to take such action as shall be necessary or advisable, to preserve and protect the confidentiality of disclosing such information to persons required to have access thereto for the performance of this Booklet and any applicable Service Section, or to any other party to which the Bank may be required by law to report such information. You agree to hold confidential and to use only in connection with the Service provided under this Booklet and any applicable Service Section all information furnished to you by Bank or by third parties from whom Bank has secured the right to use the Service, including, but not limited to, Bank's product and service pricing structure, system design, programming techniques or other unique techniques. In addition, should you at any time receive or acquire any information relating to another customer of the Bank, you shall promptly return such information to Bank and not reveal such information to any other party and shall not make use of such information for your own benefit. Bank and your obligations and agreements under this paragraph shall not apply to any information supplied that was known to either party prior to the disclosure by the other, or is or becomes generally available to the public other than by breach of this Booklet, or otherwise becomes lawfully available on a non-confidential basis from a third party who is not under an obligation of confidence to either party. Notwithstanding anything to the contrary contained herein, it is authorized and agreed by the parties hereto that the performance of said Service is or might be subject to regulation and examination by authorized representatives of the Comptroller of the Currency, the Board of Governors of the Federal Reserve

System, the Board of Directors of the Federal Deposit Insurance Corporation, and/or a State regulatory agency and you agree to the release of your reports, information, assurances, or other data as may be required by them under applicable laws and regulations. You agree that any specifications or programs developed by the Bank in connection with this Booklet and any applicable Service Section or supplied or made available to you by Bank are the exclusive property of Bank, its agents, suppliers, or contractors, and further agrees that such material shall not be copied or used in any manner or for any purpose without the express written consent of Bank. This clause shall survive the termination of this Booklet.

1.26 Notices.

Any notice or other communication required or permitted to be given under this Booklet to Client may be delivered or sent by U.S. Mail or private courier to the address provided for on the Enrollment Form for Client, by electronic delivery to the email address on file for Client, or any other method allowed by law, and unless otherwise provided herein, such notices shall be deemed given to Client when sent.

Any written notice or other communication required or permitted to be given under this Booklet to Bank may be delivered or sent by U.S. Mail to Bank at the following address:

**Capital City Bank
Treasury Management Department
217 North Monroe Street
Tallahassee, FL 32301
Phone number 850.402.7126 or 866.317.6582**

unless another address is substituted by notice delivered or sent as provided herein. Except as otherwise stated herein, any such notices to Bank shall be deemed given when received.

1.27 Limitation of Liability and Indemnification.

Without limitation on any similar provisions set forth in the terms and conditions for each Service, Client agrees:

a. THAT BANK SHALL NOT BE RESPONSIBLE OR LIABLE TO CLIENT OR TO ANY OTHER PARTY FOR CONSEQUENTIAL, INDIRECT, SPECIAL EXEMPLARY, PUNITIVE OR INCIDENTAL DAMAGES ARISING OUT OF THE USE BY CLIENT OF ANY SERVICE EVEN IF CLIENT, BANK OR BANK'S SERVICE PROVIDER HAVE BEEN SPECIFICALLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

b. TO THE FULLEST EXTENT ALLOWED BY LAW, BANK'S LIABILITY TO CLIENT UNDER THIS BOOKLET SHALL BE LIMITED TO CORRECTING ERRORS RESULTING FROM BANK'S FAILURE TO EXERCISE ORDINARY CARE OR TO ACT IN GOOD FAITH. WITHOUT LIMITING THE FOREGOING, BANK SHALL NOT BE RESPONSIBLE FOR ACTS OR OMISSIONS OF CLIENT OR CLIENT'S AGENTS OR OF ANY THIRD PARTY, INCLUDING BANK'S VENDOR, ANY FEDERAL RESERVE BANK, ANY COURIER SERVICE, THE NATIONAL AUTOMATED CLEARINGHOUSE ASSOCIATION ("NACHA"), ANY TRANSMISSION OR COMMUNICATIONS FACILITY, OR ANY OTHER THIRD PARTY INVOLVED WITH THE SERVICE. NO SUCH THIRD PARTY SHALL BE DEEMED BANK'S AGENT. SUBJECT TO THE LIMITATIONS IN THIS BOOKLET AND UNLESS OTHERWISE REQUIRED BY APPLICABLE LAW, ANY DAMAGES OR OTHER COMPENSATION DUE CLIENT IN CONNECTION WITH THIS BOOKLET OR THE SERVICE SHALL BE LIMITED TO THE LESSOR OF: (A) CLIENT'S ACTUAL AND DIRECT DAMAGES,

(B) THE AMOUNT OF THE TRANSACTION TO WHICH THE ERROR, OMISSION, OR OTHER DISCREPANCY RELATES, OR (C) THE AMOUNT OF FEES RECEIVED BY BANK UNDER THIS BOOKLET FOR THE SERVICE FOR WHICH THE CLAIM IS MADE DURING THE SIX (6) MONTH PERIOD PRECEDING THE DATE ON WHICH THE CLAIM FIRST ACCRUED, WHICH SHALL BE DETERMINED BY THE EARLIER OF THE DATE WHEN YOU FIRST BECAME AWARE OF THE CLAIM OR THE DATE WHEN, THROUGH THE EXERCISE OF REASONABLE CARE, YOU REASONABLY SHOULD HAVE BECOME AWARE OF THE CLAIM.

c. CLIENT ACKNOWLEDGES AND AGREES THAT CLIENT'S USE OF THE SERVICES SHALL BE AT CLIENT'S SOLE RISK AND THAT THE SERVICES ARE PROVIDED BY BANK ON AN "AS IS" BASIS.

d. EXCEPT AS EXPRESSLY SET FORTH IN THIS BOOKLET, BANK MAKES NO, AND HEREBY DISCLAIMS ANY AND ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN LAW OR IN FACT, WHATSOEVER TO CLIENT OR TO ANY OTHER PERSON AS TO THE SERVICES OR ANY ASPECT THEREOF, INCLUDING (WITHOUT LIMITATION) ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUALITY, ACCURACY, OR SUITABILITY. CLIENT AGREES THAT NO ORAL OR WRITTEN ADVICE OR REPRESENTATION OBTAINED FROM ANY BANK EMPLOYEE OR REPRESENTATIVE SHALL CREATE A WARRANTY OR REPRESENTATION FOR PURPOSES OF THIS BOOKLET OR ANY SERVICES TO BE PERFORMED PURSUANT HERETO.

e. BANK MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, TO CLIENT AS TO ANY COMPUTER HARDWARE, SOFTWARE, OR EQUIPMENT USED IN CONNECTION WITH THE SERVICES (INCLUDING, WITHOUT LIMITATION, CLIENT'S COMPUTER SYSTEMS OR RELATED EQUIPMENT, CLIENT'S SOFTWARE, OR CLIENT'S INTERNET SERVICE PROVIDER OR ITS EQUIPMENT), OR AS TO THE SUITABILITY OR COMPATIBILITY OF BANK'S SOFTWARE, INTERNET DELIVERED SERVICE, EQUIPMENT OR COMMUNICATION INTERFACES WITH THOSE THAT CLIENT USES, OR AS TO WHETHER ANY SOFTWARE OR INTERNET DELIVERED SERVICE WILL PERFORM IN AN UNINTERRUPTED MANNER, INCLUDING (BUT NOT LIMITED TO) ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

f. BANK SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR FAILURES RESULTING FROM DEFECTS IN OR MALFUNCTIONS OF CLIENT'S COMPUTER HARDWARE OR SOFTWARE, FOR THE QUALITY OF PERFORMANCE OR LACK OF PERFORMANCE OF ANY COMPUTER SOFTWARE OR HARDWARE OR INTERNET DELIVERED SERVICES SUPPLIED BY BANK TO CLIENT IN CONNECTION WITH THIS BOOKLET, OR FOR THE TRANSMISSION OR FAILURE OF TRANSMISSION OF ANY INFORMATION FROM CLIENT TO BANK OR FROM BANK TO CLIENT. BANK SHALL NOT BE RESPONSIBLE FOR NOTIFYING CLIENT OF ANY UPGRADES OR ENHANCEMENTS TO ANY OF CLIENT'S COMPUTER HARDWARE OR SOFTWARE.

g. WITHOUT LIMITATION ON THE FOREGOING, CLIENT AND NOT BANK, WILL BE RESPONSIBLE FOR ALL

CLAIMS OF ANY SORT BY THIRD PARTIES OR OTHERS ARISING OUT OF THIS BOOKLET, INCLUDING ALL LOSSES AND EXPENSES INCURRED BY BANK ARISING OUT OF CLIENT'S FAILURE TO REPORT REQUIRED CHANGES, TRANSMISSION OF INCORRECT DATA TO BANK, OR FAILURE TO MAINTAIN COMPLIANCE WITH THE LAWS, REGULATIONS AND RULES. WITHOUT LIMITING OR SUPERSEDING ANY LIMITATION OF LIABILITY PROVISIONS IN THE TERMS AND CONDITIONS GOVERNING EACH SERVICE, AND EXCEPT FOR THOSE LOSSES CAUSED DIRECTLY BY BANK'S GROSS NEGLIGENCE OR TO ACT IN GOOD FAITH, CLIENT AND NOT BANK, SHALL BE RESPONSIBLE FOR ANY AND ALL LOSSES, COSTS, SUITS, DAMAGES, CLAIMS, LIABILITIES AND EXPENSES ARISING FROM OR RELATED IN ANY WAY TO (I) ANY SERVICES PERFORMED IN CONNECTION WITH THIS BOOKLET, (II) BANK'S ACTION OR INACTION IN ACCORDANCE WITH OR RELIANCE UPON ANY INSTRUCTIONS OR INFORMATION RECEIVED FROM ANY PERSON REASONABLY BELIEVED BY BANK TO BE AN AUTHORIZED REPRESENTATIVE OF CLIENT OR AUTHORIZED USER, (III) CLIENT'S BREACH OF ANY OF CLIENT'S COVENANTS, AGREEMENTS, RESPONSIBILITIES, REPRESENTATIONS OR WARRANTIES UNDER THIS BOOKLET, AND/OR (IV) CLIENT'S BREACH OF APPLICABLE LAWS, RULES OR REGULATIONS.

IN THE PERFORMANCE OF THE SERVICE, BANK SHALL BE ENTITLED TO RELY SOLELY ON THE INFORMATION PROVIDED BY CLIENT, IRRESPECTIVE OF THE ACCURACY OR COMPLETENESS THEREOF, AND MAY RELY ON THE TERMS AND CONDITIONS OF THIS BOOKLET. BANK SHALL NOT BE RESPONSIBLE FOR PERFORMING ANY SERVICE NOT EXPRESSLY CONTRACTED FOR IN WRITTEN AGREEMENT WITH BANK.

BANK SHALL NOT BE RESPONSIBLE FOR THE ACTS AND OMISSIONS OF TRANSFEREE INSTITUTIONS AND THEIR PERSONNEL WHO ARE NOT AGENTS OF BANK. BANK SHALL NOT BE RESPONSIBLE FOR CLIENT'S ACTS OR OMISSIONS (INCLUDING, WITHOUT LIMITATION, THE AMOUNT, ACCURACY, TIMELINESS OF TRANSMITTAL OR AUTHORIZATION OF ANY ENTRY RECEIVED FROM CLIENT) OR THOSE OF ANY OTHER PERSON AND NO SUCH PERSON SHALL BE DEEMED BANK'S AGENT.

CLIENT HEREBY RELEASES BANK FROM ANY AND ALL CLAIMS OR DAMAGES RESULTING FROM, OR RELATED TO, ANY COMPUTER VIRUS, UNAUTHORIZED INTRUSION OR RELATED PROBLEMS THAT MAY BE ASSOCIATED WITH USING ELECTRONIC MAIL, THE INTERNET OR THE CLIENT EQUIPMENT.

CLIENT AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS BANK, AND ITS OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES FROM AND AGAINST ANY ACTIONS, CAUSES OF ACTIONS, CLAIMS, DAMAGES, LOSSES, LIABILITIES OR EXPENSES (INCLUDING ATTORNEY'S FEES AND COSTS) RESULTING FROM OR ARISING OUT OF OR RELATED TO, WITHOUT LIMITATION (A) THE ACTS OR OMISSIONS OF CLIENT OR ITS EMPLOYEES OR AGENTS INCLUDING NEGLIGENCE, WILLFUL MISCONDUCT OR BREACH OF ANY WARRANTY OR FAILURE TO COMPLY WITH THIS BOOKLET; (B) ANY MISUSE OF THE SERVICE BY CLIENT, OR ITS EMPLOYEES OR AGENTS; (C) THE FAILURE OF CLIENT OR ITS AGENTS OR EMPLOYEES TO COMPLY

WITH APPLICABLE STATE AND FEDERAL LAWS AND REGULATIONS; (D) ACTIONS BY THIRD PARTIES, SUCH AS AN INTRODUCTION OF A VIRUS, THAT DELAY, ALTER OR CORRUPT THE TRANSMISSION OF INFORMATION TO BANK; AND (E) CLIENT'S BREACH OF ANY OF CLIENT'S OBLIGATIONS UNDER THIS BOOKLET OR ANY OTHER AGREEMENT BETWEEN CLIENT AND BANK.

IN THE EVENT OF ANY LOSS SUSTAINED BY CLIENT WHICH IS NOT OTHERWISE EXCLUDED FROM LIABILITY AND ARISES OUT OF ANY MISDIRECTED OR UNAUTHORIZED PAYMENTS OR TRANSFERS RESULTING FROM EITHER GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY BANK, BANK'S LIABILITY SHALL BE LIMITED TO THE RETURN OF THE IMPROPERLY REMOVED OR TRANSFERRED FUNDS TO THE DESIGNATED ACCOUNT FROM WHICH THEY WERE REMOVED TOGETHER WITH INTEREST THEREON IN AN AMOUNT EQUAL TO THE INTEREST WHICH COULD OTHERWISE HAVE BEEN EARNED ON THE FUNDS MADE UNAVAILABLE TO CLIENT COMPUTED ON A DAILY BASIS AT THE FEDERAL FUNDS RATE IN EFFECT AT THE FEDERAL RESERVE BANK FOR THE PERIOD INVOLVED.

REGARDLESS OF THE LEGAL OR EQUITABLE THEORY OF LIABILITY WHICH CLIENT MAY ASSERT, INCLUDING, WITHOUT LIMITATION, LOSS OR DAMAGE FROM SUBSEQUENT WRONGFUL DISHONOR RESULTING FROM BANK'S ACTS OR OMISSIONS PURSUANT TO THIS PART I.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING PROVISIONS, BANK SHALL BE EXCUSED FROM FAILING TO ACT OR DELAY IN ACTING IF SUCH FAILURE OR DELAY IS CAUSED BY LEGAL CONSTRAINT, INTERRUPTION OF TRANSMISSION OR COMMUNICATION FACILITIES, EQUIPMENT FAILURE, WAR, EMERGENCY CONDITIONS OR OTHER CIRCUMSTANCES BEYOND BANK'S CONTROL. IN ADDITION, BANK SHALL BE EXCUSED FROM FAILING TO TRANSMIT OR DELAY IN TRANSMITTING AN ENTRY IF SUCH TRANSMITTAL WOULD RESULT IN BANK'S HAVING EXCEEDED ANY LIMITATION UPON ITS INTRA-DAY NET FUNDS POSITION ESTABLISHED PURSUANT TO PRESENT OR FUTURE FEDERAL RESERVE GUIDELINES OR IN BANK'S REASONABLE JUDGMENT OTHERWISE WOULD VIOLATE ANY PROVISION OF ANY PRESENT OR FUTURE RISK CONTROL PROGRAM OF THE FEDERAL RESERVE OR ANY RULE OR REGULATION OF ANY OTHER U.S. GOVERNMENTAL REGULATORY AUTHORITY.

1.28 Bank's Obligation; Attorneys' Fees.

Bank agrees to use ordinary care in rendering Services under this Booklet and any applicable Service(s) provided in accordance with the Service Section(s). You recognize and agree that ordinary care does not mean error free. You agree to pay all attorneys' fees, costs and expenses Bank may incur in collecting any sums you owe to Bank for overdrafts, service charges or otherwise or in enforcing any rights Bank may have under the terms of this Booklet and any applicable Service Section or applicable law, rule or regulation applicable to your account(s) or the Services rendered by Bank under this Booklet and any applicable Service Section. You also agree to pay all attorneys' fees, costs and expenses that Bank may incur as the result of defending any claim or action made against Bank by you, or on your behalf where Bank is found not to be liable for such claim. In no event shall Bank be liable to you for attorneys' fees incurred by you in any action brought by you against Bank.

Our sole responsibility for an error in a transfer will be to correct the error. Without limiting the generality of the foregoing, we will not be responsible for the following matters, or for errors or failures of our Services as result of:

a. Access. We will not be liable under this Booklet for failure to provide access or for interruptions in access to our Services due to a system failure or due to other unforeseen acts or circumstances.

b. Your Computer Equipment & Your Software. We will not be responsible for any errors or failures from any malfunction of your computer or any computer virus or other problems related to your computer equipment used with our Services.

We are not responsible for any error, damages or other loss you may suffer due to malfunction or misapplication of any system you use, including your browser (Netscape Navigator®, Microsoft Explorer®, or otherwise), your Internet service provider, your personal financial management or other software (such as Quicken® or Microsoft Money®), or any equipment you may use (including your telecommunications facilities, computer hardware and modem) to access or communicate with the Capital City Bank Online Banking Service.

c. Any Transaction or instruction that: (i) exceeds your collected and available funds on deposit with the Bank; (ii) is not in accordance with any condition indicated by you and agreed to by the Bank; (iii) the Bank has reason to believe may not be authorized by you; (iv) involves funds subject to hold, dispute, or legal process preventing their withdrawal; (v) would violate any provision of any present or future risk control program of the Federal Reserve or any current or future rule or regulation of any other federal or state regulatory authority; (vi) is not in accordance with any other requirement stated in this Booklet and any applicable Service Section or any Bank policy, procedure or practice; or, (vii) for the protection of the Bank or you, the Bank has reasonable cause not to honor.

1.29 Compliance with Laws, Rules, and Regulations.

Client agrees to comply with all existing and future operating procedures used by the Bank for processing of transactions. Client further agrees to comply with and be bound by all applicable state or federal laws, rules and regulations affecting the use of checks, drafts, fund transfers, and ACH transactions, including but not limited to, rules and procedural guidelines established by the Federal Trade Commission ("FTC"), the Board of Governors of the Federal Reserve, NACHA and any other clearinghouse or other organization in which Bank is a member or to which rules Bank has agreed to be bound. These laws, procedures, rules, regulations, and definitions shall be incorporated herein by reference.

1.30 Prohibited Transactions

Client agrees not to use or attempt to use the any Service (a) to engage in any illegal purpose or activity or to violate any applicable law, rule or regulation, (b) to breach any contract or agreement by which Client is bound, (c) to engage in any internet or online gambling transaction, whether or not gambling is legal in any applicable jurisdiction, or (d) to engage in any transaction or activity that is not specifically authorized and permitted by this Booklet. Client acknowledges and agrees that Bank has no obligation to monitor Client's use of any Service for transactions and activity that is impermissible or prohibited under the terms of this Booklet; provided, however, that Bank reserves the right to decline to execute any transaction or activity that Bank believes violates the terms of this Booklet.

1.31 Relationship of Parties.

Client and Bank acknowledge and agree that the relationship of Bank and Client is that of an independent contractor and that this Booklet does not establish or create a general agency, joint venture, partnership, or employment relationship between them.

1.32 Force Majeure.

The Bank shall not be responsible for any liability, loss, or damage resulting from Bank's failure to perform any Service or to perform any other obligations under this Booklet which is caused by an act of God, fire, floods, adverse weather or atmospheric conditions or other catastrophes; war, sabotage, riots, acts of public enemy, or acts of governmental authority or the Board of Governors of the Federal Reserve; labor difficulties; equipment or computer failure or destruction or the unavailability, interruption, or malfunction of communications facilities or utilities; delays or failure to act by Client or third parties and their personnel; criminal acts; or generally any cause reasonably beyond the Bank's control.

1.33 Reimbursement.

Any reimbursement by Bank for any liability hereunder may be made either directly to Client or by adjustment of the aggregate ledger and collected balances of Client's Accounts.

1.34 Indemnification.

In addition to other indemnification and liability provisions elsewhere in this Booklet, Client will be liable for, hold harmless, and will indemnify Bank, and their employees and agents from and against all claims of any sort by third parties or others arising out of this Booklet, including all losses and expenses incurred by Bank arising out of Client's failure to report required changes, transmission of incorrect data to Bank, or failure to maintain compliance with the laws, regulations and rules. Without limiting or superseding any of the indemnification provided to Bank in the Service terms and conditions provided herein, except for those losses caused directly by Bank's failure to exercise ordinary care or to act in good faith, Client agrees to indemnify and hold Bank, its officers, directors, shareholders, agents, employees and affiliates, and their respected officers, directors, agents and employees, harmless from and against any and all losses, costs, suits, damages, claims, liabilities and expenses (including reasonable attorneys' fees) arising from or related in any way to (i) any Services performed in connection with this Booklet, (ii) Bank's action or inaction in accordance with or reliance upon any instructions or information received from any person reasonably believed by Bank to be an authorized representative of Client or Authorized User, (iii) Client's breach of any of Client's covenants, agreements, responsibilities, representations or warranties under this Booklet, and/or (iv) Client's breach of applicable laws, rules or regulations.

1.35 Termination.

Client and Bank have the right to terminate this Booklet or any Service without cause upon ten (10) days advanced written notice to either party. Such notice sent by Client to Bank shall be sent to the address described in subsection 1.26 contained herein. Such notice by Bank to Client may be sent to the address provided on the Enrollment Form or as provided for in subsection 1.26. Such termination shall not be effective until it is actually received and acknowledged by Bank. Since the service cancellation request can take several days to process, Client should cancel all outstanding payment or transfer orders or other pending transactions, in addition to notifying Bank of its desire to terminate the Service.

Bank will not be liable for payments, transfers, or other transactions not cancelled or payments, transfers or transactions made due to the lack of proper notification by Client of the Service termination or discontinuance for any reason. Bank reserves the right to terminate or suspend Client's use of the Service in whole or in part at any time with or without notice. Upon termination, Client shall return all software, hardware, storage media, procedures manuals, and all other property of the Bank. In the event of termination or suspension by the Bank or by the Client, the Client shall remain liable for all charges incurred through the date of termination. All substantive and procedural provisions hereof relative to liabilities of the parties shall survive any termination of this Booklet.

Notwithstanding the foregoing, Bank may terminate this Booklet and the Services immediately by giving written notice to Client if: (a) Client ceases to conduct business in the ordinary sense, (b) Client fails to perform or comply with any of the terms or conditions of this Booklet or the Service terms and conditions contained herein, or defaults under any other agreement between the Bank and Client, (c) if any proceeding for voluntary or involuntary bankruptcy, insolvency, or similar proceedings is commenced by or against Client.

1.36 Suspension of Services.

Without liability to any party, and without limiting any other right or remedy available to Bank, Bank shall be entitled to cease or suspend any Service, in whole or in part, at Bank's sole discretion and with or without notice to Client.

1.37 Arbitration and Waiver of Jury Trial.

YOU AND BANK AGREE THAT THE TRANSACTIONS PROCESSED UNDER THIS MASTER AGREEMENT INVOLVES "COMMERCE" UNDER THE FEDERAL ARBITRATION ACT ("FAA"). ANY CONTROVERSY OR CLAIM BETWEEN YOU AND BANK, OR BETWEEN YOU AND ANY OF BANK'S OFFICERS, EMPLOYEES, AGENTS OR AFFILIATED ENTITIES, THAT ARISES OUT OF OR IS RELATED TO ANY SERVICE PROVIDED UNDER THIS MASTER AGREEMENT OR ANY SERVICE SECTION, WHETHER BASED ON CONTRACT OR IN TORT OR ANY OTHER LEGAL THEORY, INCLUDING CLAIMS OF FRAUD, SUPPRESSION, MISREPRESENTATION AND FRAUD IN THE INDUCEMENT (COLLECTIVELY, ANY "CLAIM"), WILL BE SETTLED BY BINDING ARBITRATION IN ACCORDANCE WITH THE TERMS OF THE DEPOSIT ACCOUNT TERMS AND CONDITIONS. With respect to disputes submitted to arbitration, Client and Bank each waive all rights to a trial by jury.

1.38 Governing Law.

The rights and obligations of the parties to this Booklet shall be governed by the law of the State of Florida.

1.39 Miscellaneous Provisions.

a. Headings. The headings and captions contained herein are included only for convenience of reference and do not define, limit, explain, or modify this Booklet or its interpretation, construction, or meaning.

b. Severability. The holding of any provision of this Booklet as invalid, illegal, or unenforceable, in whole or in part, shall not affect the other provisions of this Booklet, which shall remain in full force and effect.

c. Waiver. No waiver by the Bank (whether or not in writing) of any term, condition, or obligation of Client shall bind

the Bank to waive the same term, condition, or obligation again, nor shall any other provision, condition, term, or obligation hereof be affected by such a waiver.

d. Binding Effect. This Booklet shall inure to the benefit of and be binding upon the successors, heirs, trustees, and permitted assigns of the parties hereto.

e. Incorporation by Reference. The Enrollment Form or online screen instructions (including the Services and their respective Operating Instructions), as amended from time to time pursuant to the provisions hereof, shall be deemed incorporated herein by reference thereto and shall become a part of this Booklet as if fully set forth herein.

f. Entire Agreement. This Booklet constitutes the entire agreement between the parties hereto concerning the subject matter hereof. All contemporaneous agreements or understandings concerning the subject matter hereof, whether oral or written, are merged into this Booklet.

g. Transfers and Assignments. Client cannot transfer or assign any rights or obligations under this Booklet without Bank's written consent. Bank may assign its rights and delegate its duties under this Booklet to a company affiliated with Bank or to a third party.

h. Cooperation in Loss Recovery Efforts. In the event of any damages for which Bank or Client may be liable to each other or to a third party pursuant to the services provided under this Booklet, Bank and Client will undertake reasonable efforts to cooperate with each other, as permitted by applicable law, in performing loss recovery efforts and in connection with any actions that the relevant party may be obligated to defend or elects to pursue against a third party.

i. Tapes and Records. All magnetic tapes, Entries, security procedures and related records used by Bank for transactions contemplated by this Booklet shall be and remain Bank's property. Bank may, at its sole discretion, make available such information upon Client's request. Any expenses incurred by Bank in making such information available to Client shall be paid by Client.

j. Recording and use of Communications. Client and Bank agree that all telephone conversations or data transmissions between them or their agents made in connection with this Booklet may be electronically recorded and retained by either party by use of any reasonable means. Bank shall not be obligated to make such recordings.

k. Construction. This Booklet is an agreement between parties who are experienced in sophisticated and complex matters similar to the transactions contemplated by this Booklet, is entered into by both parties in reliance upon the economic and legal bargains contained herein, and shall be interpreted and construed in a fair and impartial manner, without regard to such factors as the party which prepared the instrument or drafted any provision thereof, the relative bargaining powers of the parties or the domicile of any party.

l. Business Day. "**Business Day**" as used throughout this Booklet shall mean Monday through Friday excluding Federal Holidays. Federal Holidays typically include:

New Year's Day (January 1)
Martin Luther King's Birthday (Third Monday in January)
Presidents Day (Third Monday in February)
Memorial Day (Last Monday in May)

Independence Day (July 4)
Labor Day (First Monday in September)
Columbus Day (Second Monday in October)
Veterans Day (November 11)
Thanksgiving Day (Fourth Thursday in November)
Christmas Day (December 25)

m. Use of Trademarks. Client may not use Bank's name or trademarks without the express written consent of Bank. If Client is permitted to use any of Bank's name, trademarks or promotional materials, Client will not indicate, directly or indirectly, that Bank endorses, or is connected in any way with, any of Client's goods or services.

n. Electronic Notices. We may deliver to you any required disclosures and other notices concerning these Services or your Accounts by e-mail or other appropriate electronic means in accordance with this Booklet.

You may use e-mail to contact us about inquiries, maintenance and/or some problem resolution issues. E-mail may not be a secure method of communication. Thus we recommend you do not send confidential personal or financial information by e-mail. There may be times when you need to speak with someone immediately (especially to report a lost or stolen Password, or to stop a payment). In these cases, do not use e-mail. Instead, you should call us at the number provided in Section 1.26 above.

o. Hours of Operation. Our representatives are available to assist you from the hours of 8:00 a.m. to 5:00 p.m. Eastern Time (Standard or Daylight), Monday through Friday, except holidays, by calling the number provided in Section 1.26 above.

p. Ownership of Website. The content, information and offers on our website are copyrighted by us and/or Vendor and the unauthorized use, reproduction, linking or distribution of any portions is strictly prohibited. You agree not to copy, display, distribute, download, license, sub-license, modify, publish, repost, reproduce, reuse, sell, transmit, create a derivative work from or otherwise use for public or commercial purposes, the information and materials on the Sites, except as provided in this Booklet, without our express written permission. Unless otherwise noted, all other trademarks, service marks, and logos used on the Bank's Online Banking Services sites are the trademarks, service marks or logos of Bank, or others as indicated.

q. Web-linking Practices. Bank may provide access to information, products or services offered on other third party web sites. The Bank is not responsible for, nor does control, the content, products, or serviced provided by linked sites. The Bank does not endorse or guarantee the products, information or recommendations provided by linked sites, and is not liable for any failure of products or services advertised on those sites. In addition, each third party site may provide less security than the Bank and have a privacy policy different than that of the Bank. Your access, use and reliance upon such content, products or services is at your own risk.

r. Geographic Restrictions. The Services described in this Booklet and any Enrollment Form and/or Operating Instructions for credit, deposit services, and brokerage services available at our web site are solely offered to citizens and residents of the United States of America residing within the United States of America. Citizens and residents may not be able to access these Services outside the United States of America.

PART II: ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO SERVICES

SECTION ONE: CAPITAL CITY BANK ONLINE BANKING SERVICE

This Section One governs Client's use of the Capital City Bank Online Banking Service. Bank, in its sole discretion, may not permit Client to use the Capital City Bank Online Banking Service until Bank has determined that Client has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the Online Banking Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the Online Banking Service. In any event, Client agrees that the use by Client of any Service Section shall, without any further action or execution or acceptance of any documentation on the part of Client, constitute Client's acceptance of and agreement to Bank's terms and conditions for the use of such Service Section as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank.

1.1 Definitions. The following terms and definitions apply when used in this Booklet.

"Account" or "Accounts" means one or more checking, savings, money market deposit, certificate of deposit accounts, or loan account that you have with us for commercial use.

"Account Access" means your ability to access account and transaction information on Accounts and transfer funds between Accounts through the Internet.

"Account Agreement" means the agreement between you and us that governs the use of your Account including the deposit account agreement, any funds availability agreement, electronic funds transfer agreement or disclosure, line of credit agreement, and our schedule of fees and charges.

"Bill Payment Account" means the Account(s) you have authorized us to debit for payment made to Payee(s) in connection with Online Banking Services.

"Bill Payment Service" means our service that allows you to pay or transfer funds to designated Payees based upon your instructions to us via personal computer entered on the bill payment site.

"Bill Payment" or "Payment" means the remittance of funds, initiated through Online Banking Services, from a Bill Payment Account to a Payee.

"Business Day(s)" means Monday through Friday, 8:00 a.m. to 5:00 p.m. Eastern Time (Standard or Daylight). Federal Holidays are not included. Some online transaction deadlines may vary from this definition.

"Capital City Bank Online Banking Service," "Online Banking Service," "Online Banking Services," or "Service" means the service(s) described in this Part II Section One.

"Deposit Account Agreement" has the meaning provided in Part I, Section 1.3.

"Electronic" means electrical, digital, magnetic, wireless, optical or electromagnetic technology, or any other technology that entails similar capabilities.

"Password" means the confidential identification number or other code assigned to you by us or selected by you for identification

purposes in connection with the use of our Online Banking Services.

"Payee" means any individual, financial institution, educational institution, company, merchant or other entity you wish to pay using Online Banking Services.

"PC" means personal computer (including any personal data assistant or other wireless access device) that meets the requirements for use of Online Banking Services.

"Transfer" means a transfer of funds, initiated through Online Banking Services, from one eligible account to another.

"Transfer Day" means Monday - Friday, to 10:00 p.m., Eastern Time (Standard or Daylight). Holidays are not included.

"User Guide" or "Operating Instructions" means the document(s) provided by Bank to Client in conjunction with a specific Service selected by Client that further defines the Service or any requirements related to the Service.

Other definitions may be set forth elsewhere in this Booklet.

1.2 Setup and Use of Online Banking Services.

a. Eligibility. You must have at least one eligible deposit or loan account with us. If you have more than one Account or other relationship with us, we will "link" the relationships together unless you request certain accounts not be linked. Accounts which are "linked" under the Services will have one common owner and signer. Any signer, acting alone, must be authorized to access a linked Account. Any non-linked Account will not be accessible through the Service. You must designate a User ID and Password which will be required to gain access to the Service. Prior to your first use of Online Banking Services, the Bank will assign you a User ID and Password (the User ID and Password collectively are referred to as the **"Access Codes"**), required to gain access to Online Banking Services. The Online Banking Services system will ask you to change your Password the first time that you use the system.

"Eligible Accounts" include the following:

1. Checking (Demand Deposit) Accounts
2. Savings Accounts
3. Money Market Accounts
4. Loans
5. Certificates of Deposit

1.3 Security Procedure. You should keep your Access Code in a secure location. Any person having access to your Access Code will be able to access these Services and perform all transactions, including reviewing Account information and making Transfers to other Accounts and to other persons. You are responsible for safeguarding the Access Codes. Providing these Access Codes to another person effectively constitutes a grant of authority to access your accounts.

1.4 Access. Services are generally accessible 24 hours a day, seven days a week, except that the Services may be inaccessible for a reasonable period on a daily basis for system maintenance. We are not liable under this Booklet or any applicable Service Section for failure to provide access due to a system failure or due to other unforeseen acts. We may modify, suspend, or terminate access to the Services at any time and for any reason without notice or refund of fees you have paid. You agree to gain access to Online Banking Service and to use the Services in accordance with the instructions provided to you by us (the **"Instructions"**). The Bank may change the terms and conditions of this Booklet or any

applicable Service Section from time to time to conform with changes or advancements in our services, or as required by law or regulation. All such changes will be made according to the procedures outlined in Part 1, Section 1.15. Use of Online Banking Services after the effective date of such changes will constitute your consent to the changes.

1.5 Online Banking Services Access.

1.5.1 Products and Services Offered.

Business customers may use the Services to:

1. Make transfers between Accounts you may have with us.
2. Obtain Account balances. Your account balance is generally current as of 7:00 a.m. Eastern Time (Standard or Daylight) of each Business Day, but may not include current transactions (such as checks cashed at a teller on the Business Day). In addition, your account balance may show funds that have been credited to your account but are not yet available for withdrawal.
3. Review recent transactions on your Accounts.
4. View copies of Checks drawn on your Account.
5. Transfer money to make loan payments.
6. Access various reports regarding your account information in various formats.
7. Issue Stop Payment Orders on checks drawn on Bank
8. Use Bill Payment Services.
9. Use Positive Pay Services.
10. Originate ACH entries.
11. Submit Wire Transfers

These activities are limited to the extent noted herein and in the agreements governing your various accounts with us.

1.5.2 Additional Services. Additional services may be included in an update to this Booklet or in other separate agreements to notify you of the existence of any new services available through Online Banking Services. Information about new services may be obtained from our website at www.ccbg.com. Not all of the products or services described on the Bank's website are available in all geographic areas. Therefore, you may not be eligible for all the products or services described. We reserve the right to determine your eligibility for any product or service. By using these services when they become available, you agree to be bound by the terms and conditions contained in this Booklet or separate agreements covering these services.

1.5.3 Restrictions: Limits. In most cases you may use Online Banking Services to gain access to deposit accounts in which you have an unrestricted right to withdraw funds. However, the Bank, as it may determine at any time and from time to time in its sole discretion, may deny Online Banking Services account access, restrict Online Banking Services account transactions, or place limits on the specific dollar amount of funds that may be withdrawn or transferred from any account.

1.5.4 Vendor. You acknowledge and agree that the Service is provided by an independent third party service provider ("**Vendor**") as selected by Bank, and that both the Vendor and the Service are subject to change from time to time without notice to you. You further acknowledge, agree, and stipulate that the Vendor is an independent contractor providing software and data transmission services and is not the agent of you or Bank. Neither

the Bank nor the Vendor is responsible for the actions or omissions of the other.

1.6 Additional Information about the Services.

1.6.1 Account Access. Transfers from your Account will be deducted on the date you instruct us to process Transfers. If the date you schedule a Transfer or Payment falls on a weekend or holiday, we will process your transaction the next Transfer Day. We may refuse to act on your Transfer instructions or Payment request if sufficient funds, including funds available under any overdraft protection plan, are not available in your Account on the date you want us to make the Transfer or Payment.

1.6.2 Processing Fund Transfers. We can process a Transfer until 10:00 p.m. Eastern Time (Standard or Daylight) on a Transfer Day. If you request a Transfer after the cutoff time, the Transfer will be processed the following Transfer Day. If you schedule a Transfer for a future date, we will process the transaction after the close of business on that date, if that day is a Transfer Day.

You are fully obligated to us to provide sufficient funds for any transfers you make or authorize to be made. If we complete a transfer that you make or authorize and we subsequently learn that you have insufficient funds for the transaction, you agree that we may reverse the transaction or offset the shortage with funds from any other deposit account(s) you have with us to the extent permissible by the applicable law and the terms of any other relevant agreements.

If there are insufficient funds in your Account to make a Transfer, we may refuse to make the Transfer or we may make the Transfer and overdraw your Account. In either event, you are responsible for any non-sufficient funds ("**NSF**") charges that may apply.

1.6.3 Cancelling Transfers. You may cancel a pending Transfer transaction. However, to do so, we must receive your instruction to cancel prior to the cutoff time on the Transfer Day the transaction is scheduled to be processed. If we don't receive your instruction to cancel a transaction before that time, we may process the transaction.

1.6.4 Transfer(s) from Savings/Money Market Deposit Accounts. Federal regulations require us to limit, either by contract or in practice, the number of certain types of transfers from savings and money market deposit accounts. You are limited to six (6) preauthorized electronic fund transfers per monthly statement period. Of these six transactions, you are limited to no more than three transactions per monthly statement period by check or point-of-sale transaction. Each fund transfer through these Services from your savings or money market deposit account is counted as one of the six (6) transfers permitted each monthly statement cycle. However, payments to your loan accounts with us are not counted toward this transfer limit for savings/money market deposit accounts.

1.6.5 E-Mails. The Bank may not immediately receive e-mail that you send. Therefore, you should not rely on e-mail if you need to communicate to the Bank immediately. For example, if you need to stop payment on a check, to report a lost or stolen card, or to report an unauthorized transaction from one of your accounts, you should contact the Bank immediately by calling Online Services and Support (see Part I, Section 1.26). The Bank will not take actions based on your e-mail requests until the Bank actually receives your message and has a reasonable opportunity to act.

1.6.6 Overdrafts: Order of Payments, Transfers, and Other Withdrawals. If funds are withdrawn from any of your accounts by means of electronic funds transfers, other than through Online Banking Services on the same business day as an Online Banking Services transaction, and if the account contains insufficient funds to enable both the electronic funds transfer and the Online Banking Services transfer to be made, then the electronic funds transfer will have priority and the Online Banking Services transfer will be refused or will result in an overdraft on your account. This is at the Bank's sole discretion.

1.6.7 Stop Payment Orders. Unless otherwise specified in any applicable Service Section or Operating Instructions, any stop payment order which Client wishes to place on a check drawn on an account that is the subject of this Service or is otherwise related to this Service shall be placed in accordance with the Bank's normal stop payment procedures and provisions for other accounts in effect at that time. Client acknowledges that Stop Payment Request (defined herein below) may not be placed on any items other than checks issued by Client. Any Stop Payment Request for ACH debits or paper drafts must be placed at a Bank branch office location. If Client has elected to issue stop payment orders via Online Banking Services, the following provisions shall apply:

1.6.7.1 You have requested us to provide Stop Payment Services under Online Banking Services to enable you to electronically issue stop payment entries ("**Stop Payment Request**"). You hereby agree to use the Stop Payment Services according to the instructions set forth in this Section.

1.6.7.2 You may only submit Stop Payment Requests for checks that have not yet posted to the Account. Thus, prior to submitting Stop Payment Requests, you must first verify that the checks have not posted to the Account.

1.6.7.3 You understand and agree that Stop Payment Requests will not take effect unless you provide all the information requested by the Stop Payment screens and provide such information exactly as it appears on the check, including, but not limited to, the account number, check number, amount, payee and date. You acknowledge that the computer programs used to provide the Stop Payment Services require exact information regarding the check and even minor errors in providing the exact information requested may prevent payment from being stopped. For example, if you give us the wrong amount of the check and the information is only wrong by one cent (.01) or if the check number you provide is only wrong by one digit, we will not be able to stop payment on the check. You agree that Bank is not liable to you for payment of any check over a Stop Payment Request if you do not provide the exact information regarding the check.

1.6.7.4 Stop Payment Requests that we receive prior to 10:00 p.m. Eastern Time on a Business Day, will be effective on that Business Day. Conversely, Stop Payment Requests that we receive after that cut-off time will take effect on the next Business Day. The Business Day on which the Stop Payment Request takes effect is referred as the "Stop Payment Effective Date." We shall not be liable to you for items otherwise properly payable that we pay prior to the Stop Payment Effective Date of your Stop Payment Request or any loss arising out of such payment.

1.6.7.5 The Stop Payment Request will be effective for six months, from and including the Stop Payment Effective Date. You may renew or otherwise continue the

effectiveness of a Stop Payment Request by making a new Stop Payment Request via Online Banking Services at least one Business Day prior to the expiration of the existing Stop Payment Request. You acknowledge that we are not obligated to stop payment on a check after the expiration of a Stop Payment Request. However, you agree that we may stop payment according to an expired Stop Payment Request without incurring any liability to you. You further understand and agree that you, and not us, have the obligation to monitor your Stop Payment Requests and that we will not provide you with any notice of the expiration dates of any Stop Payment Request and/or the need to renew any such requests.

1.6.7.6 You understand and agree that we will accept a Stop Payment Request and use reasonable procedures to locate and stop payment on the check. However, in consideration of our acceptance of the Stop Payment Request, you expressly agree to hold us harmless from any direct or indirect damages if we pay the check (i) on the day we receive the Stop Payment Request, or (ii) by reason of oversight or inadvertence. Furthermore, you hereby agree that we will not be liable to you for any direct or indirect damages if other checks drawn by you are returned NSF because we pay the check under the circumstances noted in (i) or (ii) herein. You further agree to indemnify us against all expenses and costs that might incur by reason of stopping payment on a check pursuant to a Stop Payment Request, whether it expired or not.

1.6.7.7 You hereby authorize us to automatically charge the Account against which the check was drawn for applicable Stop Payment fees for each Stop Payment Request and renewal thereof.

1.7 Responsibilities.

1.7.1 Your Responsibility

1.7.1.1 Reporting Unauthorized Transactions. You should notify us immediately if you believe your User Name or Password has been lost or stolen, that someone has gained access to the Security Procedure, or that someone has transferred or may transfer money from your Account without your permission or if you suspect any fraudulent activity on your Account. To notify us, call us at the number provided in Part I, Section 1.26 between 8:00 a.m. and 6:00 p.m., Monday through Friday and 9:00 a. m. and 12:00 p. m. on Saturday, Eastern Time, during a Business Day, or write us at the address provided in Part I, Section 1.26.

1.7.1.2 Duty to Inspect. You shall inspect all transaction history and other material evidencing the output of the Service(s) performed by Bank. You must report all errors to the Bank for Services performed and indicated in the transaction history and other material evidencing the output of the Service(s) or otherwise reported to you daily by the close of business on the banking day following the day on which the Service(s) is rendered. You must report all other errors within a reasonable time not to exceed thirty (30) days from the date that the error is made. Failure of you to promptly report errors within such specified time shall preclude you from asserting against the Bank any claims arising from the error or any loss caused by the error.

1.7.1.3 Data and Information Supplied by You. You shall transmit or deliver data and other information in the format and on the media as provided for in the Service Section and the Operating Instructions if applicable or as otherwise required by the Bank in conjunction with rendering the Service(s) selected

by you. You shall have the sole responsibility of ensuring the accuracy and correctness of the data transmitted. You acknowledge and agree that Bank shall not examine the data for correctness and the Bank shall not have any responsibility for detecting errors in the data transmitted by you. The data transmitted by you must be legible, correct and complete. Bank shall not process, and Bank shall not be liable to you for failure to process, the data if it is not in the format specified by Bank or if the data is incomplete. Bank shall not be liable for errors or omissions caused by data that is rejected as the result of your failure to provide the data in accordance with the standards specified in the Booklet or any applicable Service Section and the Operating Instructions.

1.7.1.4 Deadlines. You shall deliver or transmit all data or information to Bank by the deadline(s) specified in this Booklet or any other applicable agreement or instruction. Bank shall have no obligation to process data or perform the Service if the data is not received by the Bank by the specified deadline.

1.7.1.5 Use of Services. You will use the Services only for your own internal business use in accordance with the terms of this Booklet. Without limiting the generality of the foregoing, you agree not to make the Services available or allow use of the Services in a computer bureau service business, timesharing, or otherwise disclose or allow use of the Service by or for the benefit of any third party. FURTHER, YOU REPRESENT AND WARRANT THAT NONE OF THE ACCOUNTS HAVE BEEN ESTABLISHED OR ARE BEING OR WILL BE USED FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES AND THAT YOU ARE NOT A "CONSUMER" UNDER REGULATION E - ELECTRONIC FUNDS TRANSFER ACT (HEREIN, "REG. E").

SECTION TWO: ACH ORIGATION SERVICE

This Section Two governs Client's use of the ACH Origination Service. Bank, in its sole discretion, may not permit Client to use the ACH Origination Services until Bank has determined that Client has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the ACH Origination Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the ACH Origination Service. In any event, Client agrees that the use by Client of any Service Section shall, without any further action or execution or acceptance of any documentation on the part of Client, constitute Client's acceptance of and agreement to Bank's terms and conditions for the use of such Service as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank.

Client wishes to initiate credit and/or debit Entries through the Bank to accounts maintained at Bank and in other depository financial institutions by means of the ACH pursuant to the terms and conditions contained herein and the NACHA Rules and Bank's operating rules and procedures for electronic entries, including any exhibits or appendices thereto now in effect, or as may be amended from time to time, (the "Rules"), and Bank is willing to act as an Originating Depository Financial Institution ("ODFI") with respect to such Entries. This Section Two sets forth the terms and conditions pursuant to which Bank will provide to Client the ACH Services outlined herein ("ACH Services"). By using the ACH Service described in this Section Two, Client

accepts and agrees to all terms, conditions, and provisions and agrees that this Section Two sets forth the terms and conditions pursuant to which Bank will provide to Client the ACH Service outlined herein. In the event of inconsistency between a provision of this Section Two, the UCC, and/or the terms and conditions applicable to the deposit account, the provisions of this Section Two shall prevail. Terms not otherwise defined in this Section Two shall have the meaning ascribed to those terms in the Rules. The term "Entry" or "Entries" shall have the meaning provided in the Rules and shall also mean the data received from Client hereunder from which Bank initiates each Entry.

2.1 Compliance with Rules and Laws. Client acknowledges it has a copy or has access to a copy of the Rules. The Rules may also be purchased online at www.nacha.org under the publications tab. Client agrees to comply with and be subject to the Rules of NACHA in existence at the date of this Booklet, and any amendments to these Rules made from time to time. It shall be the responsibility of the Client that the origination of ACH transactions complies with U.S. law, including but is not limited to sanctions enforced by the Office of Foreign Assets Control (OFAC). It shall further be the responsibility of the Client to obtain information regarding such OFAC enforced sanctions. (This information may be obtained directly from the OFAC Compliance Hotline at (800) 540-OFAC). Bank will charge the Client with any fines or penalties imposed by OFAC, NACHA or any organization which are incurred as a result of noncompliance by the Client and the Client agrees to fully reimburse and/or indemnify Bank for such charges or fines. The specific duties of the Client provided in the following paragraphs of this Booklet in no way limit the foregoing undertaking. The duties of the Client set forth in the following paragraphs of this Booklet in no way limit the requirement of complying with the Rules.

2.2 Transmission of Entries by Client. Client shall initiate debit or credit Entries hereunder on behalf of and selected by Client in the Operating Instructions. Notwithstanding the provisions contained in Section 2.4 of this Service Section, Bank shall be entitled to deem any person having knowledge of any Security Procedure, defined below in Section 2.4 of this Service Section and permitted to initiate Entries under this Section, to be an Administrator or User. Client shall transmit or deliver Entries to Bank in computer readable form to the location(s) specified by the Bank and in compliance with the formatting and other requirements set forth in the NACHA file specifications or as otherwise specified by Bank. Entries shall be delivered or transmitted to Bank's designated location not later than the time and the number of days prior to the Effective Date specified in our Processing Schedule, which is made a part of the Operating Instructions for this Service Section. For the purposes of this Booklet, "Business Day" means Monday through Friday, excluding certain federal holidays and the "Settlement Date" with respect to any Entry shall be the Business Day when such Entry is debited or credited in accordance with instructions of the Client. A federal holidays schedule is available at www.ccbg.com. Entries received after the cut off time shall be deemed to have been received on the next Business Day. The total dollar amount of Entries transmitted by Client to Bank on any one Business Day shall not exceed the limit set forth in the Operating Instructions or as subsequently requested by Client and approved by Bank or as changed by Bank in Bank's sole discretion from time to time. Client may not reinitiate Entries except as prescribed by the Rules.

2.3 Third Party Service Providers. Client shall not use special equipment, services or software provided by a third party to assist it in processing Files hereunder ("**Service Provider**") without Bank's prior consent. If Bank authorizes Client to use a Service Provider, Client (i) agrees that Service Provider is acting as Client's agent in the delivery of Files to Bank, and (ii) agrees to assume full responsibility and liability for any failure of Service Provider to comply with the laws of the United States, the Rules and this Booklet. Bank will not be liable for any losses or additional costs incurred by Client as a result of any error by Service Provider or a malfunction of equipment provided by Service Provider. Client shall provide at least 10 days advance written notice to Bank in the event it uses any such Service Provider. Client is solely responsible for maintaining compliance with the requirements of Service Provider, including obtaining any software updates. Bank's sole responsibility shall be to enter Bank approved transactions into the ACH Operator and Bank shall not have any responsibility for any File handled by Service Provider until that point in time when Bank accepts and approves a File from such Service Provider for processing. If Bank authorizes Client to use a Service Provider, the terms and conditions governing the relationship between Client and the Service Provider shall be governed by a separate agreement between Client and Service Provider ("**Service Provider Agreement**"). All of Client's obligations and responsibilities under this Booklet will apply to the Service Provider, and Client's separate agreement with the Service Provider must so provide. At Bank's request, Client will provide to Bank a true and exact copy of such agreement. Client shall designate the Service Provider as an Authorized Client Representative and the Service Provider must also enter into a Service Provider agreement before the Service Provider sends Files to Bank. Notwithstanding the foregoing, Client hereby authorizes Bank to accept any File submitted by the Service Provider even if the Service Provider has not been designated as an Authorized Client Representative or if the Third Party Service Provider has not executed the Service Provider agreement. Client hereby indemnifies and holds Bank harmless for any losses, damages, fines, assessments, costs and expenses incurred or suffered by Bank or any other person as a result of or arising from Client's use of Service Provider, including fines or assessments incurred under or pursuant to the Rules and attorneys' fees.

2.4 Security Procedures. In addition to, and without limiting the generality of, the Security Procedure provisions of the Booklet, the Client shall comply with the "Security Procedures" described in the applicable Operating Instructions, and Client acknowledges and agrees that the Security Procedures constitute commercially reasonable security procedures under applicable law for the initiation of ACH entries. Client and Administrator shall review and confirm any and all Security Procedures through the Online Banking Service prior to utilizing the Services set forth in this Section Two.

2.5 Debit Entries; Records Retention. Client shall obtain an authorization ("**Authorization Agreement**") from the Receiver whose account will be debited as the result of a debit Entry initiated by Client and Client shall retain the Authorization Agreement in original form while it is in effect and the original or a copy of each authorization for two (2) years after termination or revocation of such authorization as stated in the Rules. Upon request, Client shall furnish the original or a copy of the authorization to any affected Participating Depository Financial Institution, as defined in the Rules. The Client will receive

immediately available funds for any electronic debit entry initiated by it on the Settlement Date applicable thereto.

2.6 Processing, Transmittal and Settlement by Bank. Except as otherwise provided for in this Booklet and if Bank elects to accept Entries, Bank shall (i) use commercially reasonable efforts to comply with the instructions of Client, (ii) process Entries received from Client to conform with the file specifications set forth in the Rules, (iii) transmit such Entries as an ODFI to the ACH processor selected by Bank, (iv) settle for such Entries as provided in the Rules, and (v) in the case of a credit Entry received for credit to an account with Bank ("**On-Us Entry**"), Bank shall credit the Receiver's account in the amount of such credit Entry on the date ("**Effective Date**") contained in such credit Entry provided such credit Entry is received by Bank at the time and in the form prescribed by Bank in Section 2.2. Client agrees that the ACH processor selected by Bank shall be considered to have been selected by and designated by Client.

2.7 Payment for Credit Entries and Returned Debit Entries. Client agrees to pay Bank for all credit Entries issued by Client or User(s), or credit Entries otherwise made effective against Client. Client shall make payment at such time on the date of transmittal by Bank of such credit Entries as Bank, in its discretion, may determine ("**Payment Date**"), and the amount of each On-Us Entry at such time on the Effective Entry Date of such credit Entry as Bank, in its discretion, may determine. Client shall pay Bank for the amount of each debit Entry returned by a Receiving Depository Financial Institution ("**RDFI**") or debit Entry dishonored by Bank. Payment shall be made by Client to Bank in any manner specified by Bank. Notwithstanding the foregoing, Bank is hereby authorized to charge the account(s) ("**Authorized Account(s)**") designated in the Operating Instructions, as payment for credit Entries issued by Client or returned or dishonored debit Entries. In the event that the Authorized Account(s) does not have sufficient available funds on the Payment Date, Bank is hereby authorized to charge any account maintained by Client with Bank as payment for credit Entries issued by Client or returned or dishonored debit Entries. Client shall maintain sufficient collected funds in Client's account(s) to settle for the credit Entries on the Payment Date. In the event that no Client account has collected funds sufficient on the Payment Date to cover the total amount of all Entries to be paid on such Payment Date, Bank may refuse to process the Entries or Bank may process the Entries. If Bank elects to process the Entries, the total amount of the insufficiency advanced by Bank on behalf of Client shall be immediately due and payable by Client to Bank without any further demand from Bank. If Bank elects to pay Client's account in the overdraft on any one or more occasions, it shall not be considered a waiver of Bank's rights to refuse to do so at any other time nor shall it be an agreement by Bank to pay other items in the overdraft.

Bank reserves the right to require Company to pre-fund an Account maintained at Bank prior to the Settlement Date of the ACH File. Bank shall determine whether pre-funding is required based on criteria established from time to time by Bank. Bank will communicate directly to Company if pre-funding is required and, if requested by Company, will provide Company with an explanation of its pre-funding criteria. If it is determined that pre-funding is required, Company will provide immediately available and collected funds sufficient to pay all Entries initiated by Company (a) not later than 8:00 a.m. Eastern Time two banking days before each Settlement Date, and (b) prior to initiating any Entries for which pre-funding is required.

2.8 Rejection of Entries. Client agrees that Bank has no obligation to accept Entries and therefore may reject any Entry issued by Client. Bank has no obligation to notify Client of the rejection of an Entry but Bank may do so at its option. Bank shall have no liability to Client for rejection of an Entry and shall not be liable to pay interest to Client even if the amount of Client's payment order is fully covered by a withdrawable credit balance in an Authorized Account of Client or the Bank has otherwise received full payment from Client.

2.9 Cancellation or Amendment of Entry By Client. Client shall have no right to cancel or amend any Entry after its receipt by Bank. However, Bank may, at its option, accept a cancellation or amendment by Client. If Bank accepts a cancellation or amendment of an Entry, Client must issue the cancellation or amendment in accordance with the Bank's Security Procedure and Bank shall use reasonable efforts to act on the request by Client for cancellation of an Entry prior to transmitting it to the ACH processor or, in the case of an On-Us Entry, prior to crediting a Receiver's account, but Bank shall have no liability if such cancellation is not effected. The Client shall notify the Receiver of any reversing entry initiated to correct any entry it has initiated in error. The notification to the Receiver must include the reason for the reversal and be made no later than the Settlement Date of the reversing entry. If Bank accepts a cancellation or amendment of an Entry, Client hereby agrees to indemnify, defend all claims and hold Bank harmless from any loss, damages, or expenses, including but not limited to attorney's fees, incurred by Bank as the result of its acceptance of the cancellation or amendment.

2.10 Error Detection. Bank has no obligation to discover and shall not be liable to Client for errors made by Client, including but not limited to errors made in identifying the Receiver, or an Intermediary or RDFI or for errors in the amount of an Entry or for errors in Settlement Dates. Bank shall likewise have no duty to discover and shall not be liable for duplicate Entries issued by Client. Notwithstanding the foregoing, if the Client discovers that any entry it has initiated was in error, it shall notify the Bank of such error. If such notice is received no later than four (4) hours prior to the ACH receiving deadline, the Bank will utilize reasonable efforts to initiate an adjusting entry or stop payment of any On-Us credit Entry within the time limits provided by the Rules. In the event that Client makes an error or issues a duplicate Entry, Client shall indemnify, defend all claims, and hold Bank harmless from any loss, damages, or expenses, including but not limited to attorney's fees, incurred by Bank as result of the error or issuance of duplicate Entries.

2.11 Prenotification. Client, at its option, may send pre-notification that it intends to initiate an Entry or Entries to a particular account within the time limits prescribed for such notice in the Rules. Such notice shall be provided to the Bank in the format and on the medium provided in the media format section of such Rules. If Client receives notice that such prenotification has been rejected by an RDFI within the prescribed period, or that an RDFI will not receive Entries without having first received a copy of the Authorization signed by its customer, Client will not initiate any corresponding Entries to such accounts until the cause for rejection has been corrected or until providing the RDFI with such authorization within the time limits provided by the Rules.

2.12 Notice of Reject and Returned Entries and Notifications Of Change. Bank shall notify Client by e-mail, facsimile transmission mail, or other means of the receipt of a returned entry from the ACH Operator. Except for an Entry retransmitted

by Client in accordance with the requirements of Section 2.2, Bank shall have no obligation to retransmit a returned Entry to the ACH Operator if Bank complied with the terms of this Service Section with respect to the original Entry. Client shall notify the Receiver by phone or electronic transmission of receipt of each return entry no later than one business day after the business day of receiving such notification from Bank.

Bank shall provide Client all information, as required by the Rules, with respect to each Notification of Change ("NOC") Entry or Corrected Notification of Change ("Corrected NOC") Entry received by Bank relating to Entries transmitted by Client. Bank must provide such information to Client within two banking days of the Settlement Date of each NOC or Corrected NOC Entry. Client shall ensure that changes requested by the NOC or Corrected NOC are made within six (6) banking days of Client's receipt of the NOC information from Bank or prior to initiating another Entry to the Receiver's account, whichever is later.

2.13 Notice of Improper Entries. Bank shall provide Client with a periodic statement reflecting the total of each File transmitted by Bank or credited to a Receiver's account maintained with Bank. The Client shall examine the periodic statement and notify the Bank of any unauthorized or erroneous Entries within a responsible time, not exceeding thirty (30) days from the date that the periodic statement is made available to Client. If the Client fails to deliver such notice, the Client may not assert against the Bank any claim for interest on the amount of the Entries for the period prior to the date that such notice is delivered. If the Client fails to deliver notice to the Bank of any unauthorized or erroneous Entries within one (1) year from the Bank's issuance of any advice or statement reflecting such Entries, Client is precluded from asserting that the Bank is not entitled to retain the principal amount of the unauthorized or erroneous debit of Client's account(s).

2.14 Provisional Settlement. Client shall be bound by and comply with the Rules as in effect from time to time, including without limitation the provision thereof making payment of an Entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such Entry; and Client acknowledges that it has received notice of that Rule and or the fact that, if such settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited and Client shall not be deemed to have paid the Receiver the amount of the Entry.

2.15 Identification of Receiver. If Client identifies the Receiver of the Entry by account number or identifying number, or by name and account number or identifying number, Client acknowledges that payment of the proceeds of the Entry to the Receiver shall be made by the RDFI, or by Bank in case of an On-Us Entry, on the basis of the identifying or Bank account number even if it identifies a person different from the named Receiver. Client is liable for and must settle with Bank for any Entry initiated by Client that identifies the Receiver by account or identifying number or by name and account or identifying number.

2.16 Client Representations and Warranties; Indemnity. With respect to each and every Entry transmitted by Client, Client represents and warrants to Bank and agrees that (a) each person or entity shown as the Receiver on an Entry received by Bank from Client has authorized the initiation of such Entry and the crediting or debiting of its account in the amount and on the Effective Entry Date shown on such Entry, (b) such authorization is operative at the time of transmittal or crediting or debiting by Bank as

provided herein, (c) Entries transmitted to Bank by Client are limited to those types of credit and debit Entries set forth in Section 2.2, (d) Client shall perform its obligations under this Booklet in accordance with all applicable laws, regulations, and orders, including, but not limited to, the sanctions laws, regulations, and orders administered by OFAC; laws, regulations, and orders administered FinCEN; and any state laws, regulations, or orders applicable to the providers of ACH payment services, and (e) Client shall be bound by and comply with the provision of the Rules (among other provisions of the Rules) making payment of an entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such entry. Client specifically acknowledges that it has received notice of the rule regarding provisional payment and of the fact that, if such settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited and Client shall not be deemed to have paid the Receiver the amount of the entry. Client shall indemnify Bank against any loss, liability or expense (including attorney's fees and costs) resulting from or arising out of any breach of any of the foregoing warranties, representatives, or agreements.

2.17 Additional Client Warranties for Selected Standard Entry Classes. NACHA, in its role of ensuring the safety, security, and viability of the ACH network, has determined that certain single-use or limited-use consumer authorizations have the potential to increase risk in the ACH system and compromise system effectiveness by increasing the incidence of returned Entries. Therefore, to qualify as an Originator of such Entries, Client hereby warrants to Bank that for each such ACH Entry submitted for processing, Client has obtained all authorizations from the Receiver as required by the Rules, by Regulation E or other applicable law, and this Service Section. Client also makes the additional warranties to Bank that Bank makes to each RDFI and ACH Operator under the Rules for the respective SEC codes for Entries originated by Client. Client hereby indemnifies and holds Bank harmless from any liability arising out of Client's breach of these warranties.

2.18 Delay or Failure to Transfer Funds. Bank shall not be liable to Client or Receiver for any damages of any kind for any delay in payment, including special, consequential, punitive, or indirect loss or damage. Bank shall not be liable or responsible to Client for any delay or failure to transfer any amount hereunder for any reason including but not limited to rules, regulations, or policies of the Federal Reserve Board which place an aggregate limit on the amount Bank can transfer from time to time during any banking day. In no event shall Bank be liable to Client for attorney's fees incurred by Client in any action brought by Client under this Booklet.

2.19 Data Retention. Client shall retain data on file adequate to permit remaking of Entries for three (3) days following the date of their transmittal by Bank as provided herein, and shall provide such data to Bank upon its request. Without limiting the generality of the foregoing provisions, Client specifically agrees to be bound by and comply with all applicable provisions of the Rules regarding the retention of documents or any record, including, without limitation, Client's responsibilities to retain all items, source documents, and records of authorization in accordance with the Rules.

2.20 Interest Calculations. Any interest payments due by either party pursuant to Article 4A of the Florida Uniform Commercial Code shall be calculated at an annual rate equal to the

average Federal Funds rate at the Federal Reserve Bank of New York for the period involved.

2.21 Client as Receiver. If Client is the Receiver of an Entry or other funds transfer, and Bank does not receive final settlement for any payment made to Client by Bank, Client acknowledges and agrees that Client is obligated to Bank for the amount of the payment order and Bank is authorized to charge Client's account(s) for any amount paid to Client. If Bank credits Client's account for an Entry or other funds transfer naming Client as the Receiver, such credit Entry to Client's account is not acceptance of the funds transfer by Bank until one hour after the opening of business on the banking day after the credit Entry is made to the account. Notwithstanding the foregoing, Bank may make funds available to the Client at an earlier time at Bank's option. Bank has no obligation to notify Client of receipt of a funds transfer naming Client as the Receiver even if payment for the funds transfer to Client is made by credit to Client's account or the payment order directs payment to an account. Demand by Client for payment of a payment order for which Bank is obligated to pay Client must be made in writing and delivered to Bank at the location designated in Part I, Section 1.26. Issuance of a check by Client on the account to which payment was made shall not constitute notice under this section.

2.22 Same Day Entries. Same Day Entries require prior approval by the Bank. If approved by the Bank, a Credit or Debit Entry with an Effective Date of the date of or a date prior to the date of the transmission of the Entry or File to Bank and received by Bank prior to the applicable cut-off time shall be considered to be a Same Day Entry. IAT and Entries above the amounts permitted in the Rules are not eligible for Same Day ACH processing. In addition to any other fees Client is obligated to pay Bank, Client hereby agrees to pay Bank the Same Day Entry fee established by Bank from time to time for Same Day Entries transmitted to Bank by Client.

2.23 International ACH Transactions ("IAT"). Client shall not initiate any IAT Entries without Bank's prior approval. If approved by Bank, Client agrees to comply with the Rules with regard to all IAT Entries.

SECTION THREE: ACH BLOCKING/FILTER SERVICE

This Section Three governs Client's use of the ACH Blocking/Filter Service offered by Bank. Bank, in its sole discretion, may not permit Client to use the ACH Blocking/Filter Service until Bank has determined that Client has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the ACH Blocking/Filter Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the ACH Blocking/Filter Service. In any event, Client agrees that the use by Client of any Service Section shall, without any further action or execution or acceptance of any documentation on the part of Client, constitute Client's acceptance of and agreement to Bank's terms and conditions for the use of such Service Section as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank.

Bank offers the ACH Blocking/Filter Service subject to the terms of this Booklet only in association with the Client accounts and this Booklet supplements but does not replace any agreement(s) Client might have executed with respect to any other related

services with Bank or the terms and conditions governing the account. Bank offers and Client agrees to use this Service subject to the terms and conditions stated herein. Client must have enrolled in the Capital City Bank Online Banking Service to use this Service. By using the Service, Client acknowledges that it has read the Booklet and the terms and conditions pertaining to the designated accounts (as defined below) and agrees to all terms, conditions, and provisions thereof.

3.1 Description of Service. Subject to the terms and conditions of this Booklet, Bank shall provide the Service to Client, which allows Client to authorize or block Automated Clearing House ("ACH") transfers to or from Client's deposit accounts at Bank. As used herein, "ACH Transaction(s)" shall refer to certain electronic funds transfers which settle within a bank or between banks according to specified rules and procedures governed by the Federal Reserve Bank and NACHA. "Debit Entry" shall refer to any ACH Transaction which has the intended result of removing funds from Client's demand deposit account(s). "Credit Entry" shall refer to any ACH Transaction which has the intended effect of depositing funds to Client's demand deposit account(s).

3.2 Transmitting and Processing ACH Blocking/Filter Instructions. Client, or its authorized representative or agent, shall provide ACH Blocking/Filter instructions ("Operating Instructions"), incorporated by reference and made a part hereof, to Bank. Amendments of the Operating Instructions shall be by such method and in such format as Bank shall specify. Bank shall process Operating Instructions received from Client in accordance with the procedures and requirements set forth herein. Bank shall be allowed a reasonable period of time in which to process the Operating Instructions following their receipt from Client. Bank shall not be obligated to process Operating Instructions unless all of Bank's specified requirements and conditions have first been satisfied or waived by Bank, in its sole and absolute discretion.

3.3 Form of ACH Blocking/Filter Instructions. Instructions may include any one or more of the following actions:

3.3.1 Client may block all ACH Debit and/or Credit Entries on its Account(s) for a specified period of time.

3.3.2 Client may authorize specified ACH Debit and/or Credit Entries to post against its Account(s) and block all others.

3.3.3 Client may block all ACH Debit and/or Credit Entries to its Account(s) (i) greater than a specified amount, (ii) from specified accounts, and/or (iii) specified SEC Codes.

3.3.4 Client may authorize specified ACH Debit and/or Credit Entries to post on a single or recurring occasion.

3.4 Transmission of Alert and ACH Payment Instructions - Bank will post to Account an ACH Debit Transaction presented for payment on that Account on the Settlement Date for that ACH Debit Transaction. The next Business Day an Alert for that ACH Debit Transaction will be transmitted to Client. Client agrees that Users must log into ACH Alert each Business Day to review and decision to pay or return ACH Debit Transaction(s) in an Alert. Bank must receive the decision of Client (through a User) to pay or return the ACH Debit Transaction referenced in the Alert by the deadline specified in the Processing Schedule on that Business Day. (If Client has chosen to automatically pay or return all ACH debits presented for payment on Account, pay or return instructions have already been issued; however, even if an Account is set for automatic payment or return of ACH debits, a User may still decision to pay or return as long as the User meets

the deadline specified in the Processing Schedule. Client understands and agrees that if Bank has been instructed to automatically return all ACH debits on an Account, Bank shall dishonor and return all such ACH Debit Transactions on that Account unless a User issues a pay decision prior to the deadline specified in the Processing Schedule.) Client agrees that Bank is not required to pay an ACH Debit Transaction if Account does not have sufficient funds.

3.5 Limit of Liability. The following provisions are in addition to any other provisions in this Booklet providing for the limitation of liability.

3.5.1 Dispute over Return of ACH Debit Entry. Client acknowledges that the return of an ACH Debit Entry is subject to dispute on the part of the Sender. In the event of such a dispute the Bank must act according to applicable laws, regulations, and the NACHA rules governing ACH transactions, for which the Client hereby holds the Bank harmless and free of liability under this Booklet.

3.5.2 Identification of ACH Transactions to Block. Client and Bank acknowledge that ACH transactions are originated according to certain processing rules which require the use of an Originator Name and Originator Identification Number imbedded in the transaction to identify its source, and this imbedded data is a critical component of Bank's ability to monitor for transactions which Client desires to block. Bank shall act in good faith to process Client's Operating Instructions. However, if the identifying information in the transaction is inconsistent or is described inconsistently by Client in Operating Instructions, Bank shall be held harmless for posting an ACH transaction to Client's account and any dispute related to such a transaction shall be between Client and the originator of the transaction.

3.6 Indemnification. In addition to other indemnification and liability provisions elsewhere in this Booklet, to the fullest extent allowed by law, Client will be liable for, hold harmless, and will indemnify Bank, and their employees and agents from and against all claims of any sort by third parties or others arising out of this Booklet, including all losses and expenses incurred by Bank arising out of Client's failure to report required changes, transmission of incorrect data to Bank, or failure to maintain compliance with all laws, regulations and rules. Except for those losses caused directly by Bank's failure to exercise ordinary care or to act in good faith, Client agrees to indemnify and hold Bank, its officers, directors, shareholders, agents, employees, and affiliates, and their respective officers, directors, agents and employees, harmless from and against any and all losses, costs, suits, damages, claims, liabilities and expenses (including reasonable attorneys' fees) arising from or related in any way to (i) any Services performed in connection with this Booklet, (ii) Bank's action or inaction in accordance with or reliance upon any instructions or information received from any person reasonably believed by Bank to be an authorized representative of Client, (iii) Client's breach of any of its covenants, agreements, responsibilities, representations or warranties under this Booklet, and/or (iv) Client's breach of applicable laws, rules or regulations.

SECTION FOUR: WIRE TRANSFER OF FUNDS

This Section Four governs Client's use of the Wire Transfer Service. Bank, in its sole discretion, may not permit Client to use the Wire Transfer Services until Bank has determined that Client has accepted or executed the applicable documentation and

otherwise provided appropriate information and specifications for the use of the Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the Service Section. In any event, Client agrees that the use by Client of any Service Section shall, without any further action or execution or acceptance of any documentation on the part of Client, constitute Client's acceptance of and agreement to Bank's terms and conditions for the use of such Service Section as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank. The defined terms "Client," "Client Equipment," "Designated Accounts," "Identification Codes," "Users" and "Password" shall have the same meaning as those terms have in this Booklet.

In accordance with procedures established from time to time between the Client and the Bank, both parties agree that all "**Funds Transfers**," as defined in Section 4A-104 of Article 4A of the UCC (hereafter cited as Sections thereof) will be processed in accordance with the terms and conditions listed below. This Section Four will not apply to transfers which are covered under Consumer Financial Protection Bureau Regulation E, and the Electronic Fund Transfer Act of 1978.

4.1 Procedures and Conditions. Client agrees to strictly follow all procedures and conditions established for the Capital City Bank Online Banking Service and initiation of wire transfers via Capital City Bank Online Banking Service, which may be issued from time to time by Bank and any amendments thereto including, without limitation, all procedures and conditions set forth in this Booklet. Client acknowledges and agrees that Client has sole responsibility for the security of the Identification Codes, Passwords, Security Devices, Security Procedures utilized by the Administrator and all Users.

4.2 Authority to Transfer Funds. Client authorizes Bank to accept or execute any Payment Order as that term is defined in UCC Article 4A Section 4A-103(a)(1) ("**Wire Transfer**") and charge the applicable Designated Account, without limitation as to amount, when such request is received via the Capital City Bank Online Banking Service in accordance with the Security Procedures. Client acknowledges and agrees that such Wire Transfer will be conclusively presumed to be a proper transfer authorization by Client; and that Bank shall have no responsibility for the accuracy, legitimacy or completeness of the data received from Client

Without limitation on the foregoing, Client specifically authorizes Bank to do the following:

4.2.1 Transfer funds from a Client account(s) with Bank to any other Client account(s), whether such account(s) is/are with Bank or other institution(s); and

4.2.2 Transfer funds from a Client account(s) with Bank to any account(s) of a third party, whether such third party account(s) is/are with Bank or other institution(s).

4.3 Wire Transfer Procedures. Bank is hereby authorized to honor, execute and accept each and every Wire Transfer received by it in the name of the Client as sender and initiated by an Administrator or User via the Capital City Bank Online Banking Service. If Bank elects to accept a Wire Transfer issued by Client, Bank shall use reasonable efforts to comply with the Wire Transfer in paying the proceeds to the beneficiary, if Bank is also the beneficiary's bank, or in executing the Wire Transfer if Bank is not also the beneficiary's bank. Client shall issue the Wire Transfer to

Bank in a timely manner sufficient to allow Bank to ensure that payment is made to the beneficiary on the payment date. Bank shall be entitled to deem any person having knowledge of any Security Procedures required in order to initiate Wire Transfers under this Booklet to be a User. Bank may, in all cases, rely on and accept Wire Transfers issued on behalf of Client by any individual(s) authorized by Client to sign checks on any of Client's depository accounts with Bank.

4.4 Security Procedures. In addition to, and without limiting the generality of, the Security Procedure provisions of Part I of this Booklet, Client shall comply with any additional "Security Procedures" required by Bank and communicated to Client, and Client acknowledges and agrees that the Security Procedures, including any Security Devices used in connection therewith, constitute commercially reasonable security procedures under applicable law for the initiation of Wire Transfers. Client and Administrator shall confirm any and all Security Procedures through the Online Banking Service prior to utilizing the Wire Transfer Service.

4.5 Settlement. The Bank is not obligated by this Booklet or this Section Four to honor, execute, or accept any Wire Transfer. If Bank elects to accept Wire Transfers issued by Client, Client agrees to settle for all Wire Transfers issued by Client, Client's Administrator(s) or User(s), or Wire Transfers otherwise made effective against Client. Settlement shall be made by Client to Bank in any manner specified by Bank. Notwithstanding the foregoing, Bank is hereby authorized to charge the account designated by Client ("**Designated Account**") as settlement for Wire Transfers issued by Client. Client shall designate the Authorized Account in the Enrollment Form and/or Operating Instructions. Client shall maintain sufficient collected funds in the Designated Account to settle for the Wire Transfer at the time that the Wire Transfer is issued. Bank may, in its sole discretion, transfer funds from the Designated Account in excess of the collected balance and thereby create an overdraft. In this event, Client shall promptly reimburse the Bank upon demand in the amount of the overdraft together with any interest fees or charges which would otherwise be charged to Client as a result of an overdrawn account based upon the Bank's account rules and pricing schedules. If Bank elects to pay Client's account in the overdraft on any one or more occasions, it shall not be considered a waiver of the Bank's rights to refuse to do so at any other time nor shall it be an agreement by the Bank to pay checks or other items in the overdraft. Bank shall have the right to charge other accounts maintained by Client with Bank that are not designated as a Designated Account if Bank accepts the Wire Transfer and the Designated Account does not have sufficient balances to settle for the Wire Transfer. Bank may process Wire Transfers in any order convenient to Bank and Bank may charge items, including settlement for Wire Transfers, in any order or sequence selected by Bank.

4.6 Errors in Wire Transfers. Client agrees that Bank shall have no obligation to discover errors in Wire Transfers and shall not be liable to Client for errors made by Client, including but not limited to errors made in identifying the beneficiary, or an intermediary or beneficiary's bank, or for errors in the amount of the Wire Transfer. Bank shall likewise have no duty to discover and shall not be liable for duplicate Wire Transfers issued by Client. In the event that Client makes an error or issues a duplicate Wire Transfer, Client shall indemnify, defend all claims, and hold Bank harmless from any loss, damages, or expenses, including but

not limited to attorneys' fees, incurred by Bank as the result of completion of the wire transfer.

4.7 Use of Account Numbers. The Client is notified, and hereby acknowledges, that in executing or otherwise acting on a Wire Transfer the Bank shall rely solely and exclusively upon identifying account or identification numbers of a beneficiary, beneficiary's bank or intermediary bank and shall not rely on the name of the beneficiary. Likewise, acceptance of a Wire Transfer may be made by a beneficiary's bank on the basis of an identifying or bank account number even if it identifies a person different from the named beneficiary. Client is liable for and must settle with Bank for any wire transfer initiated by Client that identifies the beneficiary by account or identifying number or by name and account or identifying number. The Bank shall have no duty to detect any inconsistency between the name and number contained in a Wire Transfer and the Client shall be responsible for any inconsistencies. The Client shall indemnify and hold the Bank harmless from and against any loss, liability, expense or damage that the Bank may incur as a result of such inconsistency, including, without limitation, attorneys' fees and expenses of litigation.

4.8 Amendments and Cancellations.

4.8.1 A Wire Transfer may be canceled by the Client, provided the cancellation instruction is received by the Bank, and verified pursuant to the Security Procedures in effect, at a time and in a manner affording the Bank a reasonable opportunity to act prior to the Bank's acceptance of the Wire Transfer.

4.8.2 The Bank is not obligated to amend or cancel a Wire Transfer after acceptance, but if in Bank's sole discretion, it agrees with Client to do so, it may condition such amendment or cancellation upon compliance with the Security Procedures. Any cancellation of a Wire Transfer by the Bank shall relieve the Bank of any obligation to act on such Wire Transfer and any amendment of a Wire Transfer by the Bank shall relieve the Bank of any obligation to act on such Wire Transfer in its un-amended form.

4.8.3 Client acknowledges and agrees that after a Wire Transfer has been accepted by the beneficiary's bank, return of such funds must be authorized by the beneficiary and Bank has no responsibility to procure the return of such funds. If Client asks Bank to recover funds which Bank has already transferred, Bank shall be under no obligation to do so. If Client deposits with Bank an amount reasonably determined in good faith by Bank to approximate the costs and expenses (including attorney's fees) which Bank may incur in attempting to recover the funds transferred, Bank may, in its sole discretion make an attempt to recover the funds. In lieu of such a deposit, Bank may request Client to provide a bond or other assurance of payment reasonably satisfactory to Bank. Upon such deposit, or the supplying of such other assurance, Bank may take such action as it deems reasonable under the circumstances, including, for example, sending a request to reverse the transfer to any financial institution that received such funds. In no event, however, shall the Bank be deemed to have guaranteed or otherwise assured the recovery of any portion of the amount transferred, nor to have accepted responsibility for any amount transferred.

4.9 Rejection of Wire Transfer. Client agrees that Bank has no obligation to accept a Wire Transfer and therefore may reject any Wire Transfer issued by Client. Bank has no obligation to notify Client of the rejection of the Wire Transfer issued by Client

but Bank may so notify at its option. Bank shall have no liability to Client for rejection of a Wire Transfer and shall not be liable to pay interest to Client even if the amount of Client's Wire Transfer is fully covered by a withdrawable credit balance in a Designated Account of Client or the Bank has otherwise received full payment from Client.

4.10 Use of Correspondents, Agents, and Systems.

4.10.1 The Client agrees that in executing any Wire Transfer the Bank may make use of such correspondents, agents and Wire Transfer and communication systems as it deems necessary or desirable to execute such Wire Transfer. To the fullest extent permitted by law (a) such correspondents, agents and systems shall be deemed to be agents of the Client and the Bank shall not be liable for any errors, negligence, suspension, or default of any of them or for any failure to identify the beneficiary or any mistake in payment by any of them, and (b) the Bank shall not be liable for any errors, mutilations, mis-delivery, or failure of delivery in the transmission of any Wire Transfer by such correspondents, agents and Wire Transfer and communication systems or for any suspension of any means of communication or for any imposition of a censorship, exchange control or other restriction by such correspondents, agents and Wire Transfer and communication systems, all such risk being borne by the Client.

4.10.2 Each Wire Transfer, amendment or cancellation thereof, carried out through a wire transfer system will be governed by all applicable wire transfer system rules, whether or not the Bank is a member of the system. Any Wire Transfer or cancellation thereof may be transmitted by any bank by use of the wire transfer system of the Federal Reserve Bank ("Fedwire"). The rights and obligations of the Bank and the Client with respect to any Wire Transfer, any part of which is carried out through the use of the Fedwire, will be governed by any applicable laws, the regulations of the Board of Governors of the Federal Reserve System, and the operating circulars of the Federal Reserve Bank. The Client acknowledges the Bank's right to reserve, adjust, stop payment, or delay posting of an executed Wire Transfer is subject to the laws, regulations, circulars, and rules described in this Section Four.

4.11 Unauthorized Transactions and Other Errors. Bank and Client may agree that Bank shall provide the Client with advices describing each Wire Transfer paid or executed on behalf of the Client. Such advices shall be mailed not later than the Business Day following the day of execution or payment to a beneficiary of a Wire Transfer or as determined by the Bank in its discretion. The Client shall notify the Bank of any discrepancy between the Wire Transfer and the related wire transfer, or of any unauthorized transaction or other error on the next Business Day following receipt of any advice or within 30 calendar days of the delivery or mailing by Bank (whichever occurs first) of any statement of account relating to the Designated Account, whichever is earlier, which time limits Client agrees are reasonable. If notification of an unauthorized transaction or other error is communicated orally to Bank by Client, it shall be confirmed promptly in writing by Client. The Client will be deemed to have received any advices and statements of account that are mailed by the Bank five Business Days after such mailing. The Bank shall have no liability to the Client for any loss or damage sustained by the Client arising out of any Wire Transfer referenced in a statement of account for the Designated Account or in an individual advice, and no legal proceeding or action shall be brought by Client against Bank to recover such loss or damage, unless (a) Client shall have given the

written notice as provided for herein, and (b) such legal proceeding or action shall be commenced within the period established by UCC 4A. Client waives any right to seek or enforce payment of attorneys' fees related thereto.

4.12 International Wire Orders. Subject to the terms and conditions of this Section, and subject to any instructions we provide, you may use the Service to make funds transfers denominated in U.S. dollars to beneficiaries located outside of the United States. Such fund transfers may be finally paid to the beneficiary either in the foreign currency of the country to which the funds are transferred, in U.S. dollars, or in other currency, according to our policies and procedures, the policies and procedures of the beneficiary's bank, and/or the policies and procedures of any intermediary banks participating in the transaction, subject to applicable exchange rates. You specifically agree that we may, in our discretion, prior to or upon execution of any international Wire Transfer submitted by you, convert the U.S. dollar amount to the currency of the destination country at our exchange rate in effect at the time of conversion. It is your responsibility to advise your beneficiary of the possibility and effect of currency conversions in the course of the execution of any Wire Transfer. If we make any refund of an international Wire Transfer to you, we will make such refund in the U.S. dollar amount of the transaction. You bear all risk of loss due to fluctuations in the rate of currency exchange. You hereby acknowledge and agree that any and all Wire Transfers issued by you under this Section Four are for business purposes only and not for personal, family, or household purposes and are not subject to the provisions of the Electronic Funds Transfer Act and/or Consumer Financial Protection Bureau Regulation E.

4.13 Furnishing Information. Upon request the Client will provide the Bank with any transaction information necessary for the Bank to handle inquiries and tracing, or otherwise to comply with applicable laws and regulations relating to Wire Transfers, including but not limited to, dollar amounts, account(s) affected, dates and names of beneficiaries and third parties involved in the transfer.

4.14 Transactions with Banks. If the Client is a bank (as defined in UCC 4A), and under applicable law the Client is not deemed the originator of the order to which a Wire Transfer relates, the Client agrees to indemnify and hold the Bank harmless for any loss or liability owed to such originator to the extent that such loss or liability would not have been incurred if the Client had been an originator.

4.15 Interest. The Bank shall assume no responsibility for lost interest with respect to the refundable amount of any unauthorized transfer or error unless the Bank is notified within thirty (30) days of notification by the Bank of the acceptance of such transfer. (Section 4A-204).

SECTION FIVE: BILL PAYMENT SERVICE

This Section Five governs Client's use of the Bill Payment Service. Bank, in its sole discretion, may not permit Client to use the Bill Payment Services until Bank has determined that Client has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the Bill Payment Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the Service Section. In any event, Client agrees that the use by Client of any Service Section shall, without any further action or execution or acceptance of any

documentation on the part of Client, constitute Client's acceptance of and agreement to Bank's terms and conditions for the use of such Service Section as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank.

Bank offers the Bill Pay Service subject to the terms and conditions of this Service Section only in association with the deposit accounts maintained by Client with Bank for which the Capital City Bank Online Banking Service has been established.

To utilize the Bill Pay Service, Client must be enrolled in and remain an active participant in the Capital City Bank Online Banking Service offered by Bank. Client agrees that by using the Bill Pay Service offered herein and/or executing the Enrollment Form, Client has read and agrees to all terms, conditions, and provisions of the Booklet, the Enrollment Form and Section One pertaining to the Capital City Bank Online Banking Service, as well as the terms and conditions pertaining to the Designated Accounts (as defined below). This Section Five sets forth the terms and conditions of the Bill Pay Service.

For purposes of this Section Five the deposit accounts designated on the Enrollment Form, as same may be amended or replaced from time to time, shall be referenced herein collectively as the "**Designated Accounts**" and individually as a "**Designated Account**."

5.1 The Bill Pay Service. Client may use the Bill Pay Service to request payment of bills selected by Client by way of funds available in the Designated Accounts. To pay a bill via the Bill Pay Service, Client must provide the Bank with a payment request, in the manner prescribed by Bank from time to time, detailing the payment to be made from the Designated Account selected by Client. Bank may require that Client use dual control to initiate a payment request. "Dual Control" requires that one User initiate a payment request and a second User must verify and release the payment request. When Client sends a payment request via the Capital City Bank Online Banking Service, Bank is authorized to debit the selected Designated Account and transmit payment in the amount designated by Client on the date selected by Client (the "**Send Date**") to a payee designated by Client ("**Payee**"). Client must log onto the Capital City Bank Online Banking Service to utilize the Bill Pay Service described herein. The Send Date selected by Client must be a Business Day.

5.2 Setting Up Payees and Payment Requests. For each Payee, Client must log into the Capital City Bank Online Banking Service and enter the correct Payee name and Payee address (including city, state and zip code) in order to initiate a payment via the Bill Pay Service. If a Payee has assigned Client an account number regarding the bill, Client should enter such account number in the area designated for account number. Client must designate the amount to be paid to each Payee and the Send Date on which the payment should be sent. Client must further indicate which Designated Account to charge for each payment if there is more than one such account.

Upon entry of the Send Date, Client will see via the Capital City Bank Online Banking Service an estimated date in which such payment will likely be delivered by Bank to the Payee ("**Delivery Date**"). The Bill Pay Service will default to a preset Delivery Date for each Payee which is controlled by the Send Date selected by Client. As such, Client bears sole responsibility for timely entering a payment request and selecting a Send Date that will result in a corresponding Delivery Date far enough in advance of the due

date on the statement provided by the Payee to ensure timely payment of the statement. The Delivery Date is only an estimated date and not a guaranty and Client should enter a Send Date that will result in no less than a five (5) day interval between the Delivery Date and the date the payment is actually due. The Bank shall have no responsibility for Client's failure to timely schedule a Send Date with a corresponding Delivery Date sufficiently in advance to ensure timely payment.

5.3 Non-Recurring and Recurring Payments. Client may authorize non-recurring payments or recurring payments. Non-recurring payments are a single, one-time payment to a specified Payee. A recurring payment is a payment to a specified Payee which will repeat per the payment request instructions given by Client. For example, Client may schedule a payment request for weekly payments, monthly payments, or yearly payments or such other periodic basis as permitted by the Service.

5.3.1 Non Recurring Payments. A non-recurring payment will be processed on the Business Day that Client designates as the Send Date, provided the payment is submitted prior to the daily cut-off time on that date. The daily cut-off time shall be provided in the Processing Schedule. The Bank reserves the right to change the cut-off time.

A non-recurring payment submitted after the cut-off time on the designated Send Date will be processed on the next Business Day. If Client designates a Send Date that is not a Business Day, the payment will be processed on the first Business Day following the designated Send Date.

5.3.2 Recurring Payments. When a recurring payment is processed, it is automatically rescheduled for the next periodic payment per the payment instructions selected by Client. Based upon Client's selected frequency settings for the payment, a Send Date is calculated for the next occurrence of the payment. If the calculated Send Date is not a Business Day, it is adjusted to be processed on the first Business Day following the designated Send Date. For example, if Client selects the 5th day of each calendar month, the Send Date is automatically sets for the 5th day of each month, unless the 5th day is not a Business Day, in which case it will be processed on the next Business Day.

5.4 Bill Payment Delivery. Bank reserves the right to select the method by which funds are remitted to the Payee. Bank may remit payments by electronic, paper or such other means as Bank deems appropriate in its sole discretion.

For payments delivered by mail, the date a payment is credited by the Payee depends upon the promptness and reliability of the U.S. Postal Service and Payee's payment processing procedures. Bank will not be responsible for delays in crediting payments which are the result of Client's failure to follow a Payee's payment requirements, or for Client's failure to timely schedule a Send Date with a corresponding Delivery Date sufficiently in advance of the date a payment is due, or for delays in any mail service or other exceptions stated in this Section Five. For these reasons, Client should enter a payment request and schedule a Send Date with a corresponding Delivery Date for payments no less than five (5) Business Days in advance of the date the payment is actually due.

5.5 Available Funds. Client must ensure that it has funds on deposit in the selected Designated Account in amounts sufficient to pay for any payment request, as well as any other payment obligations Client has to the Bank. The Bank reserves the right, without liability, to reject or reverse a bill payment if Client does not have sufficient funds in the selected Designated Account to

pay the payment request. Client further agrees that Bank, in its sole discretion, may charge any of Client's accounts with the Bank to cover such payment obligations even if such charge may create an overdraft for such account and Bank may assess the appropriate overdraft fees. If we elect to make a Bill Payment that creates an overdrawn balance, you agree to deposit sufficient available funds to cover the overdraft into the Designated Account or other account by the close of that Business Day. Any overdraft existing at the close of a Business Day is immediately due and payable without notice or demand. If we elect to make a Bill Payment that creates an overdraft in your account on one or more occasions, we are not obligated to do so in the future.

5.6 Payment Restrictions.

5.6.1 Amount Restrictions. Bank limits the amount of each individual payment request to the amount specified in the Operating Instructions. Bank limits the aggregate daily amount of all payment requests to amount specified in the Operating Instructions per Client.

5.6.2 Payee Restrictions. Bank cannot schedule payment requests to Payees located outside the United States or any of its territories. Client must not schedule payments otherwise prohibited by law.

5.7 Exception Payments. The following types of payments are strongly discouraged and will be processed at Client's sole risk:

- Court-ordered payments (including, but not limited to, child support payments or traffic tickets)
- Tax payments and other governmental fees
- Payments to settle securities purchases
- Transactions authorizing transfers to interest bearing or deposit accounts at the Bank.

In no event shall Bank be liable for any claims or damages resulting from Client requesting and scheduling payments of the above type. The Bill Payment Service Guarantee referenced below, as it applies to any late payment related charges, is void when these types of payments are scheduled and/or processed through the use of the Bill Payment Service. Bank has no obligation to research or resolve any claim resulting from Client scheduling one of these types of payments. All research and resolution for any misapplied, posting errors or misdirected payments for these types of payments will be Client's sole responsibility.

5.8 Errors. The Bank is not responsible for detecting any error contained in any payment request or Payee information entered by the Client or for any payment request not timely received by Bank via the Capital City Bank Online Banking Service or timely scheduled by Client.

5.9 Change or Delete Payments/Stop Payments. Client may delete a non-recurring payment (that is, a single payment scheduled to initiate the next time Bank transmits payments) or a recurring payment (that is a payment Client schedules to initiate weekly, semi-monthly or monthly or any recurring payment) up to 1:00 p.m. Eastern Time on the Send Date. (Note: modification of a recurring payment instruction will affect future payments associated with that payment.)

A stop payment cannot be placed on a Bill Payment that is made electronically once issued. However, a stop payment can be placed on a Bill Payment transaction by Bill Payment check any time prior to the time provided in the Processing Schedule on the day such check is scheduled for final payment.

Bank shall not be liable to Client due to a stop payment request if Client's stop payment request is not presented prior to the time the check has cleared if payment is being made by paper. Once the payment has cleared, Client can no longer stop payment. To make a stop payment request, please contact the Bank at 850-402-7500 or 888-671-0400.

5.10 Bank's Liability for Failure to Make a Bill Payment. If the Bank does not send a transfer or bill payment on time, or in the correct amount, according to your instructions given in accordance with this Agreement, the Bank's liability will not exceed the amount of the total fees you paid to Bank for the services provided under this Agreement for the Bill Pay Service in the six (6) month period preceding the date which the claim first accrued. However, there are some exceptions.

We will not be liable, for instance, if:

1. Through no fault of ours, your checking account(s) and/or funding account(s) do not contain sufficient funds to make the payment or transfer;
2. The bill payment or transfer would go over the credit limit of your overdraft line of credit;
3. The equipment, phone lines, or computer systems were not working properly or were temporarily unavailable;
4. Circumstances beyond our scope of control, such as fire or flood, prevented the bill payment or transfer, despite reasonable precautions that we have taken;
5. A court order or legal process prevents us from making a bill payment or transfer;
6. You have previously reported your Password was stolen, or if we have a reasonable basis for believing unauthorized use of your Password or designated account has occurred or may be occurring, or if you default under any agreement with the Bank, or if the Bank or you terminate this Agreement; or
7. The payee does not process a payment correctly, or in a timely manner.

5.11 Security Procedures. Client shall use the Security Procedures prescribed by Bank to gain access to the Capital City Bank Online Banking Service and to use this Bill Payment Service.

SECTION SIX: REMOTE DEPOSIT CAPTURE

This Section Six governs Client's use of the Remote Deposit Capture Service. Bank, in its sole discretion, may not permit Client to use the Remote Deposit Capture Services until Bank has determined that Client has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the Remote Deposit Capture Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the Service Section. In any event, Client agrees that the use by Client of any Service Section shall, without any further action or execution or acceptance of any documentation on the part of Client, constitute Client's acceptance of and agreement to Bank's terms and conditions for the use of such Service Section as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank.

Bank offers the Remote Deposit Capture Service under this Service Section only in association with one or more deposit accounts maintained by Client at Bank.

6.1 General Description of Remote Deposit Capture Service. Subject to the terms, provisions and conditions of this Booklet, Bank shall provide the Remote Deposit Service to Client, which allows Client to make deposits to Client's deposit accounts listed in the Operating Instructions (each such deposit account an "**Account**" and, collectively, the "**Accounts**") from Client's office by scanning checks on a desktop scanner and delivering the images and information required hereby to Bank or Bank's designated processor (a "**Processor**"). The terms Bank and Processor may be used interchangeably when used in relation to any services performed by a Processor on behalf of Bank including, but not limited to, the receipt and processing of images and check data and any notices related thereto. The scanner must capture an image of the front and back of each Check (as herein defined) to be deposited (each an "**Image**" and, if more than one, "**Images**"), must read and capture the MICR line on each check and must read and capture all such other data and information as is required by this Booklet. After capture of the Images, the MICR line on each check and all other required data and information from each check, Client will transmit one or more files containing the Images, the MICR line from each check and all other required data and information from or pertaining to all checks and all batched ACH (as herein defined) data and other required information (each such file a "**File**" and, if more than one, "**Files**") to Bank or Processor via the Internet. Subject to compliance with the terms, provisions and conditions of, and as provided in, this Booklet, Bank will provisionally credit the Account or Accounts designated by Client for the amount of the deposit(s) to which the File(s) pertains on the day of receipt of the File(s) and enter the images of the checks into the collection process, in accordance with the provisions of Bank's then current deposit account agreement and disclosure pertaining to the Account(s) into which the deposit is to be made (the "**Deposit Agreement**") and this Service Section. In addition, or as an alternative to transmitting images of checks, Client may use the desktop scanner to initiate electronic signals for paperless debit entries through Bank to accounts maintained either at Bank or in other depository financial institutions by means of the ACH. Client and Bank agree that Bank may convert the Images to ACH entries on Client's behalf. Client hereby appoints Bank as Client's agent for the specific purpose of making the determination and decision to convert the

Images to ACH entries. Client and Bank agree that Client shall be and remain the Originator and Bank shall be the ODFI, as those terms are defined in the NACHA Rules. Client understands and agrees that Client must execute, and Bank must approve and accept, Bank's then current agreement pertaining to the provision of ACH services (such agreement the "**ACH Agreement**") before initiating ACH debit entries. Client shall receive credit for ACH debit entries in accordance with the terms of the ACH Agreement. Client acknowledges and agrees that Bank may discontinue, and/or change the terms of the Remote Deposit Service or any related content, features, products or services associated therewith, at any time without notice or liability to Client or any third party. Client hereby agrees that Bank shall be the exclusive provider of the Service provided in accordance with this Service Section and that Client will not use the same or similar services of any other party.

6.2 Hardware and Software. Client understands it must, and hereby agrees to, at its sole cost and expense, use computer hardware and software that meets all technical requirements for the proper delivery of the Remote Deposit Service and that fulfills Client's obligation to obtain and maintain secure access to the Internet. Client understands and agrees it may also incur, and shall pay, any and all expenses related to the use of the Remote Deposit Service, including, but not limited to, telephone service or Internet service charges. Client is solely responsible for the payment of any and all costs and expenses associated with meeting and maintaining all technical requirements and additional items necessary for the proper use of the Remote Deposit Service. If Client provides the Scanner, Client understands and agrees that it is solely responsible for the operation, maintenance and updating of all equipment, software and services used in connection with the Remote Deposit Service and the cost thereof, and Client hereby agrees that it will perform, or cause to be performed, all vendor recommended maintenance, repairs, upgrades and replacements, and such performance shall be rendered by properly trained personnel, whether they are employees of Client or third-party employees. Bank is not responsible for, and Client hereby releases Bank from any and all claims or damages resulting from, or related to, any computer virus or related problems that may be associated with using electronic mail or the Internet. Bank hereby advises Client, and Client hereby agrees, to scan its computer hardware and software on a regular basis using a reliable computer virus detection product in order to detect and remove computer viruses. In connection with its use of the Remote Deposit Service, Client shall only use the hardware described in the hardware list provided by Bank to Client (as the same may be amended or supplement, the "**Hardware List**") or such other hardware as is approved in advance by Bank and shall only use such software as is approved in advance by Bank. The Hardware List shall be provided in the Operating Instructions.

All right, title and interest in and to (a) any and all computer programs, including, but not limited to, the object and source codes therefore, and any and all updates, upgrades, fixes and enhancements thereto and any and all documentation, user guides and instructions pertaining thereto (everything in this clause (a), collectively, "**Software**"), and (b) any and all users guides, instructions and other documentation provided to, or used by, Client in connection with the Remote Deposit Service (everything in this clause (b) collectively, the "**Documentation**") shall be, and remain, the property of Bank or any third party Software provider, as applicable. Unless otherwise expressly authorized, Client may

not (a) copy, reproduce, transmit, retransmit, disseminate, display, publish, sell, broadcast, circulate, distribute, transfer, assign, commercially exploit, reverse engineer, reverse compile or create derivative works of, the Software in any form or (b) copy, reproduce, transmit, retransmit, disseminate, display, publish, sell, broadcast, circulate, distribute, transfer, assign, commercially exploit the Documentation.

6.3 Checks Deposited. Client hereby agrees that it will only scan and deposit a check(s) as that term is defined in Federal Reserve Board Regulation CC ("**Reg CC**"). Client agrees that the image of the check that is transmitted to Bank (each such check and other item a "**Check**" and, if more than one, "**Checks**") shall be deemed an "item" within the meaning of Article 4 of the Uniform Commercial Code (1990 Official Text). Client further agrees that it will not remotely deposit any check or other item that: (a) is payable to any person or entity other than Client, (b) is drawn, or otherwise issued, by Client or any affiliate of Client on any account of Client or of such affiliate, (c) is in violation of any law, rule or regulation, (d) Client knows or suspects, or should know or suspect, is fraudulent or otherwise not authorized by the owner of the account on which the Check is drawn, (e) has not been previously endorsed by a bank and are either a "substitute check" (as defined in Reg CC or other applicable federal law or regulation) or "image replacement document" that purport to be a substitute check, without Bank's prior written consent, (f) is drawn on a financial institution that is located outside of the United States or Territories of the United States, (g) is a Remotely Created Check, or (h) which is not acceptable to Bank for deposit into a deposit account as provided in the Deposit Agreement, which is incorporated herein by reference and made a part hereof (Checks described in clauses (a) through (h) each a "**Prohibited Check**" and, collectively, "**Prohibited Checks**").

Client may be required to maintain a reserve ("**Settlement Reserve**") of an amount to be solely determined by the Bank. Client acknowledges and agrees that any Settlement Reserve will be deposited in a Bank account for exclusive use by the Bank for purposes of offsetting any of Client's obligations under this Booklet. Client grants the Bank a security interest in any Settlement Reserve to enable the Bank to enforce any obligation owed by Client under this Booklet without notice or demand to Client. Client's obligation to maintain a Settlement Reserve shall survive the termination of this Booklet, with such obligation lasting until all of Client's obligations under this Booklet have been fully offset.

6.4 Scanning of Checks and Transmission of Files. Client shall properly install and use all Software and Hardware required by this Service Section or otherwise required for, or related to, the use of the Remote Deposit Service. Client shall (a) endorse each Check to be deposited, either manually or through the Bank's virtual endorsement option, (b) scan the front and back of each Check to be deposited and thereby capture the image of the front and back of each Check and capture the MICR encoding on, and any other required data from, each Check and (c) transmit the File containing the images of the MICR line from and all other required data and information from or pertaining to such Checks, and all batched ACH data and other information, to Bank or its Processor in accordance with the Operating Instructions. Bank may also provide Client with, or require Client to establish, a User ID, a personal identification number ("**PIN**") and/or passwords and other procedures (collectively, "**Security Procedures**") to access the Remote Deposit Service. The specific Security

Procedures will be described in the Operating Instructions. Client agrees to, at all times, (a) comply with the Security Procedures, (b) safeguard the confidentiality and security of the Security Procedures and all other proprietary property or information Bank provides to Client in connection with the Remote Deposit Service and (c) notify Bank immediately if Client has any reason to believe the security or confidentiality required by this provision has been or may be breached. Client acknowledges, understands and agrees the Security Procedures are not designed for the detection of errors. Bank is not, and will not be, obligated to detect errors by Client or others, even if Bank takes certain actions from time to time to do so.

To ensure accuracy, Client shall balance the dollar amount of each deposit to the sum of the Checks prior to transmitting the File. Client may send multiple Files to Bank or Processor throughout the day, not to exceed the number of Files specified in the Operating Instructions. The total dollar value of the Files sent by Client to Bank on any day shall not exceed the dollar amount specified in the Operating Instructions (the “**Deposit Limit**”). If the total dollar value of the Files sent by Client to Bank on any day exceeds the Deposit Limit, Bank may, at its option, refuse to accept the File that exceeds the Deposit Limit, or Bank may accept and process the File. Client agrees not to exceed the Deposit Limit. To be eligible for processing on the day transmitted, Files must be received by Bank no later than the cut-off time specified in the Operating Instructions (the “**Cut-Off Time**”). A File is considered received by Bank when a complete copy of such File has been written on a Bank electronic storage device in conformity with Bank’s technical and operational requirements. To meet the Cut-Off Time, the entire File must be received by Bank prior to the Cut-Off Time, and the File must successfully pass the edits for conformity with the technical requirements. For purposes of determining when a File has been delivered and received, Bank’s records shall be determinative. A File which is not balanced or which is received after the Cut-Off Time shall be deemed to have been received on the Business Day following the Business Day on which the File is actually received by Bank. Bank reserves the right to change the number of Files that may be transmitted in a day, the Deposit Limit and the Cut-Off Time. All such changes shall be effective immediately and may be implemented prior to Client’s receipt of notice thereof. Client may contact Bank at any time to verify the current number of Files that may be transmitted in a day, the Deposit Limit and the Cut-Off Time.

6.5 Maintenance and Destruction of Original Check. Client shall stamp the original Check “Processed” before or during the process of scanning the Check in accordance with Section 6.4 of this Booklet. Client shall securely store all original Checks for a period of thirty (30) days after Client has received notice from Bank that the File containing the images of such Checks has been accepted (such period the “**Retention Period**”). During the Retention Period, Client shall take appropriate security measures to ensure that: (a) only authorized personnel shall have access to original Checks, (b) the information contained on such Checks shall not be disclosed, (c) such Checks will not be duplicated or scanned more than one time and (d) such Checks will not be deposited or negotiated in any form. Client shall also implement proper security procedures and internal controls to ensure the confidentiality of any information that is considered to be confidential personal information that is retained by Client. Client shall destroy original Checks upon the expiration of the Retention Period applicable to such Checks. Client will use commercially reasonable methods of destruction approved by Bank to destroy

original Checks after expiration of the Retention Period. Client will promptly (but in all events within 5 business days) provide any retained Check (or, if the Check is no longer in existence, a sufficient copy of the front and back of the Check) to Bank as requested to aid in the clearing and collection process or to resolve claims by third parties with respect to any Check.

6.6 Image and MICR Quality. Each File transmitted by Client to Bank shall contain Images of the front and the back of the Checks scanned and remotely deposited by Client. Each Image of each Check shall be of such quality that the following information can clearly be read and understood by sight review of such Image:

- (a) the amount of the Check;
- (b) the payee of the Check;
- (c) the signature of the drawer of the Check;
- (d) the date of the Check;
- (e) the Check number;
- (f) the information identifying the drawer and the paying bank that is preprinted on the Check, including the MICR line; and
- (g) all other information placed on the Check prior to the time an image of the Check is captured, such as any required identification written on the front of the Check and any endorsements applied to the back of the Check.

Each Image shall also meet all standards for image quality established by the American National Standards Institute (“ANSI”), the Board of Governors of the Federal Reserve or any other regulatory agency, clearing house or association.

Client shall also capture and transmit to Bank the full-field MICR encoding on each Check. Client shall ensure that the following information is captured from the MICR line of each Check:

- (a) the American Bankers Association routing transit number (“**RTN**”);
- (b) the number of the account on which the Check is drawn;
- (c) when encoded, the amount of the Check; and
- (d) when encoded, the serial number and the process control field of the Check.

6.7 Receipt of File. Client agrees that Client shall be solely liable for, and Bank shall not have any liability whatsoever to Client for, any File or the Images or other information contained therein that are not received by Bank or for any File or the Images or other information contained therein that are intercepted or altered by an unauthorized third party. Client agrees that Bank has no obligation to accept a File and, therefore, may reject any File or the Images or other information contained therein submitted by Client. Bank has no obligation to notify Client of the rejection of a File or the Images or other information contained therein. Bank shall have no liability to Client for the rejection of a File or the Images or other information contained therein or for the failure to notify Client of such rejection. Upon receipt of a File submitted by Client, Bank may examine such File and the Images and other information contained therein to ensure that Client has complied with this Service Section and followed the instructions provided to Client by Bank. If Bank determines that Client has not complied with this Booklet or followed the instructions or if errors exist in the Images or other information contained in the File, Bank, in its sole discretion, may either reject the File or elect to correct the error and accept and process the corrected File (a “**Corrected File**”). As a form of correction, Bank may credit

Client's Account for the full amount of the deposit and make any necessary adjustments to the Account to correct the error. Bank may, at its option, also perform a risk management analysis of one or more Files submitted by Client to detect potentially fraudulent Checks, and, in its sole discretion, Bank may reject any such File or the Images or other information contained therein. If after examination of a File and the Images and other information contained therein, Bank determines that Client has complied with this Booklet, the File is balanced and the Images meet the requirements of Section 6.6 of this Service Section, then Bank shall accept the File (an "**Accepted File**") for deposit to Client's Account. Upon acceptance of the File, Bank shall electronically notify Client of receipt and acceptance of the Accepted File for deposit. Notwithstanding the fact that Bank has accepted a File for deposit, any credit made to Client's Account shall be provisional, and Client shall remain liable to Bank for any errors, inaccuracies, breach of warranties and any other loss sustained by, or claim made against, Bank.

6.8 Provisional Credit and Availability of Funds. Upon acceptance of the File, Bank shall grant Client's Account Provisional Credit (as herein defined) for the total amount of the Corrected File or the Accepted File, as applicable. As used herein, "Provisional Credit" means that the credit is made to Client's Account subject to final payment of the Checks and subject to the terms of the Deposit Agreement. For the purpose of determining availability of funds, Bank may hold funds for the period of time permitted by Bank's Funds Availability Disclosure.

6.9 Laws, Rules and Regulations. Client agrees to comply with all existing and future operating procedures used by Bank for processing of transactions. Client further agrees to comply with, and be bound by, all applicable state or federal laws, rules, regulations, orders, guidelines, operating circulars and pronouncements, affecting checks and drafts and ACH transactions, including, but not limited to, all rules and procedural guidelines established by the Federal Trade Commission ("**FTC**"), the Board of Governors of the Federal Reserve, Electronic Check Clearing House Organization ("**ECCHO**") and any other clearinghouse or other organization in which Bank is a member or to which rules Bank has agreed to be bound. The Rules are incorporated herein by reference. These procedures, rules, and regulations (collectively the "**Rules**") and laws are incorporated herein by reference. In the event of conflict between the terms of this Booklet and the Rules, the Rules will control.

6.10 Collection of Checks. Bank, in its sole discretion, shall determine the manner in which Images shall be presented for payment to the drawee bank. Bank, in its sole discretion, shall select the clearing agents used to collect and present the Images, and Bank's selection of the clearing agents shall be considered to have been designated by Client. Bank shall not be liable for the negligence of any clearing agent. Collection of Checks is also subject to the Rules and the terms of the Deposit Agreement.

6.11 Contingency Plan. Client agrees that, in the event Client is not able to capture, balance, process, produce or transmit a File to Bank, or otherwise process a deposit, for any reason, including, but not limited to, communications, equipment or software outages, interruptions or failures, Client will transport the originals of all Checks to the closest office of Bank and deposit original Checks with Bank until such time that the outage, interruption or failure is identified and resolved. The deposit of original Checks at an office of Bank shall be governed by the terms and conditions of the Deposit Agreement and not by the terms of this Booklet. Notwithstanding the foregoing, and to the extent

applicable, Section 6.12 of this Booklet dealing with warranties shall apply to the deposit of original Checks.

6.12 Warranties. Client represents, warrants and covenants the following to Bank:

6.12.1 Checks Deposited. Client shall only deposit Checks that are authorized by this Booklet, and the Deposit Agreement;

6.12.2 Image Quality. Each Image transmitted by Client to Bank contains an accurate representation of the front and the back of each Check and complies with the requirements of this Service Section;

6.12.3 Accuracy of Information. All data and other information submitted by Client to Bank, including but not limited to data contained in the MICR line of each Check, is complete and accurate and complies with the requirements of this Service Section;

6.12.4 Business Purpose Only. Client is not a consumer, and the Remote Deposit Service shall be used for business purposes only;

6.12.5 No Duplicates. Client will not: (i) create duplicate Images of the Checks, (ii) transmit a duplicate Image or File to Bank, or (iii) deposit or otherwise negotiate the original of any Check of which an Image was created. Client further warrants that no subsequent transferee, including but not limited to Bank, a collecting or returning bank, drawer, drawee, payee or endorser, will be asked to pay the original Item from which the Image(s) was created or a duplication (whether paper or electronic, including ACH entries) of the Item(s);

6.12.6 No Loss. No Subsequent transferees of the Item(s), including but not limited to Bank, a collecting or returning bank, drawer, drawee, payee or endorser, shall sustain a loss as the result of the fact that the Image was presented for payment or returned instead of the original Check;

6.12.7 Information. All information provided by Client to Bank is true, complete and accurate and properly reflects the business, financial condition and principal partners, owners or officers, of Client. Client is not engaged in, or affiliated with, any businesses, products or methods of selling other than those disclosed by Client to Bank;

6.12.8 Authority and Legality. (i) Client is authorized to enter into, and perform its obligations under, this Booklet; (ii) the person signing the Enrollment Form on behalf of Client is duly authorized to execute the Enrollment Form; (iii) this Service Section is valid and enforceable against Client in accordance with its terms; and (iv) the entry into, and performance of, this Service Section by Client will not violate any law, or conflict with any other agreement, to which Client is subject;

6.12.9 No Litigation. There is no action, suit or proceeding pending or, to Client's knowledge, threatened which, if decided adversely, would impair Client's ability to carry on its business substantially as now conducted or which would adversely affect Client's financial condition or operations.

6.12.10 Transactions. All Checks and business transactions of Client are, and will be, bona fide. All signatures on Checks are authentic and authorized.

6.12.11 Rule Compliance. Client conducts its business, and submits Checks and Files in compliance with this Booklet, applicable law and the Rules.

6.12.12 Computer Virus. No Files or Checks contain any computer viruses or other harmful, intrusive or invasive codes.

6.13 Returned Checks.

6.13.1 Chargeback of Returned Checks. If Images of Checks deposited by Client are dishonored or otherwise returned unpaid by the drawee bank, or are returned by a clearing agent for any reason, including, but not limited to, issues relating to the quality of the Image, Client understands and agrees that, since Client either maintains the original Check or has destroyed the original Check in accordance with Section 6.5 of this Service Section, the original Check will not be returned, and Bank may charge back an Image of the Check to Client's Account. Client understands and agrees that the Image may be in the form of an electronic or paper reproduction of the original Check or a substitute check. Unless otherwise instructed by Bank, Client agrees not to deposit the original Check if an Image or other debit as previously described is charged back to Client.

6.13.2 Special Instructions. Client may request that Bank re-present returned Images of Checks to the drawee or process returned Images of Checks according to instructions provided by Client to Bank (the "**Special Instructions**"). These Special Instructions may be given to Bank in a separate document in conjunction with or subsequent to the execution of the Enrollment Form and/or Operating Instructions. Bank shall not be bound by such Special Instructions until such time as Bank has agreed in writing to accept the Special Instructions. Notwithstanding the fact that Bank has agreed to accept the Special Instructions, Bank may, in its sole discretion, disregard the Special Instructions and charge the returned Check back to Client Account to which the Checks were deposited. In the event that Client has requested that returned Images of Checks be re-presented, in no event will Bank re-present an Image of a Check or an ACH entry in excess of the limit established or permitted for the number of times that an Check or ACH entry may be re-presented by the Rules. Client may change or amend the Special Instructions by providing Bank a written request to change or amend the Special Instructions. Changes or amendments to the Special Instructions shall not become effective until acknowledged and accepted in writing by Bank. Client hereby agrees to pay Bank the fees for processing returned Checks and Special Instructions contained in Bank's then current schedule of fees for such services.

6.14 Errors or Discrepancies. Transaction confirmation is generally provided through Client's periodic account statements issued by Bank pursuant to separate deposit account agreements between Bank and Client and may be provided through Internet access to Client's Account information (provided Client has enrolled in certain Internet-delivered Services).

6.14.1 Client agrees to promptly examine Client's account statements and any other notices or confirmations provided by Bank with respect to Service transactions and to notify Bank immediately in the event of any errors or any discrepancies between Client's records and information received from Bank. Client also agrees to notify Bank immediately of any error or discrepancy Client may find in reviewing Client's Account information via the Internet.

6.14.2 Bank and Client agree that thirty (30) days is a reasonable period of time for Client to notify Bank of errors and discrepancies (including, without limitation, unauthorized

transactions), unless any other applicable administrative documents, operating rules, agreements or laws provide for a shorter notification period, in which case such shorter period shall apply, and if Client fails to notify Bank in writing of any error or discrepancy within thirty (30) days, or within such shorter applicable period, after transmittal by Bank of the documentation reflecting such error or discrepancy, Client shall be precluded from asserting such error or discrepancy against Bank.

6.14.3 Client agrees to provide Bank with all information Bank reasonably requests in connection with investigating any error or discrepancy.

6.14.4 This Service Section does not modify error or discrepancy notification requirements that may be set forth in deposit agreements between Bank and Client governing Client's Account(s) (including, without limitation, notification regarding checks paid without a properly authorized signature), except to the extent that any errors or discrepancies specifically relate to Remote Deposit Capture Service transactions.

6.15 Limits on Services. Bank, in its discretion, reserves the right to establish from time to time limitations and restrictions with respect to Remote Deposit Capture Service transaction amounts, frequency of Remote Deposit Capture Service transactions, the types of Accounts that are eligible for Remote Deposit Capture Services, and other matters relating to the Remote Deposit Capture Services based on Client's Account balances, the terms and provisions of other agreements in effect between Client and Bank with respect to specific transactions to be performed hereunder, applicable law, systems limitations, and other factors deemed significant by Bank in its sole discretion. Client agrees to abide by and be bound by all limitations and restrictions imposed from time to time by Bank.

6.16 Indemnification and Liability; Third Party Claims. Client hereby indemnifies Bank and each of its parents, subsidiaries and affiliates and their respective officers, directors, employees, members, partners, agents, insurers and attorneys (each and "**Indemnified Party**" and, collectively, the "**Indemnified Parties**") for, and holds each of the Indemnified Parties harmless from and against, all actions, causes of action, claims, damages, liabilities and expenses (including reasonable attorneys' fees) of any nature or kind (including those by third parties) arising out of, or related to, this Booklet, including all actions, causes of action, claims, damages, liabilities and expenses arising out of, related to or resulting from: (a) Client's (i) failure to report required changes, (ii) transmission of incorrect data to Bank or (iii) failure to maintain compliance with the Rules, (iv) destruction of original Checks, (v) deposit of an electronic representation of a substitute check into an Account instead of an original Check, (vi) deposit of a prohibited check; (b) Bank's (i) provision of the Remote Deposit Capture Service, (ii) action or inaction in accordance with, or in reliance upon, any instructions or information received from any person reasonably believed by Bank to be an authorized representative of Client, (c) Client's breach of any of Client's warranties, representations and/or obligations under this Booklet or any other agreement between Client and Bank, including, but not limited to, the Deposit Agreement, and the terms of this paragraph shall survive the termination of this Booklet and/or (d) Client's breach or violation of any Rules; provided, however, Client is not obligated to indemnify Bank for any damages solely and proximately caused by Bank's gross negligence or willful misconduct.

6.17 Third Parties; Maintenance.

6.17.1 Remote Deposit Capture Service from Others. Client may be using special equipment, services or software provided by a third party to assist it in processing Checks and Files hereunder (each a “**Third Party**” and, if more than one, “**Third Parties**”). Client (i) agrees that any Third Party is acting as Client’s agent in the delivery of Checks and Files to Bank, and (ii) agrees to assume full responsibility and liability for any failure of that Third Party to comply with the Rules or this Booklet. Bank will not be liable for any losses or additional costs incurred by Client as a result of any error by a Third Party or a malfunction of equipment provided by a Third Party. Client shall provide at least 10 days advance written notice to Bank in the event it uses any such Third Party. Client is solely responsible for maintaining compliance with the requirements of any Third Party, including obtaining any software updates. Bank shall not have any responsibility for any Check or File handled by a Third Party until that point in time when Bank accepts and approves a Check or File from such Third Party for processing.

6.17.2 Equipment Maintenance. If Client provides the equipment, Client shall be solely responsible for obtaining and properly maintaining its equipment and system requirements, it’s electrical services, and telephone system, including computer equipment, Internet connectivity, scanning terminals (unless contracted with Bank) and any other equipment or items necessary to use the Remote Deposit Capture Service. Bank shall not be liable to Client, in any manner whatsoever, for any type of errors, losses, damages or other claims related to Client’s failure to do so.

6.18 Term. This Remote Deposit Capture Service Section shall commence on the day the Remote Deposit Capture Service is selected and the Enrollment Form is executed by Client and, unless sooner terminated hereunder, will continue for a period of two (2) years (“**Initial Term**”). Thereafter, unless sooner terminated hereunder, the Service Section will automatically renew for successive one (1) year periods (“**Renewal Term**”), unless either party provides the other party with at least thirty days (30) written notice to the contrary prior to the end of the applicable term. Notwithstanding the foregoing, Bank may immediately terminate this Service Section upon Client’s breach of this Service Section or violation of any law, rule or regulation. In the event that the Bank exercises its right to terminate prior to the expiration of the Initial Term or a Renewal Term or in the event of Client terminates this Service Section prior to the expiration of the Initial Term or Renewal Term, Client shall pay an early termination fee in an amount specified in the Schedule of Fees.

SECTION SEVEN: POSITIVE PAY AND REVERSE POSITIVE PAY

This Section Seven governs Client’s use the Positive Pay and Reverse Positive Pay Service. Bank, in its sole discretion, may not permit Client to use the Positive Pay and Reverse Positive Pay Services until Bank has determined that Client has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the Positive Pay and Reverse Positive Pay Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the Service Section. In any event, Client agrees that the use by Client of any Service Section shall, without any further action or execution or acceptance of any documentation on the part of Client, constitute Client’s acceptance of and agreement to Bank’s terms and

conditions for the use of such Service Section as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank.

Bank offers the Positive Pay Service subject to the terms of this Booklet only in association with the Client Accounts, and this Booklet supplements but does not replace the terms and conditions governing the Account.

To utilize the Positive Pay Services described herein Client must be enrolled in and be an active participant in the Capital City Bank Online Banking Service offered by Bank. Client agrees that by using the Positive Pay Services described in this Section Seven, Client has read and agrees to the terms and conditions pertaining to the Designated Accounts (as defined below).

7.1 The Positive Pay Service. Client may use the Positive Pay Service to quickly identify and act upon fraudulent checks as well as quickly reconcile Client’s Designated Accounts. Client shall provide the Bank with a **Check Issue File** or **File** in the manner described and defined below, detailing all checks Client has issued on the Designated Accounts. This File is to be imported into the Bank’s system for comparison to checks presented for payment against Client’s Designated Accounts. “**Designated Accounts**” are the deposit accounts designated in the Operating Instructions and made a part of this Booklet. Client must log into the Capital City Bank Online Banking Service to utilize the Positive Pay Service described herein.

7.1.1 Check Issue File. A “Check Issue File” (referenced sometimes herein as the “**File**”) is a file issued by Client to the Bank which provides a list of all outstanding checks issued by Client against the Designated Accounts which were not previously listed on a Check Issue File. The File transmitted to Bank shall constitute the signature of Client for purposes of determining whether a Presented Check is properly payable. “**Presented Check**” means a check drawn on a Designated Account and presented to Bank for payment. By transmitting the File, Client expressly warrants that all Presented Checks that match the information in the File are properly payable. The File must accurately state the check number, issue date, and exact dollar amount on each check drawn on the Designated Accounts. Client may upload Files to Bank’s system on a monthly, weekly, daily and/or hourly basis. Before beginning the Positive Pay Service and providing its first File, Client must provide Bank a list of all outstanding checks on the Designated Accounts. As noted herein, any Presented Check that does not appear in a File received by Bank or that is not manually uploaded by Client, shall appear in the Check Exceptions. In order to avoid having a large number of items in the Check Exceptions, due to checks being presented before Bank has had an opportunity to match them to the uploaded checks, Client should upload the File or checks to Bank’s system at least one (1) Business Day before a check is delivered to the payee.

In the event of system failure, either that of Client or of the Bank, and the File cannot be or is not received by the Bank for any reason or the Bank cannot process the file for any reason, the File shall be considered as not received, even if the Bank has possession of the File. The Bank shall have no responsibility for a File that is not received and all checks presented on a Designated Account for which no File is received will be listed on the Check Exceptions as provided below.

7.1.2 Software. It is not required that Client have any type of accounting software to utilize this Positive Pay Service,

because Client also has the ability to manually upload outstanding checks via the Capital City Bank Online Banking Service. Client may upload a file to Bank's system using a spreadsheet format that meets the requirements of Bank that may be established from time to time. Bank shall have the right to reject any file that is presented in a format that cannot be uploaded by Client or processed by Bank.

7.1.3 Payment of Presented Items and Reporting of Exception Issues. Bank shall compare each Presented Check (other than checks not covered as discussed in subsection 7.5) to the checks identified in the File received by the Bank from the Client. Unless directed to do so on the Operating Instructions, as described in subsection 7.3, Bank will not review or attempt to match the payee on the check even if Client has provided Bank with the payee information. Unless the Bank is directed otherwise and agrees, Client has sole responsibility for matching the payee on the checks identified by Client in the File.

A "**Matched Check**" is a Presented Check that matches a check identified in the File by check number, issue date, exact dollar amount, and that also matches as to payee if Client directs Bank to do so in the Enrollment Form and/or Operating Instructions, as described in subsection 7.3. There is an additional, per check fee to have Bank examine each check identified in the File for the payee. The Bank may debit and charge this fee to the Designated Account.

The Bank shall provide to Client, via the Capital City Bank Online Banking service, a list of any Presented Checks on the Designated Accounts (other than checks not covered as discussed in subsection 7.5), that do not exactly match (per the criteria identified above) the checks identified in the file ("**Exception Check**") in a form entitled "**Check Exceptions.**" Bank shall make the Check Exceptions available to Client, via the Capital City Bank Online Banking Service, by the time set forth in the Processing Schedule each Business Day. If the Client has selected Option 2 below, the Client must log into the Capital City Bank Online Banking Service to review the Check Exceptions.

7.1.4 Failure to Upload File. If Client fails to upload a File or to manually input the checks issued for any of the Designated Accounts as required, or if Bank for any reason does not receive the File, then all Presented Checks on such account will appear on the Check Exceptions report.

Note further that the failure to timely communicate a request to pay a check within the Check Exceptions report in the manner provided in subsection 7.2 will result in the return of such check as provided in subsections 7.3 and 7.4.

7.2 Reverse Positive Pay Service. As an alternative to the Positive Pay Service described in subsection 7.1, Client may elect to use the Reverse Positive Pay Service (also referenced herein as the "**Positive Pay Service**") to quickly identify and act upon fraudulent checks as well as quickly reconcile Client's Designated Accounts, which are the deposit accounts listed the Enrollment Form and/or Operating Instructions pertaining to the Capital City Bank Online Banking Service and made a part of this Booklet. Client must also enroll in the Capital City Bank Online Banking Service to take advantage of this alternative Positive Pay Service.

7.2.1 Reporting Presented Items. Client shall keep a record of all issued checks on its Designated Accounts. Bank shall provide Client, via Capital City Bank Online Banking Service, a list of any and all Presented Checks for payment on the Designated Accounts (other than checks not covered as discussed

in subsection 7.5) in a form also entitled "**Check Exceptions.**" Bank shall make the Check Exceptions available to Client by the time set forth in the Processing Schedule each Business Day. Client must log into the Capital City Bank Online Banking Service to review the Check Exceptions. Note that with Reverse Positive Pay all Presented Checks will be returned in accordance with subsections 7.3 and 7.4, unless the Client timely communicates its request to pay a certain check in the manner provided in subsection 7.3.

7.2.2 Inability to Upload File. If Client selects the Reverse Positive Pay Service, Client will not have the ability to upload a File or manually input checks issued to be matched and the Positive Pay Service described in subsection 7.1 will not be available.

7.3 Pay Request/Return Request. With either the Positive Pay or Reverse Positive Pay Service described in subsections 7.1 and 7.2, the Check Exceptions will be available to the Client on the Capital City Bank Online Banking Service.

On the Enrollment Form or Operating Instructions, a System Administrator will designate one of the following options:

Option 1: Return without Notice (Not Applicable to Reverse Positive Pay)

Client authorizes Bank to return each Exception Item without providing notification of the Exception Item to Client.

Option 2. Notice Prior to Return

Client requests notification of each Exception Item. Upon Bank's notification, a Positive Pay Contact (defined below) of Client will either confirm the validity of the Exception Item and request the Bank to pay the Item ("**Pay Request**") (in which case Bank will pay the Exception Item provided Client responds within the time specified below), or will instruct Bank to dishonor (return) the Exception Item ("**Return Request**"). Bank may rely upon instructions received from any one Positive Pay Contact. Bank is not required to obtain approval or confirmation from Client, from any System Administration or from any other Positive Pay Contact. Client agrees that a Positive Pay Contact will respond to Bank concerning each Exception Item via email, or if the electronic service is not available, then response to Bank shall be by facsimile transmission signed by a Positive Pay Contact, by the time set forth in the Processing Schedule ("**Positive Pay Cut-Off**") on the same business day that Bank notifies Client of the Exception Item. If Bank does not receive Client's response by the Positive Pay Cut-Off on the same business day that Bank provides Client notification of the Exception Item, Client authorizes and directs Bank to return the Exception Item. Client agrees to pay Bank the Exception Item's fee, plus interest if applicable, for each Exception Item presented to Bank. Notwithstanding the provisions of Option 2, Bank may return (without providing Client notification prior to such return) each Exception Item that is personally presented by an individual to Bank for payment.

If Option 2 is selected above, then a System Administrator will provide Bank a list of the Authorized Users who are authorized to instruct Bank concerning the disposition of Exception Items ("**Positive Pay Contacts**"). Any System Administrator may, from time to time, add or delete Positive Pay Contacts or change contact information by providing Bank a revised list. No such change in Positive Pay Contacts or contact information shall be effective until Bank receives the revised list and has a reasonable period of time to act thereon. Bank shall not be responsible for any claims, liabilities, losses, damages, costs or expense resulting from, or

relating to, Bank's payment or return of a Presented Check, or Bank's other action or inaction, that is based upon: (i) an Unauthorized Person's instructions to pay or return an Exception Item or other instructions; (ii) an Unauthorized Person's failure to respond to Bank's notification concerning an Exception Item; or (iii) an Unauthorized Person's revision to the list of Positive Pay Contacts. **"Unauthorized Person"** means any person included in the Positive Pay Contacts list that is, however, not authorized to act on Client's behalf, whose name remains on the list because of a System Administrator's failure to update the list or because of other Client error.

Each Matched Check or check within the Check Exceptions which Client authorizes Bank to pay in accordance with this Service will be paid without Bank performing its customary (or any other) check verification procedures. Bank will have no liability whatsoever for paying such Matched Check or Client authorized check even if its serial number or amount is altered, or even if it is a counterfeit, bears a forged or unauthorized signature or was otherwise not validly issued. Client acknowledges and agrees that each Presented Check which Bank pays in accordance with this Section Seven will be conclusively deemed to be properly payable.

Subject to subsection 7.7, Bank shall not pay any Presented Check for which Bank has received from Client a "stop payment" order request consistent with the Terms and Conditions agreement between the parties governing the Designated Accounts.

Client agrees and understands that the Positive Pay Service applies only to MICR encoded paper checks and documents. Therefore, the Positive Pay Services and this Section Seven shall not apply to any electronic funds transfer ("EFT"), ACH transaction, or check that has been converted to an ACH transaction that does not contain a serial number. Accordingly, this Section Seven shall have no effect with respect to any such transactions on Bank's or Client's respective rights, obligations, duties or responsibilities under any other agreement between the parties or applicable law or regulation.

7.4 Return Default. THE FAILURE OF CLIENT TO COMMUNICATE EITHER A PAY REQUEST OR RETURN REQUEST AS TO THE CHECKS WHICH ARE ITEMIZED AS CHECK EXCEPTIONS, OR THE FAILURE OF BANK TO RECEIVE ANY SUCH PAY OR RETURN REQUEST FROM THE CLIENT, SHALL BE CONCLUSIVELY DETERMINED TO BE A RETURN REQUEST BY DEFAULT. BANK SHALL RETURN ALL SUCH CHECKS FOR WHICH NO ELECTION WAS MADE OR RECEIVED. BANK SHALL NOT BE LIABLE TO CLIENT FOR WRONGFUL DISHONOR AND SHALL HAVE NO LIABILITY TO CLIENT FOR SUCH RETURNED CHECKS.

7.5 Checks Not Covered. This Positive Pay Service does not cover a Presented Check which the Bank has already cashed, negotiated or paid or which the Bank is already committed to honor or pay under applicable laws, regulations or rules governing such items. All transactions presented to Bank for immediate payment, such as Presented Checks presented over the counter (i.e. at a teller window or drive through) to be cashed or paid, will not be matched to the File or sent as an Exception Check prior to payment of such checks.

Notwithstanding any other provision of this Section Seven, Client authorizes Bank to pay the Presented Check which fits the criteria in the preceding paragraph, even if such Presented Check would have been an Exception Check. Additionally, Bank shall have no obligation to notify Client of any such Presented Check.

7.6 Errors. The Bank is not responsible for detecting any Client error contained in any File, Pay Request or Return Request communicated by the Client to the Bank or for any File, Pay Request or Return Request not timely received by Bank via Capital City Bank Online Banking Service.

7.7 Stop Payment and Return Decisions. The Positive Pay Service will not be used as a substitute for Bank's stop payment service. Client will follow Bank's standard stop payment procedures if it desires to return a Matched Check or other check that was validly issued. Nothing in this Section Seven will limit Client's right to stop payment on any Matched Check or other check or Bank's right to return any Matched Check or other check that Client has authorized Bank to pay in accordance with this Section Seven if Bank determines in its sole discretion that the check is not properly payable for any reason (without Bank's agreeing to, or being required to, make such determination in any circumstance) or that there are insufficient collected and available funds in the Account to pay it.

7.8 Communication. The Client is solely responsible for setting up the Capital City Bank Online Banking Service, for providing accurate electronic addresses for communication in connection with transactions contemplated in this Section Seven, for all security of Client's systems and devices used to access the Capital City Bank Online Banking Service.

7.9 Limitation of Liability.

7.9.1 Wrongful Dishonor. Bank's liability to Client for any Presented Check erroneously paid by Bank in breach of this Section Seven ("**Bank's Wrongful Honor**") shall be limited to the lesser of the amount of the wrongfully paid Presented Check or Client's actual damages resulting from Bank's payment of the Presented Check. Bank retains the right to assert the defense that Client has sustained no actual damages because Bank's Wrongful Honor discharged for value an indebtedness of Client. Bank also retains the right to assert Client's failure to exercise reasonable promptness or ordinary care under the UCC. Nothing herein shall constitute a waiver or limitation of the rights of Bank under the UCC. Bank's liability for wrongful dishonor of a Presented Check shall be limited to the damages for wrongful dishonor recoverable under UCC Articles 3 and 4; provided, however, that Bank shall have no liability to Client for wrongful dishonor when Bank, acting in good faith, returns a Presented Check: (i) that it reasonably believed was not properly payable; or (ii) if required to do so by the service of legal process on Bank or the instructions of regulatory or government authorities or courts. Client agrees that Bank exercises ordinary care whenever it pays or returns a Presented Check consistent with the provisions of this Section Seven.

7.9.2 Loss Recovery Efforts. The Client agrees to cooperate with Bank in any loss recovery efforts the Bank undertakes to reduce any loss or liability that arises in connection with the Positive Pay or Reverse Positive Pay Service. The Client acknowledges that the fees of Bank for the Positive Pay or Reverse Positive Pay Service, have been established in contemplation of: (a) these limitations on our liability, (b) the responsibility of the Client to review statements, confirmations, and notifications promptly and to notify Bank immediately of any discrepancies or problems, and (c) the responsibility of the Client to assist Bank in any loss recovery effort.

7.9.3 Hold Harmless. Client shall accept liability to any party and indemnify and hold the Bank harmless for any

damages, losses, fines, fee, taxes, legal expenses, or actions at law arising from the return (dishonor) of any Presented Check if such return resulted from the correct application of any Pay or Return Request of Client.

7.9.4 Properly Payable Debit. Any Presented Check that is paid in accordance with the Positive Pay Service shall conclusively be considered properly payable and Client agrees that Bank shall have no liability to Client for paying Presented Checks in accordance with the Positive Pay Service.

7.10 Security Procedures. Without limitation on the security precautions or procedures set forth in Section One pertaining to the Capital City Bank Online Banking Service, the Client agrees:

7.10.1 In its sole and absolute discretion Bank may elect to specify security procedures which relate to this Positive Pay Service and the Capital City Bank Online Banking Service. When such procedures are specified, Client agrees that the purpose of the security procedures is to verify the authenticity of any Pay Request and Return Request submitted to Bank by Client. Client's continued use of this Positive Pay or Reverse Positive Pay Service following receipt of any security procedure specifications from Bank constitutes Client's acceptance of such security procedure, Client's acknowledgement that such security procedures are commercially reasonable, and Client's agreement that all Pay Request and Return Request communicated by Client hereunder will comply with such security procedures.

7.10.2 Client agrees to establish and maintain internal procedures to adequately safeguard against unauthorized Pay Request and Return Request and to limit access to the Positive Pay and Reverse Positive Pay Service procedures to only those individuals whom Client has authorized to act on its behalf with respect to this Service, and shall otherwise comply with the procedures and security precautions set forth herein pertaining to the Capital City Bank Online Banking Service. Any Pay Request or Return Request (including a request for cancellation, amendment, or reversal of any such request or instruction) or other communication received by Bank that purports to have been submitted or authorized by Client in accordance with this Section Seven and/or Section One pertaining to the Capital City Bank Online Banking Service, with the user name, password, or other identification codes designated by Client shall be effective and binding upon Client even if such request or instruction was not in fact authorized by Client, provided Bank has acted in good faith.

7.10.3 If Client believes the security procedures have been compromised or that confidential information regarding the use of this Positive Pay Service has become known to any individual who might initiate unauthorized Pay Requests or Return Requests, Client agrees to promptly notify Bank to initiate such corrective action as might be necessary to prevent unauthorized access to the Positive Pay Service.

SECTION EIGHT: LOCKBOX SERVICE

This Section Eight governs Client's use of the Lockbox Service. Bank, in its sole discretion, may not permit Client to use the Lockbox Services until Bank has determined that Client has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the Lockbox Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the Service Section. In any event, Client agrees that the use by Client of any Service Section

shall, without any further action or execution or acceptance of any documentation on the part of Client, constitute Client's acceptance of and agreement to Bank's terms and conditions for the use of such Service Section as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank.

Upon Client's execution and delivery of Enrollment Form and completion of the Operating Instructions for lockbox services ("**Lockbox Services**") or upon its use of the Service, whichever occurs first, Bank agrees to process payments and credit Client's Authorized Account(s) for payments received in Client's designated Lockbox. Bank, in its sole discretion, may not permit Client to use the Lockbox Services until Bank has determined that Client has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the Service. In any event, Client agrees that the use by Client of any Service shall, without any further action or execution or acceptance of any documentation on the part of Client, constitute Client's acceptance of and agreement to Bank's terms and conditions for the use of such Lockbox Service as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank.

8.1 Description of Service. The Lockbox Service is a service offered by Bank to Client whereby Client directs those persons or entities making payments and other remittances to Client to mail the payment and certain documentation to a Post Office Box from which Client has authorized Bank and/or Bank's subcontractor ("**Subcontractor**") to remove the contents. The terms Bank and Subcontractor may be used interchangeably when used in relation to any services performed by a subcontractor on behalf of Bank including, but not limited to, the receipt and processing of checks and remittances and any data related thereto. It is the responsibility of the Client to notify remitters that remittances shall be mailed to the Lockbox assigned by Bank. Bank shall perform certain specified functions and deposit the checks into Client's account. Client hereby requests and Bank has agreed to perform the Lockbox Services as provided in the Operating Instructions incorporated and made a part hereof. The Operating Instructions shall be issued and executed at the time the Client selects the Lockbox Service. The Operating Instructions may be modified at a later date to account for requested changes by the Client and/or changes that may occur during the lockbox project development and implementation. Changes in the Operating Instructions may be considered as additional service and therefore subject to additional service fees.

8.2 Establishment of Account. Client shall open a business checking account ("**Account**") and shall submit all forms and documents, including but not limited to signature cards, partnership agreements, and resolutions, as required by Bank in conjunction with this Service.

8.3 Authorization to Establish Post Office Box. Client hereby authorizes Bank to establish a Post Office Box in Client's name and Bank shall have exclusive access to the Post Office Box. Client shall execute any and all forms required by the Postmaster to establish the Post Office Box and to grant Bank exclusive access thereto. Client shall not have access to the Post Office Box and shall not authorize any other person or entity to have access to or remove the contents of the Post Office Box.

8.4 Authorization to Process Deposits. Client hereby authorizes Bank to open the envelopes addressed to Client, process the contents, indorse the items on behalf of Client, prepare deposit tickets and perform any other functions specified in the Operating Instructions. Notwithstanding the foregoing and as provided elsewhere in this Booklet, Bank may deposit items to Client's Account without indorsing items in Client's name.

8.5 HIPAA. Bank agrees to comply with the Health Information Technology for Economic and Clinical Health Act of 2009 (the "**HITECH Act**"), the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C.A. §1320d et seq. ("**HIPAA**") and any current and future regulations promulgated thereunder, all as amended from time to time and collectively referred to herein as the "HIPAA Requirements". Bank agrees not to use or further disclose any "Protected Health Information," including "Electronic Protected Health Information," (as such terms are defined in the HIPAA Requirements) other than as permitted by the HIPAA Requirements and the terms of this Booklet. Bank agrees that all services provided through this Service Section shall be provided pursuant to that certain Business Associate Agreement entered into between the parties. To the extent required, Bank will make its internal practices, books, and records relating to the use and disclosure of Protected Health Information available to the Secretary of Health and Human Services for determining compliance with the HIPAA Requirements.

8.6 Bank's Duties and Responsibilities.

8.6.1 Processing Items. As an agent for Client, Bank shall remove the contents of the Post Office Box each Business Day at intervals determined by Bank in its sole discretion. Client acknowledges and agrees that removal of the items from the Post Office Box shall constitute delivery of the items by Client to Bank for collection. Bank shall open the envelopes, process the contents and deposit the checks into Client's account in accordance with the Operating Instructions. Bank shall use reasonable efforts to process all items removed from the Post Office Box on the Business Day the items are removed therefrom; however, Client agrees that in addition to the "Force Majeure" clause of the Booklet, Bank shall have no liability to Client for failure to process all items on any given day if the volume received by Bank for all of Bank's lockbox Clients exceeds Bank's ability to process all of the items on the day of receipt.

8.6.2 As provided in the Booklet, Bank shall not examine items. Notwithstanding the foregoing and without creating any liability on the part of Bank, if Bank detects an alteration, an incomplete check, postdated check, stale dated check, or other irregularity, Bank shall send such item to Client or Client's designated agent.

8.6.3 Endorsement of Checks. The Uniform Commercial Code provides that a bank becomes a holder of unendorsed items when the Client who is a holder of the item delivers the item to a depository bank for collection. In accordance with that section, while Client authorizes Bank to indorse items in its name and on its behalf, Bank may, in its sole discretion, elect not to place Client's indorsement on items deposited by Bank to Client's account.

8.6.4 Return Items. Items returned unpaid by the drawee bank shall be processed in accordance with the Operating Instructions.

8.7 Indemnification. Client agrees to, and does hereby, indemnify and hold the Bank harmless from and against any and all expenses, costs, (including attorneys' fees) claims, causes of action, and liabilities resulting from claims by third parties which directly or indirectly arise from handling of and credit given for remittance items handled under this Service Section, it being understood and agreed that Bank acts herein as agent for Client.

8.8 Project Implementation and Development. Bank shall work with the Client, or Client's agent, on development, implementation and testing of the subject Lockbox service. Such work shall be completed before Client begins directing payments to the subject Lockbox. Client agrees to pay a non-refundable service fee to Bank for development, implementation and testing of the subject Lockbox as specified in the Schedule of Fees. This service fee shall be collected after initial evaluation of the project by Bank but before programming and/or other development work begins. Said fee is non-refundable except in the event the Bank is unable to meet the project demands as outlined during initial evaluation of the project. In the event the Bank is unable to meet the project demands outlined during the initial evaluation of the project, Bank will provide, at its sole discretion, a pro-rated refund based upon reasonable compensation for work performed.

SECTION NINE: ELECTRONIC PAYMENTS REPORTING SERVICE

This Section Nine governs Client's use of Federal Reserve Bank's FedPayments® Reporter service ("**Reporter Service**"). Bank, in its sole discretion, may not permit Client to use the Electronic Payments Reporting Services until Bank has determined that Client has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the Electronic Payments Reporting Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the Service Section. In any event, Client agrees that the use by Client of any Service Section shall, without any further action or execution or acceptance of any documentation on the part of Client, constitute Client's acceptance of and agreement to Bank's terms and conditions for the use of such Service Section as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank.

Bank offers the Reporter Service under this Booklet in association with one or more deposit accounts maintained by Client at Bank and Bank's ACH Origination Service. The terms, provisions and conditions of this Booklet do not replace, but supplement, any and all other agreements (whether now or in the future) that govern any account maintained by Client at Bank (whether now or in the future) or any other Bank services utilized by Client (whether now or in the future) including but not limited to ACH Origination provisions contained in Section Two of this Booklet.

9.1 General Description of the Service. Bank offers the Reporter Service to Client provided by the Federal Reserve Bank that organizes and translates the information contained in certain ACH files into reports. In carrying out the Reporter Service the Federal Reserve Bank will create and make available certain reports requested by Client ("**Selected Reports**") using procedures established by the Federal Reserve Bank specifically for the purposes of the Reporter Service.

9.2 Access to Reports. Bank shall make certain Scheduled Reports available to designated email addresses via an encrypted

email channel that the Federal Reserve Bank has selected and Client has agreed to use. By designating email addresses to which Scheduled Reports will be sent, Client or its authorized agent is instructing Bank to instruct the Federal Reserve Bank to send information, which may contain personally identifiable financial information or other sensitive information, to a person who or an entity that can access the email accounts associated with the designated email addresses to obtain the Scheduled Reports.

SECTION TEN: SWEEP ACCOUNT SERVICE

This Section Ten governs Client’s use of the Sweep Account Service. Bank, in its sole discretion, may not permit Client to use the Sweep Account Service until Bank has determined that Client has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the Sweep Account Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the Service Section. In any event, Client agrees that the use by Client of any Service Section shall, without any further action or execution or acceptance of any documentation on the part of Client, constitute Client’s acceptance of and agreement to Bank’s terms and conditions for the use of such Service Section as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank.

The Client named on the Enrollment Form authorizes Bank to debit and credit the Checking Account(s) listed on the Operating Instructions in accordance with the sweep arrangement described in this Booklet. Client understands that Bank will establish a Sweep Account(s) (“**Sweep Account**”) in Client’s name in the Bank’s sweep system. If Client has selected the Insured Cash Sweep Service, the Sweep Account shall be maintained with a Destination Institution, as that term is defined in the Operating Instructions. Bank, in its sole discretion, may not permit Client to use the Sweep Account Services until Bank has determined that Client has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the Sweep Account Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the Sweep Account Service. In any event, Client agrees that the use by Client of any Sweep Account Service shall, without any further action or execution or acceptance of any documentation on the part of Client, constitute Client’s acceptance of and agreement to Bank’s terms and conditions for the use of such Sweep Account Service as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank.

10.1 Bank will establish on behalf of Client a Sweep Account (a Super Now Sweep Account, Money Market, Repurchase Agreement or an existing line of credit account as selected by Client), which shall be designated a transfer-activated account, pursuant to this Booklet. CLIENT UNDERSTANDS AND ACKNOWLEDGES THAT THE COMBINED TOTAL OF CLIENT’S DEMAND DEPOSIT ACCOUNT BALANCE AND THE CLIENT’S CAPITAL CITY BANK SUPER NOW SWEEP ACCOUNT BALANCE, IN ADDITION TO CLIENT’S OTHER CAPITAL CITY BANK ACCOUNTS, THAT ARE IN EXCESS OF \$250,000.00 IS NOT A DEPOSIT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR ANY OTHER INSURER. If Client has selected the Insured Cash Sweep Service, the Operating Instructions contain additional information

concerning FDIC Insurance coverage. Client directs that collected funds in excess of a target balance (“**Target Balance**”) agreed upon by Bank and Client will be transferred by Bank from Client’s demand deposit account into the Client’s Sweep Account. If applicable, Bank will cause interest to accrue on each day’s ending collected balance in the Client’s Super Now Sweep account, payable monthly by credit to Client’s Super Now Sweep Account at the rate (the “**Interest Rate**”) described in the Interest Rate Schedule stated below. THE INTEREST RATE, THE INTEREST RATE FLOOR, THE INTEREST RATE SCHEDULE (INCLUDING ALL DOLLAR AMOUNTS AND PERCENTAGES AND THE USE OF A TIERED PRICING STRUCTURE AND THE CAPITAL CITY BANK FEDERAL FUNDS RATE, OR OTHER INDEX SELECTED BY BANK, TO DETERMINE THE INTEREST RATE) AND THE TARGET BALANCE SHALL BE SUBJECT TO CHANGE AT ANY TIME, WITH OR WITHOUT NOTICE, BY BANK AT BANK’S SOLE DISCRETION. Only those funds in the Client’s demand deposit account in excess of the Target Balance will be transferred into the Client’s Sweep Account. The Client may make deposits to and withdrawals from the Client’s demand deposit account and conduct other transactions in the demand deposit account in accordance with the Client’s demand deposit account rules.

10.2 On any Business Day, if after completion of all posting to the Client’s demand deposit account the balance is less than the Target Balance, Client directs Bank to transfer funds from the Client’s Sweep Account and deposit such funds to Client’s demand deposit account. Client hereby acknowledges and agrees that any designated signatory on an account linked to a Sweep Account shall have access to the entire balance in the Sweep Account or entire available line of credit if the Sweep Account is a line of credit. Bank is authorized to transfer from the Client’s Sweep Account such an amount as is required to cause the balance in the Client’s demand deposit account to equal the Target Balance. Such transfer shall be made after crediting the net proceeds of all applicable transactions in the Client’s demand deposit account.

SECTION ELEVEN: ZERO BALANCE ACCOUNT SERVICE

This Section Eleven governs Client’s use of the Zero Balance Account Service. Bank, in its sole discretion, may not permit Client to use the Zero Balance Account Services until Bank has determined that Client has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the Zero Balance Account Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the Service Section. In any event, Client agrees that the use by Client of any Service Section shall, without any further action or execution or acceptance of any documentation on the part of Client, constitute Client’s acceptance of and agreement to Bank’s terms and conditions for the use of such Service Section as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank.

The Zero Balance Account Service is a Service offered by Bank whereby the balance in a demand deposit account designated as a Zero Balance Account (“**ZBA**”) is maintained at the balance designated by Client (“**Target Balance**”). The balance is maintained at the Target Balance by one of two methods selected by Client. Under the debit method, checks are issued by Client and paid on a ZBA and funds are automatically transferred from

an account ("**Primary Concentration Account**") to the ZBA. If the Primary Concentration Account does not contain sufficient funds, funds will be transferred from another Client account ("**Secondary Concentration Account**"). Client may maintain multiple ZBA's that are funded by a Primary Concentration Account and a Secondary Concentration Account. Under the deposit method, Client makes deposits to the ZBA and funds are automatically transferred to the Primary Concentration Account from the ZBA. Under both methods, the Primary Concentration Account, the Secondary Concentration Account and the ZBA are maintained by Client with the Bank. Client hereby requests and Bank agrees to perform the Zero Balance Account Service in accordance with this Booklet and any Operating Instructions. The Operating Instructions shall be issued and executed on the date the Client selects the Zero Balance Account Service.

11.1 Establishment of Accounts. Client shall open the ZBA(s), the Primary Concentration Account, and the Secondary Concentration Account and shall submit all forms and documents, including but not limited to signature cards, partnership agreements and resolutions as required by Bank. Client shall designate in the Operating Instructions either the debit or the deposit method for maintaining the balance at zero and the Primary Concentration Account, Secondary Concentration Account, and the ZBA(s) to which and from which funds shall be transferred.

11.2 Payment of Checks under the Debit Method. Bank shall pay checks presented for payment against the ZBA(s) in the same manner that Bank currently pays checks on other demand deposit accounts maintained with Bank. As checks and other debits are presented for payment against the ZBA(s), Bank will post the checks and other debits. After all debit items have been posted to the ZBA, Bank will automatically transfer funds from the Primary Concentration Account to the ZBA(s) in the amount of the total debits presented for payment against the ZBA(s). If the Collected Balance in the Primary Concentration Account is not available or is not sufficient to accommodate a transfer in an amount equal to the total of the checks presented for payment against the ZBA(s), Bank shall transfer funds from the Secondary Concentration Account. If the Collected Balance in both the Primary Concentration Account and the Secondary Concentration Account is not sufficient to accommodate the transfer, Bank may, at its option, make the transfer, even if it would create an overdraft in the Secondary Concentration Account, and make provisional debits to the ZBA(s). In this event, Client shall make a deposit to the Secondary Concentration Account in immediately available funds in an amount sufficient to cover the overdraft in accordance with the Operating Instructions. If Client does not make such a deposit to the Secondary Concentration Account, Bank may, at its option, create an overdraft in the Secondary Concentration Account, reverse the entire transfer, or reverse that portion of the transfer necessary to eliminate the overdraft or to replenish the funds which were not available and return checks provisionally debited to the ZBA(s).

11.3 Transfers under the Deposit Method. Client shall periodically make deposits to the ZBA(s) and Bank shall post those deposits in the same manner that it currently posts deposits to other demand deposit accounts. After all deposits have been posted and all debits have been deducted for that processing day, Bank will automatically transfer the ledger balance in the ZBA(s) to the Primary Concentration Account. All float assigned to the

ZBA(s) as a result of the deposits made to the ZBA(s) shall also be transferred to the Primary Concentration Account.

11.4 Authorization. Bank is hereby authorized and directed, without further instructions from Client, to automatically transfer funds from Client's Primary Concentration Account and, if necessary, from the Secondary Concentration Account to Client's ZBA(s) or from the ZBA(s) to the Primary Concentration Account, as necessary, to maintain Target Balance in the ZBA(s) at all times.

11.5 Primary Concentration Account and Secondary Concentration Account Balance. Client shall use its best efforts to maintain good and immediately available funds in the Primary Concentration Account and the Secondary Concentration Account sufficient to accommodate a transfer of funds sufficient to fund checks presented for payment against the ZBA(s).

SECTION TWELVE: IMAGING SERVICES

This Section Twelve governs Client's use of the Imaging Service. Bank, in its sole discretion, may not permit Client to use the Imaging Services until Bank has determined that Client has accepted or executed the applicable documentation and otherwise provided appropriate information and specifications for the use of the Imaging Service, and until Bank has had a reasonable opportunity to receive and review for proper execution by an authorized signatory and activate the Service Section. In any event, Client agrees that the use by Client of any Service Section shall, without any further action or execution or acceptance of any documentation on the part of Client, constitute Client's acceptance of and agreement to Bank's terms and conditions for the use of such Service Section as may be in effect as of the time of such usage, whether set forth in this Booklet or otherwise prescribed by Bank.

The Imaging Service is a service whereby Bank captures the item image of an Eligible Item and transfers that image onto a CD ROM based on the period of time covered by Client's bank statement, which is generally a monthly cycle.

12.1 Definitions.

12.1.1 Bank Account: each account which Client maintains at Bank and for which Client designates to receive the Imaging Services.

12.1.2 Internet Imaging Service: the service whereby Bank captures the item image of an Eligible Item and makes the item image available to Client through Bank's Internet-based service.

12.1.3 Eligible Item: a cash item drawn on the Bank Account(s), and a cash item deposited into the Bank Account(s)

12.1.4 Item Image: the digitized representation of an Eligible Item.

12.2 Provision of Services. Bank agrees to provide, and Client agrees to purchase, either the CD Imaging Service or the Internet Imaging Service, as designated by Client in the Operating Instructions incorporated by reference and made a part hereof ("**Imaging Services**"). The Operating Instructions shall be issued and executed on the execution date of the Enrollment Form.

12.2.1 CD Imaging Service. This Service Section applies if the Client has elected to receive the CD Imaging Service.

(a) The CD ROM will contain the Eligible Items posted during the immediately preceding statement cycle

for the particular Bank Account. Generally within 5-7 days after the end of the statement cycle, Bank will deposit the CD ROM with the U. S. mail for delivery to Client at the address designated by Client. Any person who is authorized to sign on the Bank Account may: (i) designate the person and address to whom the CD ROM will be delivered and (ii) may make changes to that designation. Bank is not responsible for the CD ROM after it leaves Bank's premises. Upon Client's request, for a period of forty-five (45) calendar days following the end of the statement cycle, Bank shall make a reasonable effort to send Client a duplicate copy of any lost or unreadable CD ROM, at no charge to Client. Any other request by Client for any other reason shall be at Client's expense.

(b) Certain "**Viewer Software**" is designed to permit access to, and utilization of, the item images on the CD ROM. Bank grants to Client a non-exclusive license to use the Viewer Software on a single computer at one location at any time. Client has no right of ownership in or to the Viewer Software. Client shall not copy, transfer, modify, adapt, translate, reverse engineer, decompile, disassemble, or create derivative works based on the Viewer Software. **THE VIEWER SOFTWARE IS PROVIDED TO CLIENT WITHOUT ANY WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED, OR STATUTORY. ALL WARRANTIES ARE EXPRESSLY DISCLAIMED, INCLUDING THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT.**

12.3 Internet Imaging Service. This Service Section applies if Client elects the Internet Imaging Service.

12.3.1 Item images will generally be available through the Internet Imaging Service for the five (5) years from the date of the Eligible Item.

12.3.2 Client must acquire and maintain (at Client's cost and expense) the software, equipment, and communications capabilities which are necessary to use the Internet Imaging Service.

12.3.3 Client may generally access the Internet Imaging Service 24 hours a day, seven days a week; however, Bank makes no guarantees and has no responsibility with respect to the operation of the Internet Imaging Service being uninterrupted, error free, or free from program limitations. From time to time Bank may perform maintenance on the system or equipment which may result in interrupted service. The Internet Imaging Service may also be unavailable due to unplanned or unexpected reasons for which the Bank is unable to provide notice. Client is responsible for adopting and following Client's own contingency plan when the Internet Imaging Service is unavailable on Client's side, on Bank's side, or for any other reason. **BANK SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE INCURRED OR SUFFERED BY CLIENT AS A**

RESULT, DIRECTLY OR INDIRECTLY, OF ANY FAILURE, ANY INTERRUPTION, SUSPENSION, OR TERMINATION OF THE INTERNET IMAGING SERVICE FOR ANY REASON, INCLUDING THE ACTS OR OMISSIONS OF EACH VENDOR OR ANY OTHER THIRD PARTY

12.3.4 Client agrees that any person who is authorized to sign on the Bank Account may: (i) designate one or more persons who are authorized to utilize the Internet Imaging Service for that Bank Account ("**Authorized User(s)**") and (ii) make changes to such designation(s). If there is more than one Authorized User, then Bank may rely upon designations received from any one Authorized User. Client hereby releases Bank from any and all liability or claims based on such designations. Bank may verify or authenticate instructions by any method Bank believes is reasonable under the circumstances, but Bank is under no obligation to do so. Bank may refuse to permit access to the Internet Imaging Service if Bank elects to verify or authenticate instructions but is unable to do so.

12.3.5 Each Authorized User will be assigned a unique user ID and password to allow access to the Internet Imaging Service. Each Authorized User will be asked to change his/her password upon the first access to the Internet Imaging Service and every ninety (90) calendar days thereafter. Client shall safeguard all codes and Client shall establish and maintain procedures to ensure their confidentiality. Client agrees not to disclose the codes to any person or entity except Client's Authorized User(s). If the confidentiality of any code is, or may be, compromised or breached, then Client shall: (i) immediately change the password so as to deny access to the Internet Imaging Service and (ii) immediately notify Bank by calling Online Services & Support at 850.402.7126 or 866.317.6582, by emailing electronicbanking@ccbg.com, or by delivering written notice to the Bank at the following address: 217 North Monroe Street, Tallahassee, FL 32301. If Client notifies Bank by telephone, then Client shall immediately provide written notice to Bank as set forth above. **BANK WILL NOT BE LIABLE FOR ANY LOSS SUFFERED BY CLIENT AS A RESULT, DIRECTLY OR INDIRECTLY, OF ANY UNAUTHORIZED PERSON GAINING ACCESS TO OR OTHERWISE MAKING USE OF THE INTERNET IMAGING SERVICE.**

12.4 Bank's Disclaimers.

12.4.1 The transmission of an item image, the delivery of a CD ROM, the Internet availability of an item image, or any utilization of the Imaging Services shall not constitute a presentment of the item.

12.4.2 Bank does not verify the information contained in an item image. Client is responsible for verifying such information before relying on it or presenting it to third parties.

No signature is required on this Treasury Management Service Terms and Conditions. By signing the Enrollment Form, Company acknowledges its receipt of and agreement to the terms of this Booklet.

2025 Holiday Schedule

New Year's Day	Wednesday, January 1
Martin Luther King Jr. Day	Monday, January 20
President's Day	Monday, February 17
Memorial Day	Monday, May 26
Juneteenth National Independence Day	Thursday, June 19
Independence Day	Friday, July 4
Labor Day	Monday, September 1
Columbus Day	Monday, October 13
Veterans Day	Tuesday, November 11
Thanksgiving Day *	Thursday, November 27
Christmas Day**	Thursday, December 25

*** Offices will close Friday, November 28th at 4:00pm EST
3:00pm CST.**

**** Offices will close Wednesday, December 24th at 2:00pm
EST 1:00pm CST**

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 10, 2025

CAPITAL CITY BANK GROUP, INC.

(Exact name of registrant as specified in its charter)

<u>Florida</u> (State of Incorporation)	<u>0-13358</u> (Commission File Number)	<u>59-2273542</u> (IRS Employer Identification No.)
<u>217 North Monroe Street, Tallahassee, Florida</u> (Address of principal executive offices)		<u>32301</u> (Zip Code)

Registrant's telephone number, including area code: (850) 402-7821

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par value \$0.01	CCBG	Nasdaq Stock Market, LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of The Exchange Act. ☐

CAPITAL CITY BANK GROUP, INC.

**FORM 8- K
CURRENT REPORT**

Item 7.01 Regulation FD Disclosure

Capital City Bank Group, Inc. posted to its internet website (www.ccbg.com) a fourth quarter 2024 Investor Presentation.

A copy of the presentation materials is being furnished as Exhibit 99.1 to this report, substantially in the form intended to be used. Exhibit 99.1 is incorporated by reference under this Item 7.01.

In accordance with general instruction B.2 of Current Report on Form 8-K, this information (including Exhibit 99.1) is furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934.

Item 9.01 Financial Statements and Exhibits.

- (d) Exhibits. The exhibits listed in the exhibit index are furnished pursuant to Regulation FD as part of this Current Report on Form 8-K and shall not be deemed filed for purposes of Section 18 of the Securities and Exchange Act of 1934.

<u>Item No.</u>	<u>Description of Exhibit</u>
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99.1	Copy of fourth quarter 2024 Investor Presentation for Capital City Bank Group, Inc.
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104	Cover Page Interactive Data File (embedded within the Inline XBRL document)
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CAPITAL CITY BANK GROUP, INC.

Date: February 10, 2025

By: /s/ Jephtha E. Larkin

Jephtha E. Larkin,

Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Investor Presentation for fourth quarter 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

INVESTOR PRESENTATION

FOURTH QUARTER 2024



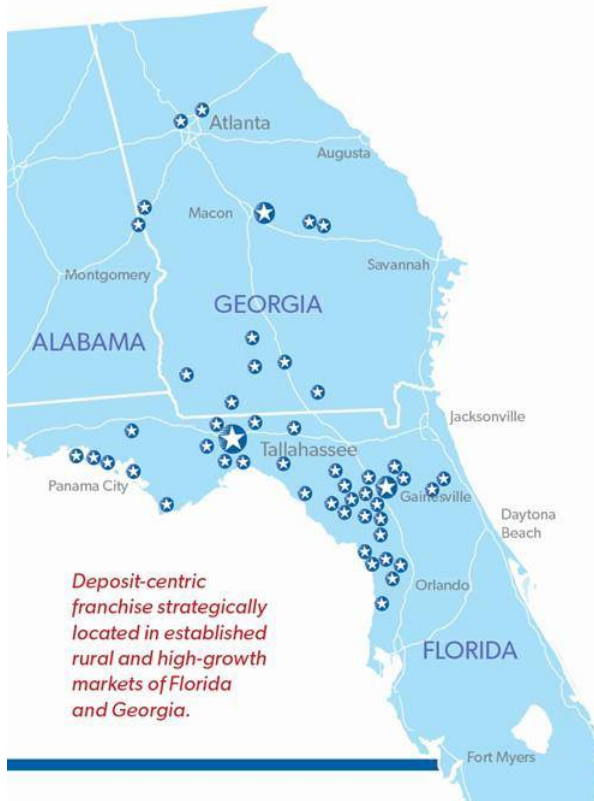
NASDAQ: CCBG



FORWARD-LOOKING STATEMENTS

Forward-looking statements in this Press Release are based on current plans and expectations that are subject to uncertainties and risks, which could cause our future results to differ materially. The words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "target," "vision," "goal," and similar expressions are intended to identify forward-looking statements. The following factors, among others, could cause our actual results to differ: our ability to successfully manage credit risk, interest rate risk, liquidity risk, and other risks inherent to our industry; the effects of changes in the level of checking or savings account deposits and the competition for deposits on our funding costs, net interest margin and ability to replace maturing deposits and advances; legislative or regulatory changes; adverse developments in the financial services industry generally; inflation, interest rate, market and monetary fluctuations; uncertainty in the pricing of residential mortgage loans that we sell, as well as competition for the mortgage servicing rights related to these loans; interest rate risk and price risk resulting from retaining mortgage servicing rights and the effects of higher interest rates on our loan origination volumes; changes in monetary and fiscal policies of the U.S. Government; the cost and effects of cybersecurity incidents or other failures, interruptions, or security breaches of our systems or those of our customers or third-party providers; the effects of fraud related to debit card products; the accuracy of our financial statement estimates and assumptions; changes in accounting principles, policies, practices or guidelines; the frequency and magnitude of foreclosure of our loans; the effects of our lack of a diversified loan portfolio; the strength of the local economies in which we operate; our ability to declare and pay dividends; structural changes in the markets for origination, sale and servicing of residential mortgages; our ability to retain key personnel; the effects of natural disasters (including hurricanes), widespread health emergencies (including pandemics), military conflict, terrorism, civil unrest or other geopolitical events; our ability to comply with the extensive laws and regulations to which we are subject; the impact of the restatement of our previously issued consolidated statements of cash flows and any deficiencies in the processes undertaken to effect such restatements; any inability to implement and maintain effective internal control over financial reporting and/or disclosure control or inability to remediate our existing material weaknesses in our internal controls deemed ineffective; the willingness of clients to accept third-party products and services rather than our products and services; technological changes; the outcomes of litigation or regulatory proceedings; negative publicity and the impact on our reputation; changes in consumer spending and saving habits; growth and profitability of our noninterest income; the limited trading activity of our common stock; the concentration of ownership of our common stock; anti-takeover provisions under federal and state law as well as our Articles of Incorporation and our Bylaws; other risks described from time to time in our filings with the Securities and Exchange Commission; and our ability to manage the risks involved in the foregoing. Additional factors can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as amended, and our other filings with the SEC, which are available at the SEC's internet site (<http://www.sec.gov>). Forward-looking statements in this Press Release speak only as of the date of the Press Release, and we assume no obligation to update forward-looking statements or the reasons why actual results could differ, except as may be required by law.





BY THE NUMBERS*

1895 | Year Bank Founded

\$4.3 Billion | Total Assets

\$2.7 Billion | Loans Held for Investment

\$3.7 Billion | Total Deposits

89% in Florida, 8.3% market share

11% in Georgia, 5.2% market share

~50/50 consumer & commercial deposit mix

\$3.0 Billion | Wealth Assets Under Management

\$622 Million | Market Cap

53% Retail/47% Institutional (~19% Insider) | Ownership

63 Retail Offices | Located primarily in Florida and Georgia

27 | Residential Mortgage LPOs

104 | ATMs/ITMs

971 | Associates

*as of December 31, 2024

ABOUT US

More than 125 Years Operating as a Stable and Profitable Franchise.

Our more than 125 years of experience operating a profitable franchise demonstrates that we adapt to the ever-changing industry conditions and the evolving needs of our clients.

- Headquartered in Tallahassee, Florida.
- 3rd largest publicly traded financial holding company headquartered in Florida.
- Seasoned leadership with experience in successfully navigating multiple business cycles and strong insider ownership.
- Deep roots in the communities we serve. Building stronger communities builds a stronger bank. Our associates donate thousands of community service hours and the CCBG Foundation donates hundreds of thousands of dollars to non-profits.
- Relationship banking model offering a full-range of traditional deposit and credit services for consumers and businesses, mortgage banking, merchant services, and bankcards.
- Tailored wealth services include asset management, trust, securities brokerage, and financial advisory services, including life insurance, risk management, and asset protection services.
- Continually seeking technology improvements to enhance client experience and to deepen client relationships, as well as to optimize delivery and operating efficiency.
- Culture built on integrity, trust, and exceptional client service.



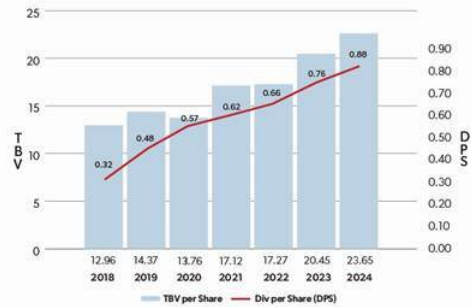
DELIVERING SHAREHOLDER VALUE

History of shareholder value growth.

HIGHLIGHTS

- TBV/Share Growth of 16% in 2024 - 5 Year Avg. Annual Growth of 11%
- Record Year Earnings in 2024 - 5 Year Avg. Annual Growth of ~ 13%
- Dividend/Share Growth of ~16% in 2024 - 5 Year Avg. Annual Growth of 13%

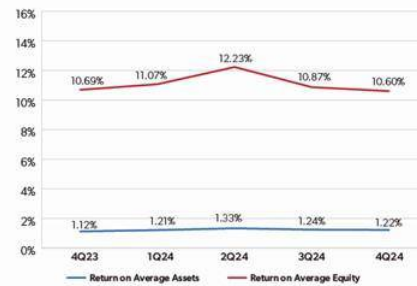
SHAREOWNER RETURN



DILUTED EPS vs PTPCC/DILUTED SHARE



RETURN ON AVERAGE ASSETS, EQUITY



WHY CAPITAL CITY BANK GROUP?

Well-positioned to continue strong performance.

DEPOSIT-DRIVEN CULTURE

- Granular and Tenured Client Base – Avg. Balance ~ \$30K, Tenure ~ 13 Years
- Diversified Deposit Mix of 50/50 Consumer/Business – 37% Noninterest Bearing
- Wide Range of Consumer and Commercial Product Solutions
- Strong History of Growth - 5 Year Average Deposit CAGR of 8.23%
- Low-Cost Funding and Reduced Volatility – Cycle Total Deposit Beta of 12% (7th Lowest U.S. Banks)⁽¹⁾ – 29% Uninsured - Average Cost of Funds/FF of 15% (5 Years) and 17% (10 Years)
- Ranked #4 in Best Deposit Franchises among Large Community Banks in 2024 by S&P Global Market Intelligence⁽²⁾

POSITIONED FOR GROWTH

- Footholds in 2 of the Country's Fastest Growing States – Florida and Georgia
- Growth Opportunities in 2 Expanded Markets (Florida - Emerald Coast and Georgia - Northern Arc) with Strong Demographics and Population and Business Growth
- Scalable Platforms and Product Offerings

REVENUE DIVERSIFICATION

- Granular Loan Portfolio – Avg. Loan Size of \$111K and \$10MM In-house Lending Limit
- Multiple Fee Income Sources – Deposit, Wealth and Mortgage ~ 32% of Revenue

FORTRESS BALANCE SHEET⁽²⁾

- Core Deposit Funded – No Wholesale
- Balance Sheet Flexibility – Loan/Deposit Ratio of 72%
- Proven Credit Underwriting and Risk Management – 5 Year Avg. Annual Credit Losses of 13 BPS
- CRE Composition of 165% of Tier 1 Capital – Nominal Exposure to Office ~ \$46MM (NOO) and \$49MM (OO)
- Strong Capital - Tangible Capital Ratio of 9.55%
- Investment Portfolio market value of \$973MM - 2.19 Year Duration - 79% Government

⁽¹⁾ S&P Global 4/1/24

⁽²⁾ deposit rankings of institutions with \$3 to 10 billion in assets. Rankings calculated based on eight metrics, with noninterest-bearing deposit concentration receiving the highest weighting. As of 12/31/24



DEPOSIT FRANCHISE

HIGHLIGHTS

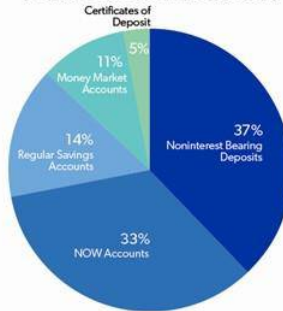
Deposit Portfolio Highlights

- CAGR of ~8.23% Total Deposits
- ~8.31% MMA/SAV/NOW
- 37% Noninterest Bearing Balance⁽¹⁾

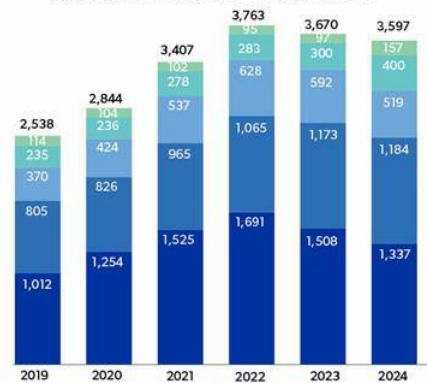
DEPOSIT BETA HISTORY

Fed Funds (bps)	Rate Cycle	Int Bearing Deposits	Total Deposits
+425	4Q.2003 to 4Q.2006	42%	33%
+200	4Q.2015 to 4Q.2018	15%	9%
+525	1Q.2022 to 2Q.2024	21%	12%
-100	3Q.2024 to 4Q.2024	22%	13%

AVERAGE DEPOSIT PORTFOLIO COMPOSITION



ANNUAL AVERAGE DEPOSIT TREND*



AVERAGE DEPOSIT TREND

ACCOUNTS	DEC 2023 QTD	MAR 2024 QTD	JUN 2024 QTD	SEP 2024 QTD	DEC 2024 QTD
	Avg. Balance	Avg. Balance	Avg. Balance	Avg. Balance	Avg. Balance
Noninterest Bearing Deposits - \$	1,416,825	1,344,188	1,346,546	1,332,305	1,323,556
NOW Accounts - \$	1,138,461	1,201,032	1,207,643	1,145,544	1,182,073
Money Market Accounts - \$	318,844	353,591	407,387	418,625	422,615
Regular Savings Accounts - \$	557,579	539,374	519,374	512,098	504,859
Certificates of Deposits - \$	116,797	138,328	160,078	163,462	167,321
Total Deposits - \$	3,548,506	3,576,513	3,641,028	3,572,034	3,600,424
Total Cost of Deposits - %	0.66	0.85	0.95	0.92	0.86
Total Cost of Funds - %	0.73	0.88	0.97	0.93	0.88

Total Cost of Deposits

0.27%

Total Cost of Funds - CCBG

0.35%

Total Cost of Funds - Peer⁽²⁾

0.89%

Noninterest Bearing Deposits

NOW Accounts

Regular Savings Accounts

Certificates of Deposit

Money Market Accounts

*in \$ millions

(1) YTD 12/31/24

(2) Publicly Traded \$1-\$5 Billion SE Commercial Banks (Source: S&P Market Intelligence)

(3) Average - 2020-2024



POSITIONED IN ATTRACTIVE MARKETS

Significant population, business and wealth migration continue to make Florida and Georgia attractive markets.

FLORIDA

National Ranking:

- #3 Population (23.1 million)⁽¹⁾
 - 2nd highest net gain with 126,000 people⁽²⁾
- #1 Net Income Migration⁽³⁾
 - \$36.1 Billion 2021-22
 - Over 3 times that of second-ranked state, Texas
- #4 Overall Business Tax Climate⁽⁴⁾
- #11 Corporate Tax⁽⁴⁾
- #1 GDP Growth Rate⁽⁵⁾
 - grew 9.3% in 2023, almost double New York's growth rate
 - Florida's GDP is expected to grow by 7% in 2024, higher than the national avg.
- #4 Largest State Economy⁽⁷⁾
- #15 Largest Economy in the World⁽⁵⁾
- One of only 5 states with no state income tax⁽⁴⁾
- Florida's FY25 State Budget: \$116.5 Billion

GEORGIA

National Ranking:

- #8 Population (11.2 million)⁽¹⁾
- #12 Income Migration
 - \$1.3 Billion 2020-21⁽⁴⁾
- #1 for Business by Area Development magazine (10 years 2014-23)⁽⁶⁾
- #1 Workforce Development Program, Georgia Quick Start⁽⁸⁾
- #9 Corporate Tax⁽⁴⁾
- #1 Competitive Labor Market⁽⁸⁾
- 18 Fortune 500 Companies are Headquartered in Georgia⁽⁸⁾
- 440 Fortune 500 Companies have a presence in Georgia⁽⁸⁾
- Current-dollar GDP 4.7%⁽⁷⁾
- #1 Atlanta named top 50 places to live in the U.S.⁽⁶⁾
- #8 Largest State Economy⁽⁷⁾
- Georgia FY25 State Budget: \$36.1 Billion

HIGHLIGHTS

Favorable Trends

- Legacy Markets in Tallahassee, Gainesville, Suncoast and Macon are anchored by government, education, healthcare and small business.
- Expanded Markets in Emerald Coast and Northern Arc reflect strong population growth and attractive demographics.

Economic Drivers

- Georgia home to numerous corporate HQs, relocations and expansions.
- Baby Boomers' wealth transfer, Florida a desirable retirement location.
- Florida and Georgia boast healthy GDP and business climates.

(1) S&P Global, Claritas

(2) Florida Chamber of Commerce 2023 State-to-State Migration Flows, U.S. Census Bureau

(3) The amount of income that moved into the state minus the income that moved out, Florida Chamber of Commerce, 2020-21 IRS data

(4) Tax Foundation, (2020-21 IRS data), Note: A rank of 1 is best, 50 is worst. The report shows tax systems as of July 1, 2023 (beginning of FY 2024).

(5) Florida Chamber Foundation

(6) Money.com's top 50 places to live in the U.S. based on economic opportunities, quality of life, diversity and where the best futures lie. Atlanta topped list based on its booming jobs market and "eye on equality," Dec 13, 2023

(7) U.S. Bureau of Economic Analysis * (Q3 2024 Preliminary)

(8) Georgia Dept. of Economic Development



EXPANDED MARKET – EMERALD COAST

Strategically positioned in high-growth, favorable-demographic Northwest Florida markets.



INFLUENCERS

Significant Migration & Population Growth

- Climate appeal, moving from large, metro markets

Strong Single-Family Homebuilding Permits⁽¹⁾

- Walton County: 2,794 | Bay County: 2,322

Rising Household Median Income (HHI)⁽²⁾

- Walton County ranks #12 of 67 counties
- Bay County ranks #26 of 67 counties

Low Unemployment

- Walton County: 3.3% | Bay County: 3.3%⁽²⁾

MARKET CHAMPIONS

- Northwest Florida-based real estate developer owns 169,000 acres in Walton, Bay and Gulf Counties
- Entitlements to develop over 170,000 residential units and over 20 million square feet of non-residential-use property
- First phase of 87-acre medical campus completed with numerous clinical practices.
- Healthcare, Higher Education, Manufacturing, Tourism, Hospitality, Military, Transportation/Logistics



CAPITAL CITY BANK'S PRESENCE



Watersound Origins Office

Experienced and established team deeply rooted in the region, offering banking, mortgage and wealth services for individuals and businesses.

West Bay planned for Q1 2025

Fronts St. Joe's Latitude Margaritaville community, 3,500 homes planned for phase 1. 2,000 homes sold.

Watersound opened in 2023

Fronts St. Joe's Origins community, 1,100 homes planned.

Panama City Beach opened in 2020

Fronts St. Joe's Breakfast Point community, 1,198 homes planned.

Additional offices in region:

Lynn Haven - LPO/ITM
Dune Lakes - LPO/ITM
Port St. Joe - Full-service
Chipley - Full-service

	BAY COUNTY	WALTON COUNTY	FLORIDA
Market Total Deposits ⁽²⁾	\$7,012,197*	\$2,533,065*	\$935,666,778*
Population Growth Rate 2020-25 ⁽²⁾	11.95%	18.36%	7.71%
Projected Population Growth 2025-30 ⁽²⁾	7.55%	9.18%	5.97%
Median HHI 2024 ⁽²⁾	\$71,137	\$81,055	\$72,722
Projected HHI Growth 2025-30 ⁽²⁾	9.74%	16.32%	10.68%

(1) Florida Chamber of Commerce, The Florida Scorecard U.S. Census Bureau, 2023

(2) S&P Global (deposits June 2024, unemployment October 2024)

*(\$000s)



EXPANDED MARKET – NORTHERN ARC

Well-positioned to leverage favorable population and business growth.



INFLUENCERS

Significant Migration & Population Growth

- Atlanta is the 9th largest metro in the U.S.
- Gwinnett County population 995,170⁽¹⁾ | Ranks #2 largest in Georgia
- Cobb County population 781,902⁽¹⁾ | Ranks #3 largest in Georgia

Rising Household Median Income (HHI)

- Gwinnett County Ranks #17⁽¹⁾ of 159 counties
- Cobb County Ranks #6⁽¹⁾ of 159 counties

Low Unemployment

- Cobb County: 3.0% | Gwinnett County: 3.2⁽¹⁾

Infrastructure Supports Continued Growth

- Direct access to U.S. and global markets through air, road, rail and sea.⁽³⁾

MARKET CHAMPIONS

- Gwinnett County boasts 26 company relocations and expansion in 2022⁽²⁾
- Talent runs deep, labor force of 5.3 million and top-ranked colleges, universities, and skilled-labor training⁽³⁾
- Key Industries: automotive technology, cybersecurity, supply chain logistics, food processing, data centers, and aerospace.
- HQs for major employers such as:

LOCKHEED MARTIN



DELTA

CAPITAL CITY BANK'S PRESENCE



Duluth office

Local, experienced bankers offer the personal service of a community bank with sophisticated product packages of larger financial institutions.

Duluth office opened in 2023
(Gwinnett County)

Marietta office opened in 2022
(Cobb County)

	COBB COUNTY	WINNETT COUNTY	GEORGIA
Market Total Deposits ⁽¹⁾	\$30,702,403*	\$29,385,654*	\$372,214,560*
Population Growth 2020-25 ⁽¹⁾	2.44%	4.24%	4.72%
Projected Population Growth 2025-2030 ⁽¹⁾	2.57%	3.76%	4.07%
Median HHI 2025 ⁽¹⁾	\$99,601	\$87,840	\$75,118
Projected HHI Growth 2025-2030 ⁽¹⁾	9.89%	8.32%	8.18%

(1) S&P Global (deposits June 2024, unemployment October 2024)

(2) Partnership Gwinnett 2022 Annual Report

(3) Georgia Dept. of Economic Development

* (000s)



LEGACY MARKETS

CCBG's strong foothold in Legacy Markets in Florida and Georgia offers continued growth opportunities.

	TALLAHASSEE MSA	GAINESVILLE MSA	SUNCOAST MARKET ⁽²⁾	FLORIDA RURAL COMBINED 12 Markets	MACON MSA	GEORGIA RURAL COMBINED 3 Markets
DEPOSIT MARKET-MSA	Total Deposits ⁽¹⁾	\$1,608,492*	\$531,954*	\$289,388*	\$961,489*	\$126,644*
	Market Share ⁽¹⁾	13.8%	4.8%	5.2%	2.4%	
	Market Share Rank for Deposit ⁽¹⁾	#1	#8	#6	Top 3 Market Share in 7 of 12 Markets	#12
LEGACY DEMOGRAPHICS	Projected Population Growth 2020-25 ⁽¹⁾	4.48%	7.1%	10.8% ⁽²⁾	2.1%	
	Projected HH Income Growth 2025-30 ⁽¹⁾	5.43%	6.5%	8.7% ⁽²⁾	1.0%	
	Market Champions	Government, Education, Professional	Education, Healthcare, Retail Distribution	Education, Healthcare, Government	Agriculture, Manufacturing, County Seat	Education, Healthcare, Defense
	CCBG GEORGIA MARKETS		GEORGIA	CCBG FLORIDA MARKETS	FLORIDA	UNITED STATES
STATE/NATIONAL DEMOGRAPHICS	Total Deposits ⁽¹⁾	\$406,818*	\$372,214,560*	\$3,238,912*	\$935,666,778*	\$20,423,850,752*
	Population Growth Rate 2020-25 ⁽¹⁾	2.8%	4.7%	10.6%	7.7%	1.9%
	Projected Population Growth Rate ⁽¹⁾	2.72%	4.1%	6.9%	6.0%	2.40%
	Median HHI 2025 ⁽¹⁾	\$58,531	\$75,118	\$61,824	\$72,722	\$78,770
	Projected HHI Growth ⁽¹⁾	2.06%	8.2%	7.82%	10.7%	8.8%

(1) S&P Global (deposits June 2024)

(2) Suncoast Market includes Hernando and Citrus Counties

(3) only Hernando County projections

* (000s)



STRATEGIC TECHNOLOGY INVESTMENTS

Investing in and implementing digital, scalable platforms to enhance client service, propel growth and fortify bank security.

Create Exceptional Client and Associate Experiences

- Expand ITM locations
- Enhanced self-service tools for digital banking
- Implemented new intranet to improve associate productivity and connections
- Deployed new imaging platform with elevated transaction insight and fraud detection

Deepen Client Relationships

Data-driven Decision Making

- Use data analytics for cross-sell opportunities with existing clients
- Leverage business intelligence to identify and attract new clients

Simplify Workflows

- Automate indirect lending decisions
- Outsource core in-house platform to enhance flexibility, mitigate talent-management risk and improve business continuity
- Enhance small business loan application process

Improve Operational Efficiency through Channel Optimization

- Enhance IT and cybersecurity functions
- Implement collaboration tools
- Upgraded commercial deposit platform
- Implemented enterprise automation solution to electronically manage business processes resulting in increased efficiency, accuracy, and timeliness

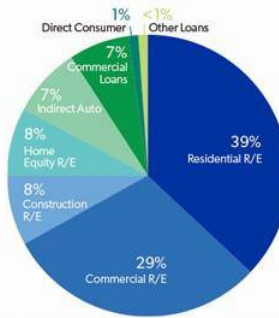


LOAN DIVERSIFICATION

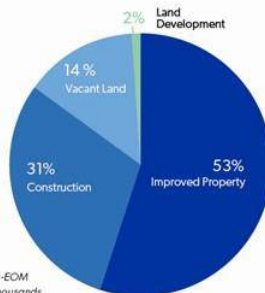
HIGHLIGHTS

- Top 25 loan relationships 6% of total loans
- Total loan portfolio avg. loan size \$111K
- In-house lending limit of \$10 million

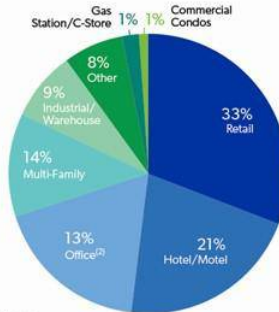
LOAN PORTFOLIO⁽¹⁾
\$2,651,550



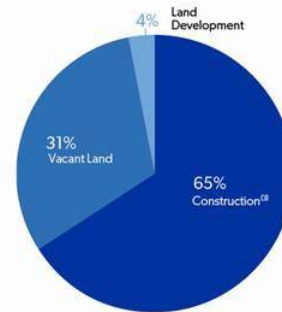
CRE COMPOSITION⁽¹⁾
\$674,464
165% of Tier 1 Capital



IMPROVED PROPERTY COMPOSITION⁽¹⁾
\$356,584
87% of Tier 1 Capital



CONSTRUCTION & LAND DEVELOPMENT⁽¹⁾
\$317,880
78% of Tier 1 Capital



4Q2024-EOM

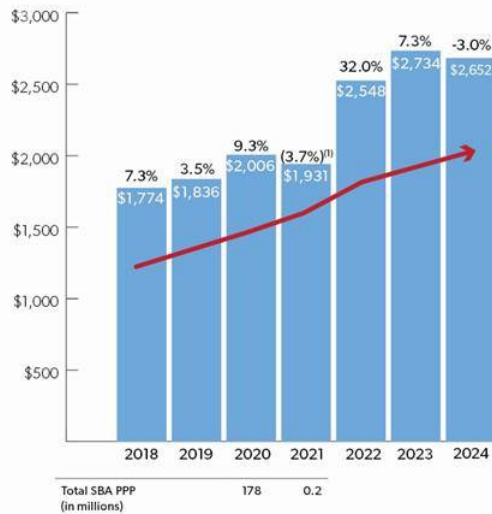
(1) \$ in thousands

(2) Avg. Loan = \$562,000

(3) Includes \$90 million of owner occupied Residential Construction-Perm loans



GENERATE LOAN GROWTH

PERIOD END LOANS HFI
(\$ In Millions /% Growth)

(1) Includes SBA PPP Activity - Ex SBA PPP = 5.6% core growth

GROWTH BY SEGMENT
(\$ in Thousands/% of Total)

	4Q23	1Q24	2Q24	3Q24	4Q24
Commercial Loans	\$225,190	\$218,298	\$204,990	\$194,625	\$189,208
Construction R/E	\$196,091	\$202,692	\$200,754	\$218,899	\$219,994
Commercial R/E	\$825,456	\$823,690	\$823,122	\$819,955	\$779,095
Residential R/E	\$1,001,257	\$1,012,791	\$1,012,541	\$1,023,485	\$1,028,498
Home Equity R/E	\$210,920	\$214,617	\$211,126	\$210,988	\$220,064
Direct Consumer	\$23,019	\$23,034	\$24,558	\$24,427	\$24,333
Indirect Auto	\$247,975	\$231,134	\$209,654	\$188,878	\$175,146
Other - LIP	\$4,010	\$4,916	\$3,478	\$1,839	\$15,212
Total Loans HFI	2,733,918	2,731,172	2,690,223	2,683,096	2,651,550

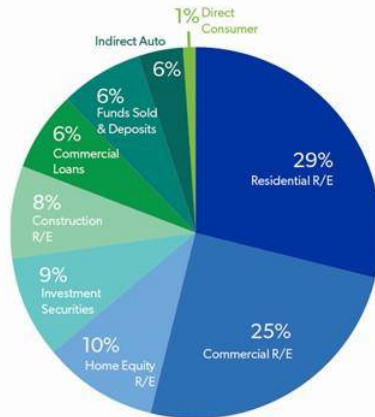


DIVERSIFIED REVENUES

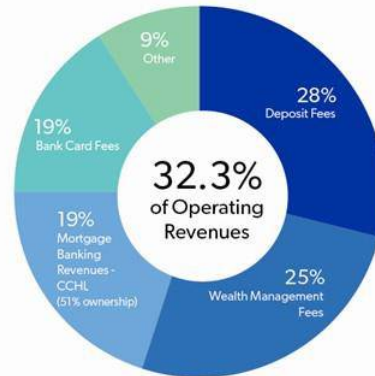
HIGHLIGHTS

- Diversified Loan Portfolio
- Wealth AUM of \$3.0 Billion - 5-Year CAGR of ~11.44%
- Scalable Mortgage Banking Operation
- Strong Deposit-Related Fees

INTEREST INCOME⁽¹⁾
\$194.7 MILLION



FEE INCOME⁽¹⁾
\$76.0 MILLION



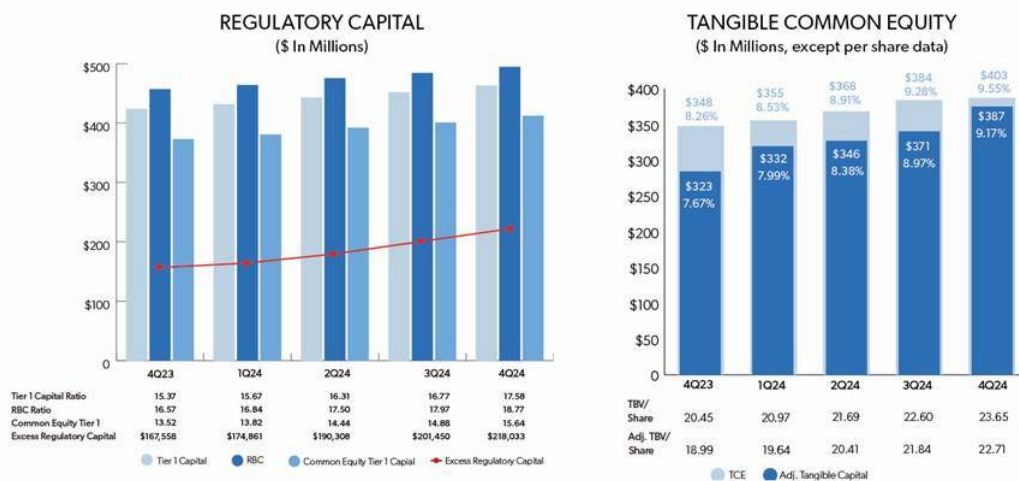
(1) YTD - 12/31/24



CAPITAL

HIGHLIGHTS

- YoY⁽¹⁾ Growth of 15.66% in TBV/Share and 15.70% in TCE Ratio
- \$218MM in Excess Regulatory Capital (Above Well-Capitalized)
- Adjusted TCE Ratio of 9.17% if HTM Securities Loss was Recognized in AOCl



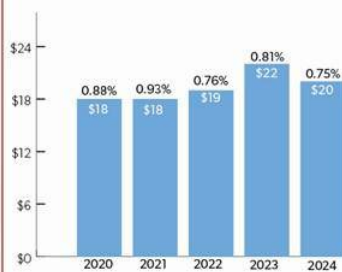
(1) 12/31/24 vs 12/31/23



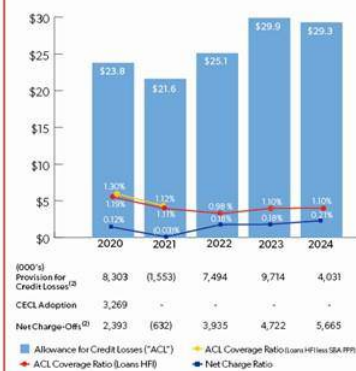
CREDIT QUALITY

HIGHLIGHTS

- Proven **strong** underwriting and risk management
- 5 year average annual credit losses of **13 basis points**
- ACL coverage **1.10% of loans**

NON-PERFORMING LOANS*
(% of Loans HFI)CLASSIFIED LOANS*
(% of Total Loans HFI)

ACL ACTIVITY*(1)



*in millions

(1) HFI loans only; does not include \$2.2 million in allowance for unfunded loans at 12/31/24.

(2) YTD 12/31/24



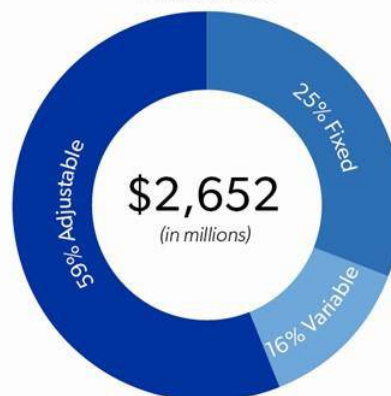
INTEREST RATE RISK PROFILE

HIGHLIGHTS

- 75% of Loan Portfolio is Variable or Adjustable
- 44% of Loan Portfolio Reprices within One Year
- 100% of Investment Portfolio Reprices < 3 years (2.19 Duration)

LOAN REPRICING ⁽¹⁾ - HFI LOANS

LOAN RATE MIX



(1) Static Gap - Contractual Repricing



CULTURE & ACCOLADES

Our culture distinguishes us from our competitors and is the driving force behind our continued success. Leadership is committed to a culture that values people alongside results.

OUR BRAND PROMISE

More than your bank. Your banker.

OUR PURPOSE

We empower our clients' financial wellness
and help them build secure futures.

OUR VISION

We are the bank of choice for individuals and
businesses seeking a financial partnership built
on integrity, personal relationship, trusted advice
and exceptional experiences.

CORE VALUES

Do the Right Thing
Build Relationships & Loyalty
Embrace Individuality & Value Others
Grow a Career Here
Be Committed to Community
Represent the Star Proudly

ACCOLADES

Forbes

America's Best Banks 2024
Ranked #15

Forbes Financial All-Stars 2023

America's Best-in-State Banks 2024
Ranked #4 in Florida, Ranked #3 in Georgia

AMERICAN BANKER

Best Banks to Work For 2024
12 Consecutive Years

Florida Trend

Best Companies to Work for in Florida 2024
13 Consecutive Years

LPL Financial

Capital City Investments received LPL Chairman's Award 2023, 2022, 2021
Capital City Investments has consistently ranked in the top 30 for revenue among
more than 1,100 financial institutions

Cobb Life Magazine's
Best Of Cobb
Capital City Bank 2024
Capital City Home Loans 2024
Emerald Coast Magazine
Best of the Emerald Coast 2024
Hernando Sun
Readers' Choice Award 2023

Levy Citizen
Best of the Financial Institution 2024
Levy Citizen
Best of the Investment Counselor:
Danny Etheridge,
Capital City Investments 2024

Tallahassee Magazine
Best of Tallahassee 2024
Tallahassee Democrat
Community's Choice Awards
Top Bank 2024



SUPPLEMENTAL INFORMATION



20

FOURTH QUARTER 2024

HIGHLIGHTS - 4Q24 VS 3Q24

Income Statement

- Tax-equivalent net interest income totaled \$41.2 million compared to \$40.3 million for the prior quarter
 - Net interest margin increased 5 basis points to 4.17% (total deposit costs down 6 basis points partially offset by a 1 basis point decrease in earning asset yield).
- Stable credit quality metrics and credit loss provision – net loan charge-offs were 25 basis points (annualized) of average loans – allowance coverage ratio was 1.10% at December 31, 2024
- Noninterest income decreased \$0.8 million, or 3.9%, driven by lower mortgage banking revenues
- Noninterest expense decreased \$1.1 million, or 2.7%, primarily due to lower other expense which included a gain from the sale of a banking office

Balance Sheet

- Loan balances decreased \$16.1 million, or 0.6% (average), and \$31.5 million, or 1.2% (end of period)
- Deposit balances increased \$28.4 million, or 0.8% (average), and increased \$92.9 million, or 2.6% (end of period), reflective of the seasonal increase in public fund balances
- Tangible book value per share increased \$1.05, or 4.6%, due in part to a favorable year-end re-measurement adjustment for the pension plan (\$0.60 per diluted share)

PERFORMANCE HIGHLIGHTS - (\$ in thousands, except per share data)			
INCOME STATEMENT	4Q24	3Q24	4Q23
Interest Income	49,743	49,328	46,184
Interest Expense	8,640	9,117	7,013
Net Interest Income	41,103	40,211	39,171
Provision for Credit Losses	701	1,206	2,025
Noninterest Income	18,760	19,513	17,157
Noninterest Expense	41,782	42,921	39,958
Income Taxes	4,219	2,980	2,909
Noncontrolling Interest	(71)	501	284
Diluted Earnings Per Share	0.77	0.77	0.70
RATIOS - %			
Return on Average Assets	1.22	1.24	1.12
Return on Average Equity	10.60	10.87	10.69
Net Interest Margin	4.17	4.12	4.07
Net Charge-offs to Average Loans	0.25	0.19	0.23
Efficiency Ratio (FTE)	69.74	71.81	70.82
Dividend Payout Ratio	30.12	30.12	29.22
BALANCE SHEET - (\$ in thousands)			
Investments	972,899	904,643	966,374
Loans Held for Investment	2,651,550	2,683,096	2,733,918
Total Assets	4,307,142	4,225,316	4,304,477
Noninterest Bearing Deposits	1,306,254	1,330,715	1,377,934
Interest Bearing Deposits	2,365,723	2,248,362	2,323,888
Total Deposits	3,671,977	3,579,077	3,701,822
Capital	495,317	476,499	440,625
RATIOS - %			
Diluted Tangible Book Value Per Share	\$23.65	\$22.60	\$20.45
Tangible Common Equity	9.55	9.28	8.26
Nonperforming Loans to Loans HFI	0.24	0.25	0.23
Reserve to Loans	1.10	1.11	1.10
Reserve to Nonperforming Loans	464.14	452.64	479.70



NON-GAAP FINANCIAL MEASURES

NON-GAAP FINANCIAL MEASURES TOTALS ⁽¹⁾ (\$ in thousands)					
	2020	2021	2022	2023	2024
Shareowners' Equity (GAAP)	320,837	383,166	387,281	440,625	495,317
Less: Goodwill (GAAP)	89,095	93,253	93,093	92,933	92,773
Tangible Shareowners' Equity (non-GAAP)	231,742	289,913	294,188	347,692	402,544
Total Assets (GAAP)	3,798,071	4,263,849	4,519,223	4,304,477	4,307,142
Less: Goodwill (GAAP)	89,095	93,253	93,093	92,933	92,773
Tangible Assets (non-GAAP)	3,708,976	4,170,596	4,426,130	4,211,544	4,214,369
Tangible Common Equity Ratio	6.25%	6.95%	6.65%	8.26%	9.55%

	2022	2023	2024
Income Before Income Taxes (GAAP)	41,210	65,299	66,838
Plus: Provision for Loan Losses (GAAP)	7,494	9,714	4,031
Plus: Other Real Estate Owned Expense (GAAP)	(337)	(1,968)	(868)
YTD Pre Tax Pre Credit Costs	48,367	73,045	70,001
AVG Diluted Shares Outstanding	16,985	17,023	16,969
Pre-Tax Pre-Credit Costs per Diluted Share	2.84	4.29	4.13

(1) End of Period





Corporate Headquarters

217 North Monroe Street
Tallahassee, FL 32301

www.ccbg.com



COMMERCIAL ACCOUNT ANALYSIS
PRO FORMA STATEMENT

Date: February 2025

Prepared For: City of Inverness

Prepared By: R Crawford

Average Daily Ledger Balance			9,571,453.02
Average Collected Positive Balance	31	Days Positive	9,571,453.02
Average Collected Negative Balance		Days Negative	
Exception Managed Earnings Credit Rate Applied	3.00%		24,387.54
Negative Balance Service Charge at	10.00%		-
Treasury Management Analysis Fees			2,594.71
Net Monthly Banking Fees			-
Balance Required to Cover Service Charges			1,037,884.14
Balance Required to Cover Service Charges			\$ 1,037,884.14
Excess Balances for Interest			\$ 8,533,568.88
Exception Indexed Interest Rate Paid	3.35%		\$ 24,279.76

Service	Activity	Unit Price	Activity Charge	Required Balances
Analyzed Accounts Basic Activity				
Deposit Assessment		0.0550%	447.10	178,841.94
On-Us Item Deposited	44	\$ 0.12	5.28	2,112.00
Non-Local Item Deposited	1381	\$ 0.12	165.72	66,288.00
ACH Credit	130	\$ 0.33	42.90	17,160.00
ACH Debit	27	\$ 0.18	4.86	1,944.00
Deposit/Credit Processed	19	\$ 0.70	13.30	5,320.00
Check/Debit Paid	230	\$ 0.18	41.40	16,560.00
Return Items				
Item Chargeback	3	\$ 9.00	27.00	10,800.00
Item Redeposit		\$ 9.00	-	-
Wires				
Bank OnLine Wire Transfer Mod	1	\$ 25.00	25.00	10,000.00
Bank OnLine Wire Fee	3	\$ 15.00	45.00	18,000.00
Bank OnLine Int'l Wire Surchge		\$ 15.00	-	-
Cash Services				
Cash Services Fee, first \$10,000 Free (per thousand)	20237	\$ 1.50	15.36	6,142.20
Reporting				
Bank OnLine Rpt Module (1-2 Accounts)	1	\$ 25.00	25.00	10,000.00
Bank OnLine Stop Pmt Credit		\$ (20.00)	-	-
ACH Origination				
Bank OnLine ACH Module	1	\$ 35.00	35.00	14,000.00
Online ACH Batch Fee		\$ -	-	-
Bank OnLine ACH Items	1835	\$ 0.12	220.20	88,080.00
ACH Origination Debit Return		\$ 9.00	-	-
ACH Origination Credit Return		\$ 9.00	-	-
Fraud Services				
ACH Fraud Control	4	\$ 25.00	100.00	40,000.00
Bank OnLine Pos Pay Module	3	\$ 50.00	150.00	60,000.00
Bank OnLine Pos Pay Payee Match	3	\$ 15.00	45.00	18,000.00
Bank OnLine Pos Pay Issued Items	428	\$ 0.04	17.12	6,848.00
Bank OnLine Pos Pay Exception Item	20	\$ 10.00	200.00	80,000.00
Cash Concentration				
ZBA Master Account	1	\$ 40.00	40.00	16,000.00
ZBA Satellite Account	1	\$ 25.00	25.00	10,000.00
Deposit Services				
RDC Monthly Fee - Bank Scanner	1	\$ 60.00	60.00	24,000.00
RDC Deposit/Credit Processed	20	\$ 0.35	7.00	2,800.00
RDC On-Us Item Deposited		\$ 0.13	-	-
RDC Non-Local Item Deposited		\$ 0.13	-	-
Lockbox Archive Access	1	\$ 69.00	69.00	27,600.00
LB Data Capture per Keystroke	4086	\$ 0.02	61.29	24,516.00
Lockbox Image Backup	863	\$ 0.09	77.67	31,068.00
Lockbox Image Archive	1614	\$ 0.03	40.35	16,140.00
Lockbox Postage		\$ 3.90	-	-
Retail LB Monthly Maintenance	1	\$ 255.00	255.00	102,000.00
Retail LB Matched Item	481	\$ 0.25	120.25	48,100.00
Retail LB UnMatched Item	47	\$ 0.27	12.69	5,076.00
Retail LB Multiple Documents	24	\$ 0.39	9.36	3,744.00
Client Archive Check and List		\$ 0.39	-	-

Client Archive Check Only	274	\$	0.39	106.86	42,744.00
Credit Card Payments		\$	-	-	-
Misc. Services					
Stop Payment Fee		\$	35.00	-	-
Commercial Maintenance Fee	5	\$	17.00	85.00	34,000.00

The Capital City Bank commercial account analysis system calculates and reports your monthly commercial activity charges to help you easily manage your company's banking relationship. The reporting system summarizes your monthly account balance information in addition to your commercial checking, treasury management and other monthly activity charges. Information is calculated as follows:

- Average Daily Ledger Balance is the average of the daily ending balances in the checking account after all deposits and checks have been posted. The daily balances are totaled for the month and divided by the number of calendar days in the statement cycle.
- Average Daily Float is the average amount of each day's deposit that is in the process of collection.
- Average Daily Collected Balance is the Average Daily Ledger Balance minus the Average Daily Float.
- Average Collected Positive Balance is the average of the daily collected positive balances in the account.
- Average Collected Negative Balance is the average of the daily collected negative balances in the accounts. This negative collected balance represents money that was used while the funds were still in the process of collection.

An earnings credit is applied to the Average Collected Positive Balance tier level: <\$100,000, \$100,000 - \$249,999.99, \$250,000 - \$999,999.99 and ≥\$1,000,000. The Earnings will be used to offset activity charges for services rendered during the billing period. A Negative Balance Service Charge is assessed against the Average Collected Negative Balance. Earnings Credit Rates are subject to market conditions and are not guaranteed. Additional account analysis calculations are determined as follows:

- Total Services is the sum of the analyzed Services rendered, which can be offset with the Earnings credit allowance. Activity Charges are calculated by multiplying the Activity by the Unit Price.
- Required Balances represents the Average Net Collected Balance necessary to offset the Total Services based on the current Earnings Credit Rate.
- Current Month Net Fees reflects the negative difference between the Earnings and the Total Services. This is the amount that will be charged to the deposit account. Required balances are also shown for a net fee.
- Current Month Net Excess reflects the positive difference between the Earnings and the Total Services. This figure, also shown as Current Net Profit, cannot be credited to your account or carried forward to future analysis periods.

An individual summary analysis statement is provided monthly. A group summary analysis statement is also provided for clients with multiple combined accounts being analyzed. Based on the results of the monthly analysis, you can choose to have the activity charge net loss charged to the analyzed account or charged to a designated commercial account. Charges are posted to the account by the 25th of the month following the analyzed statement period.

CITY OF INVERNESS
 OPERATING
 212 W MAIN ST
 INVERNESS FL 34450-4855

Date 2/28/25 Page 1
 Primary Account XXXXXXXX1396

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 Capital City Bank Visa debit card to shop! Sign up today or learn more at
ccbg.com/makingcents. Terms and conditions apply.

CHECKING ACCOUNT

BUSINESS CHECKING + INTEREST		Images	271
Account Number	XXXXXXX1396	Statement Dates	2/03/25 thru 3/02/25
Previous Balance	12,986,446.30	Days in this Statement Period	28
106 Deposits/Credits	1,482,498.63	Avg Ledger Balance	12,845,072.75
238 Checks/Debits	1,716,058.42	Avg Collected Balance	12,845,072.75
Service Charges	.00		
Interest Paid	.00		
Ending Balance	12,752,886.51	2025 Interest Paid	11,048.05

DEPOSITS AND OTHER CREDITS

Date	Description	Amount
2/03	Credit Back Item	2,734.15
2/03	Deposit	902.17
2/03	Lockbox Deposit	858.51
2/04	CHECKFREE CITY OF INCCD 8888002241	538.86
2/04	Deposit	186,378.51
2/04	Remote Capture Deposit	95,822.32
2/04	Lockbox Deposit	117.46

CITY OF INVERNESS
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BUSINESS CHECKING + INTEREST XXXXXXXX1396 (Continued)

DEPOSITS AND OTHER CREDITS

Date	Description	Amount
2/05	STATE OF FLORIDAPAYMENTS CTX	594.00
	ISA*00*NV *00*NV	
	*ZZ*9001395052 *ZZ*NV	
	*250204*1135*U*00200*	
2/05	CHECKFREE CITY OF INCCD	137.59
	8888002241	
2/05	STATE OF FLORIDAPAYMENTS CTX	43.50
	ISA*00*NV *00*NV	
	*ZZ*9001395052 *ZZ*NV	
	*250204*1135*U*00200*	
2/05	Remote Capture Deposit	283.16
2/05	Deposit	152.55
2/06	CITRUS COUNTY BOVENDOR PMTPPD	3,111.98
2/06	Trsf to Checking XX1396 MONTHL	1,286.71
	Y TRANSFER	
2/06	CHECKFREE CITY OF INCCD	82.96
	8888002241	
2/06	Remote Capture Deposit	10,499.87
2/06	Deposit	179.46
2/06	Lockbox Deposit	67.13
2/07	CHECKFREE CITY OF INCCD	1,108.52
	8888002241	
2/07	STATE OF FLORIDAPAYMENTS CTX	23.50
	ISA*00*NV *00*NV	
	*ZZ*9001395052 *ZZ*NV	
	*250206*1136*U*00200*	
2/07	Remote Capture Deposit	12,622.78
2/07	Deposit	406.35
2/07	Lockbox Deposit	186.22
2/10	Trsf to Checking XX1396 MONTHL	156,546.90
	Y TRANSFER	
2/10	Citrus County ScAP INV CCD	9,717.77
	CITY OF 1-AP	
2/10	CHECKFREE CITY OF INCCD	2,499.11
	8888002241	
2/10	Lockbox Deposit	11,072.78
2/10	Remote Capture Deposit	3,094.67

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BUSINESS CHECKING + INTEREST XXXXXXX1396 (Continued)

DEPOSITS AND OTHER CREDITS

Date	Description	Amount
2/10	Deposit	905.58
2/11	CHECKFREE CITY OF INCCD 8888002241	2,202.67
2/11	Remote Capture Deposit	6,999.23
2/11	Lockbox Deposit	5,041.98
2/12	CHECKFREE CITY OF INCCD 8888002241	932.12
2/12	Remote Capture Deposit	2,757.71
2/12	Deposit	1,694.56
2/12	Lockbox Deposit	702.43
2/13	SUMTER ELECTRIC AP PAYMENTPPD	43,204.41
2/13	CITRUS COUNTY CLVENDOR PMTPPD	2,893.66
2/13	CHECKFREE CITY OF INCCD 8888002241	1,518.12
2/13	Lockbox Deposit	9,537.04
2/13	Remote Capture Deposit	3,984.43
2/13	Deposit	1,619.17
2/13	Deposit	948.66
2/14	CHECKFREE CITY OF INCCD 8888002241	1,994.37
2/14	STATE OF FLORIDAPAYMENTS CTX ISA*00*NV *00*NV *ZZ*9001395052 *ZZ*NV *250213*1138*U*00200*	49.25
2/14	STATE OF FLORIDAPAYMENTS CTX ISA*00*NV *00*NV *ZZ*9001395052 *ZZ*NV *250213*1138*U*00200*	29.53
2/14	Remote Capture Deposit	23,330.09
2/14	Deposit	1,297.64
2/18	CITY OF INVERNESACH CollecPPD	146,841.68
2/18	CHECKFREE CITY OF INCCD 8888002241	1,423.09
2/18	CITY OF INVERNESACH CollecPPD	993.99
2/18	CITY OF INVERNESACH CollecPPD	172.02
2/18	CITY OF INVERNESACH CollecPPD	60.32
2/18	CITY OF INVERNESACH CollecPPD	15.80

CITY OF INVERNESS
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BUSINESS CHECKING + INTEREST XXXXXXX1396 (Continued)

DEPOSITS AND OTHER CREDITS

Date	Description	Amount
2/18	Lockbox Deposit	30,588.69
2/18	Remote Capture Deposit	13,751.37
2/18	Lockbox Deposit	9,259.50
2/18	Remote Capture Deposit	2,610.26
2/18	Deposit	818.81
2/18	Deposit	189.04
2/19	DE Florida OtherEDI PYMNTSCTX	99,307.48
	ISA*00* *00*	
	*ZZ*DEPE *ZZ*WELLS	
	FARGO *250218*0204*U*00401*	
2/19	STATE OF FLORIDAPAYMENTS CTX	26,536.46
	ISA*00*NV *00*NV	
	*ZZ*9001395052 *ZZ*NV	
	*250217*1132*U*00200*	
2/19	CHECKFREE CITY OF INCCD	789.90
	8888002241	
2/19	Remote Capture Deposit	13,200.04
2/19	Deposit	1,035.87
2/19	Lockbox Deposit	891.42
2/20	STATE OF FLORIDAPAYMENTS CTX	31,560.01
	ISA*00*NV *00*NV	
	*ZZ*9001395052 *ZZ*NV	
	*250219*1135*U*00200*	
2/20	CHECKFREE CITY OF INCCD	808.56
	8888002241	
2/20	STATE OF FLORIDAPAYMENTS CTX	594.00
	ISA*00*NV *00*NV	
	*ZZ*9001395052 *ZZ*NV	
	*250219*1134*U*00200*	
2/20	Remote Capture Deposit	4,410.34
2/20	Deposit	1,119.59
2/20	Lockbox Deposit	558.59
2/21	STATE OF FLORIDAPAYMENTS CTX	70,557.50
	ISA*00*NV *00*NV	
	*ZZ*9001395052 *ZZ*NV	
	*250220*1136*U*00200*	
2/21	CITRUS COUNTY BOVENDOR PMTPPD	6,040.43

CITY OF INVERNESS
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BUSINESS CHECKING + INTEREST XXXXXXX1396 (Continued)

DEPOSITS AND OTHER CREDITS

Date	Description	Amount
2/21	CHECKFREE CITY OF INCCD 8888002241	125.60
2/21	Remote Capture Deposit	27,990.37
2/21	Lockbox Deposit	10,198.83
2/21	Deposit	1,858.25
2/24	CHECKFREE CITY OF INCCD 8888002241	67.00
2/24	Remote Capture Deposit	39,874.72
2/24	Lockbox Deposit	29,600.77
2/24	Deposit	448.58
2/25	STATE OF FLORIDAPAYMENTS CTX ISA*00*NV *00*NV *ZZ*9001395052 *ZZ*NV *250224*1134*U*00200*	19,363.62
2/25	STATE OF FLORIDAPAYMENTS CTX ISA*00*NV *00*NV *ZZ*9001395052 *ZZ*NV *250224*1134*U*00200*	13,268.03
2/25	STATE OF FLORIDAPAYMENTS CTX ISA*00*NV *00*NV *ZZ*9001395052 *ZZ*NV *250224*1133*U*00200*	8,693.71
2/25	CHECKFREE CITY OF INCCD 8888002241	67.39
2/25	Remote Capture Deposit	7,168.60
2/25	Lockbox Deposit	1,576.37
2/25	Deposit	782.00
2/26	Credit Back Item	214.25
2/26	CHECKFREE CITY OF INCCD 8888002241	132.55
2/26	A/A Excess Earnings Int Credit	6,663.66
2/26	Lockbox Deposit	18,846.65
2/26	Remote Capture Deposit	939.77
2/26	Deposit	230.00
2/27	CITRUS CO TAX CODISTRIBUTECCD INV	155,995.55
2/27	STATE OF FLORIDAPAYMENTS CTX	49,680.03

CITY OF INVERNESS
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BUSINESS CHECKING + INTEREST XXXXXXX1396 (Continued)

DEPOSITS AND OTHER CREDITS

Date	Description	Amount
	ISA*00*NV *00*NV	
	*ZZ*9001395052 *ZZ*NV	
	*250226*1137*U*00200*	
2/27	STATE OF FLORIDAPAYMENTS CTX	55.25
	ISA*00*NV *00*NV	
	*ZZ*9001395052 *ZZ*NV	
	*250226*1137*U*00200*	
2/27	CHECKFREE CITY OF INCCD	25.00
	8888002241	
2/27	Remote Capture Deposit	4,550.48
2/27	Lockbox Deposit	209.98
2/28	CHECKFREE CITY OF INCCD	208.96
	8888002241	
2/28	Remote Capture Deposit	5,732.48
2/28	Remote Capture Deposit	905.58
2/28	Deposit	120.00
2/28	Lockbox Deposit	57.70

OTHER DEBITS

Date	Description	Amount
2/03	Transfer to DDA/MMA	2,962.03-
	Acct No. XXXXXXX1511-D	
2/04	Transfer to DDA/MMA	250.33-
	Acct No. XXXXXXX1511-D	
2/07	FLA DEPT REVENUECRC CCD	96,250.10-
	187228566	
2/10	Wire Transfer Debit	57,904.04-
	Public Risk Management Florida	
	263191387	
	0000146810829	
	3434 Hancock Bridge Parkway St	
	NO Fort Myers, FL 33903	
	BB&T NORTHERN FLOR	
	3434 Hancock Bridge Parkway st	

CITY OF INVERNESS
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BUSINESS CHECKING + INTEREST XXXXXXX1396 (Continued)

Date	Description	Amount
	OTHER DEBITS	
	No Fort Meyers, FL 33903	
	City of Inverness Health and L	
	nsurance for February 2024	
	20250210MMQFMP4B000002	
	20250210E3QP021C002748	
	02100840FT01	
2/14	Transfer to DDA/MMA	100,184.73-
	Acct No. XXXXXXX1511-D	
2/14	IRS USATAXPYMTCCD	28,616.65-
	270544540523469	
2/14	NATIONWIDE PAYMENTS PPD	1,420.00-
2/14	EXPERTPAY EXPERTPAY CCD	896.49-
	596000342	
2/18	BANK CARD PAYMENT CCD	5,431.70-
	471529120451657	
2/19	Chargeback	53.78-
2/19	Chargeback	44.59-
2/19	Chargeback	26.65-
2/19	Chargeback	.12-
2/19	FLA DEPT REVENUEC01 CCD	1,041.11-
	193365268	
2/19	FLA DEPT REVENUEC01 CCD	93.20-
	193365306	
2/20	Chargeback	72.17-
2/21	Chargeback	62.97-
2/21	Chargeback	15.80-
2/24	Trsf to Checking XX1495 MONTHY	1,611.54-
	CC TX CORR	
2/24	Trsf to Checking XX1560 QUARTE	50.00-
	RLY UB TX CORR	
2/28	Transfer to DDA/MMA	98,113.14-
	Acct No. XXXXXXX1511-D	
2/28	IRS USATAXPYMTCCD	27,762.36-
	270545912192002	
2/28	NATIONWIDE PAYMENTS PPD	1,420.00-
2/28	EXPERTPAY EXPERTPAY CCD	896.49-
	596000342	

CITY OF INVERNESS
 OPERATING
 212 W MAIN ST
 INVERNESS FL 34450-4855

Date 2/28/25 Page 8
 Primary Account XXXXXXXX1396

BUSINESS CHECKING + INTEREST XXXXXXXX1396 (Continued)

 CHECKS IN NUMBER ORDER

Date	Check_No	Amount	Date	Check_No	Amount
2/25	114813	214.25	2/03	115844	9,500.00
2/07	115622*	107,460.26	2/10	115846*	41.09
2/03	115646*	623.88	2/06	115849*	39.60
2/25	115683*	150.00	2/06	115853*	139.86
2/04	115694*	500.00	2/11	115855*	99.49
2/10	115700*	24.00	2/04	115858*	15.00
2/25	115729*	59.79	2/04	115859	150.00
2/24	115739*	39.40	2/04	115861*	24.25
2/03	115743*	20.99	2/03	115866*	2.76
2/03	115744	31.41	2/19	115867	80.47
2/03	115745	3.32	2/06	115878*	13.33
2/03	115746	37.74	2/27	115891*	39.00
2/10	115749*	28.67	2/04	115892	75.00
2/27	115753*	18.55	2/04	115897*	19.53
2/11	115765*	294.15	2/13	115899*	211,734.16
2/07	115767*	623.88	2/14	115901*	30.40
2/03	115769*	3,960.00	2/12	115902	24.93
2/11	115779*	9.68	2/10	115916*	32.55
2/03	115785*	76.05	2/14	115917	84.02
2/11	115788*	206.89	2/21	115919*	42.91
2/04	115791*	66.98	2/28	115922*	127.00
2/04	115796*	.54	2/04	115934*	.55
2/26	115801*	23.07	2/03	115940*	3,000.00
2/10	115802	39.93	2/24	115943*	37.35
2/03	115817*	70.28	2/06	115954*	246.63
2/03	115818	22.22	2/27	115957*	.30
2/06	115822*	645.09	2/05	115961*	900.00
2/03	115823	15.62	2/28	115963*	43.52
2/20	115824	75.00	2/07	115968*	10.15
2/19	115833*	7.45	2/11	115969	116.78
2/07	115834	26.76	2/24	115970	126.96
2/12	115840*	25.54	2/06	115972*	207.20
2/05	115841	15.45	2/19	115974*	154.69
2/21	115843*	12.36	2/21	115976*	.39

* Denotes missing check numbers

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 OPERATING
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 XXXXXXXX1396

BUSINESS CHECKING + INTEREST XXXXXXXX1396 (Continued)

CHECKS IN NUMBER ORDER

Date	Check No	Amount	Date	Check No	Amount
2/21	115977	8.84	2/12	116048	21,108.02
2/03	115985*	234.58	2/11	116049	1,000.00
2/12	115987*	27.83	2/10	116051*	247.08
2/28	115990*	43.52	2/11	116052	1,534.12
2/03	116000*	41.42	2/06	116053	157.50
2/03	116002*	263.69	2/11	116054	800.00
2/06	116004*	108.00	2/07	116056*	104.78
2/04	116007*	74,821.99	2/19	116057	249.54
2/10	116009*	3.70	2/05	116058	5,448.66
2/04	116013*	4,133.75	2/12	116059	323.46
2/03	116016*	532.34	2/14	116060	48.04
2/03	116020*	11,121.54	2/10	116061	671.00
2/03	116021	33,230.81	2/11	116062	1,676.54
2/06	116022	3.53	2/10	116063	261.60
2/10	116025*	322.64	2/11	116064	115.00
2/12	116026	389.09	2/20	116065	13,223.84
2/10	116027	10,350.00	2/12	116066	891.13
2/10	116028	50.32	2/12	116067	3,000.00
2/14	116029	646.90	2/12	116068	110,675.74
2/11	116030	3,074.06	2/10	116069	80.63
2/18	116031	616.05	2/11	116070	298.12
2/10	116032	193.49	2/07	116072*	9,998.25
2/13	116033	1,274.41	2/10	116073	905.00
2/14	116034	559.43	2/18	116074	818.03
2/18	116035	107,460.27	2/19	116075	3,123.75
2/12	116036	3,197.42	2/24	116076	256.34
2/11	116037	2,687.85	2/18	116077	4,000.00
2/14	116039*	26,144.46	2/18	116078	37.27
2/13	116040	1,697.25	2/19	116079	14,372.00
2/07	116041	909.47	2/18	116080	584.96
2/10	116042	420.00	2/19	116081	362.00
2/10	116043	5,000.00	2/19	116082	186.85
2/11	116044	170.00	2/19	116083	450.00
2/11	116045	416.00	2/20	116084	29.40
2/14	116046	31,155.08	2/14	116085	1,753.42
2/10	116047	348.65	2/19	116086	2,119.44

* Denotes missing check numbers

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BUSINESS CHECKING + INTEREST XXXXXXXX1396 (Continued)

CHECKS IN NUMBER ORDER

Date	Check No	Amount	Date	Check No	Amount
2/14	116087	885.05	2/24	116134	4,052.45
2/19	116088	1,500.00	2/25	116135	332.53
2/18	116089	545.00	2/21	116136	50.00
2/20	116090	34.90	2/27	116137	68.25
2/20	116091	251.18	2/24	116138	62.47
2/14	116092	792.00	2/25	116139	705.44
2/13	116094*	779.00	2/24	116140	783.20
2/20	116095	750.00	2/25	116142*	4,045.54
2/19	116096	34.95	2/26	116143	77.61
2/18	116097	872.16	2/21	116145*	66.60
2/19	116098	294.41	2/24	116146	1,689.10
2/18	116099	178.00	2/24	116147	1,400.00
2/24	116100	185.55	2/24	116151*	10,839.95
2/18	116101	83.31	2/20	116153*	39,739.85
2/19	116102	119.78	2/24	116154	749.51
2/14	116103	56.25	2/25	116155	200.00
2/18	116104	9,654.35	2/26	116156	200.98
2/18	116105	377.10	2/27	116157	8,500.00
2/19	116106	5,690.00	2/27	116158	267.98
2/20	116107	3,602.46	2/27	116160*	232.00
2/10	116108	480.91	2/21	116161	1,510.00
2/24	116109	1,465.33	2/24	116162	180.00
2/24	116110	477.32	2/26	116163	87.20
2/24	116113*	2,232.40	2/24	116164	39.47
2/27	116118*	59.01	2/25	116165	3,000.00
2/25	116119	73.98	2/26	116166	131.73
2/24	116120	117.41	2/19	116167	1,500.00
2/26	116121	74.29	2/28	116168	405.00
2/24	116122	58.71	2/24	116169	450.00
2/25	116124*	3,478.00	2/20	116171*	12,143.00
2/24	116125	1,039.10	2/26	116172	284,335.54
2/24	116128*	100.00	2/28	116173	166.19
2/24	116129	4,546.37	2/24	116174	144.91
2/26	116130	3,392.28	2/25	116177*	617.68
2/25	116131	1,420.65	2/21	116179*	157.08
2/24	116133*	200.00	2/27	116181*	160.47

* Denotes missing check numbers

CITY OF INVERNESS
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Date 2/28/25 Page 11
 Primary Account XXXXXXXX1396

BUSINESS CHECKING + INTEREST XXXXXXXX1396 (Continued)

CHECKS IN NUMBER ORDER

Date	Check No	Amount	Date	Check No	Amount
2/28	116182	668.40	2/27	116184*	58.13

* Denotes missing check numbers

DAILY BALANCE INFORMATION					
Date	Balance	Date	Balance	Date	Balance
2/03	12,925,190.45	2/12	12,910,067.83	2/24	12,899,068.77
2/04	13,127,989.68	2/13	12,758,288.50	2/25	12,935,690.63
2/05	13,122,836.37	2/14	12,591,716.46	2/26	12,674,394.81
2/06	13,136,503.74	2/18	12,667,782.83	2/27	12,875,507.41
2/07	12,935,467.46	2/19	12,778,039.22	2/28	12,752,886.51
2/10	13,041,898.97	2/20	12,747,168.51		
2/11	13,043,644.17	2/21	12,862,012.54		

-----END OF STATEMENT-----

Capital City Bank Group, Inc. Reports Fourth Quarter 2023 Results

TALLAHASSEE, Fla., Jan. 23, 2024 (GLOBE NEWSWIRE) -- Capital City Bank Group, Inc. (NASDAQ: CCBG) today reported net income attributable to common shareowners of \$11.7 million, or \$0.70 per diluted share, for the fourth quarter of 2023 compared to \$12.7 million, or \$0.74 per diluted share, for the third quarter of 2023, and \$9.6 million, or \$0.56 per diluted share, for the fourth quarter of 2022.

For the full year of 2023, net income attributable to common shareowners totaled \$52.3 million, or \$3.07 per diluted share, compared to net income of \$33.4 million, or \$1.97 per diluted share, for the same period of 2022.

QUARTER HIGHLIGHTS (4th Quarter 2023 versus 3rd Quarter 2023)

Income Statement

- *Tax-equivalent net interest income totaled \$39.3 million compared to \$39.4 million for the prior quarter – total deposit cost increased 8 basis points to 66 basis points – net interest margin increased four basis points to 4.07%*
- *Continued strong credit quality metrics – allowance coverage ratio increased from 1.08% to 1.10% - net loan charge-offs were 23 basis points (annualized) of average loans compared to 17 basis points for the prior quarter*
- *Noninterest income increased \$0.4 million, or 2.6%, driven by higher mortgage banking revenues*
- *Noninterest expense increased \$0.9 million, or 2.2%, primarily due to lower realized loan cost (credit offset to salary expense) reflective of lower level of residential loan originations and higher professional/legal fees of \$0.6 million*

Balance Sheet

- *Loan balances grew \$38.6 million, or 1.4% (average), and \$28.7 million, or 1.1% (end of period)*
- *Deposit balances (including repurchase agreements) declined by \$46.8 million, or 1.3% (average), and increased \$165.4 million, or 4.6% (end of period) reflective of the seasonal increase in public fund balances*
- *Tangible book value per share increased \$1.23, or 6.4%, and reflected a \$12.5 million (\$0.74/share) decrease in the accumulated other comprehensive loss reflective of lower investment security losses of \$9.3 million and a favorable year-end re-measurement adjustment for the pension plan of \$4.3 million*

FULL YEAR 2023 HIGHLIGHTS

Income Statement

- *Tax-equivalent net interest income totaled \$159.4 million for 2023 compared to \$125.3 million for 2022 driven by strong loan growth and higher interest rates, partially offset by higher deposit cost which was well controlled at 48 basis points for the year – net interest margin was 4.05% for 2023 compared to 3.14% for 2022*
- *Credit quality metrics remained strong throughout the year – allowance coverage ratio increased from 0.98% to 1.10% - net loan charge-offs were 18 basis points of average loans for both periods*
- *Noninterest income decreased \$3.6 million, or 4.8%, driven by lower wealth management fees reflective of lower insurance commissions (large policy sales in 2022) and mortgage banking revenues (lower residential loan originations attributable to the higher interest rate environment)*
- *Noninterest expense increased \$5.4 million, or 3.6%, primarily due to higher compensation and occupancy expense reflective of the addition of staffing and banking offices in our new markets*

Balance Sheet

- *Loan balances grew \$467.0 million, or 21.3% (average), and \$186.2 million, or 7.3% (end of period)*
- *Deposit balances (including repurchase agreements) declined by \$81.9 million, or 2.2% (average), and decreased \$217.1 million, or 5.5% (end of period)*
- *Tangible book value per share increased \$3.18, or 18.4%, driven by strong earnings and favorable investment security and pension plan accumulated other comprehensive loss adjustments*

“I am pleased with Capital City’s performance this year and am very proud of our team for achieving another year of record earnings,” said William G. Smith, Jr., Chairman, President, and CEO of Capital City Bank Group, Inc. “Amid a challenging year for our industry, our deposit franchise, disciplined credit, diversified revenues, and conservative balance sheet management resulted in strong profitability and capital growth. We are well positioned as we enter 2024 and remain focused on strategies that add long-term value for our clients and shareowners.”

Discussion of Operating Results

Net Interest Income/Net Interest Margin

Tax-equivalent net interest income for the fourth quarter of 2023 totaled \$39.3 million, compared to \$39.4 million for the third quarter of 2023, and \$38.2 million for the fourth quarter of 2022. For the full year of 2023, tax-equivalent net interest income totaled \$159.4 million compared to \$125.3 million for the same period of 2022. Compared to the third quarter of 2023, the decrease reflected higher deposit interest expense and a lower level of interest income from overnight funds, partially offset by higher loan interest due to loan growth and loan re-pricing at higher interest rates. Compared to the full year 2022, the increase reflected loan growth and higher interest rates across a majority of our earning assets, partially offset by higher deposit interest expense.

Our net interest margin for the fourth quarter of 2023 was 4.07%, an increase of four basis points over the third quarter of 2023 and an increase of 31 basis points over the fourth quarter of 2022. For the month of December 2023, our net interest margin was 4.09%. For

2023, our net interest margin was 4.05%, an increase of 91 basis points over 2022. The increase compared to all prior periods reflected a combination of earning assets re-pricing at higher interest rates and loan growth, partially offset by a higher cost of deposits. For the fourth quarter of 2023, our cost of funds was 73 basis points, an increase of 7 basis points over the third quarter of 2023 and an increase of 42 basis points over the fourth quarter of 2022. Our total cost of deposits (including noninterest bearing accounts) was 66 basis points, 58 basis points, and 20 basis points, respectively, for the same periods.

Provision for Credit Losses

We recorded a provision for credit losses of \$2.0 million for the fourth quarter of 2023 compared to \$2.4 million for the third quarter of 2023 and \$3.6 million for the fourth quarter of 2022. The decrease in the provision compared to the third quarter of 2023 was primarily attributable to a lower level of reserves required for unfunded commitments. For the full year of 2023, we recorded a provision for credit losses of \$9.7 million compared to \$7.5 million for 2022. The higher level of provision in 2023 was primarily driven by loan growth and also reflected the favorable impact in 2022 of the release of reserves held for pandemic related losses. We discuss the allowance for credit losses further below.

Noninterest Income and Noninterest Expense

Noninterest income for the fourth quarter of 2023 totaled \$17.1 million compared to \$16.7 million for the third quarter of 2023 and \$15.3 million for the fourth quarter of 2022. The \$0.4 million increase over the third quarter of 2023 reflected an increase in mortgage banking revenues of \$0.5 million and wealth management fees of \$0.3 million, partially offset by a decrease in deposit fees of \$0.2 million and other income of \$0.2 million. Compared to the fourth quarter of 2022, the \$1.9 million increase was attributable to a \$2.2 million increase in mortgage banking revenues and a \$0.6 million increase in wealth management fees partially offset by a \$0.7 million decrease in other income and a \$0.2 million decrease in deposit fees.

For the full year of 2023, noninterest income totaled \$71.6 million compared to \$75.2 million for 2022 and reflected decreases in wealth management fees of \$1.7 million, mortgage banking revenues of \$1.5 million, deposit fees of \$0.8 million, and bank card fees of \$0.5 million, partially offset by a \$0.9 million increase in other income. The decrease in wealth management fees reflected lower insurance commissions of \$2.7 million due to the sale of large policies in 2022 and was partially offset by higher trust fees of \$0.5 million and retail brokerage fees of \$0.5 million. The decrease in mortgage banking revenues was primarily driven by lower production volume in 2023, reflective of the rapid increase in interest rates and lower market driven gain on sale margins. The decline in deposit fees reflected lower commercial account analysis fees and account service charge fees, and the reduction in bank card fees was generally due to lower card volume reflective of slower consumer spending. The increase in other income was primarily due to a \$1.4 million gain from the sale of mortgage servicing rights that was partially offset by lower loan servicing income.

Noninterest expense for the fourth quarter of 2023 totaled \$40.0 million compared to \$39.1 million for the third quarter of 2023 and \$39.3 million for the fourth quarter of 2022. The \$0.9 million increase over the third quarter of 2023 was attributable to increases in compensation expense of \$0.8 million and occupancy expense of \$0.2 million that was partially offset by a \$0.1 million decrease in other expense. The increase in compensation expense was due to a \$0.8 million increase in salary expense partially attributable to a \$0.5 million decrease in

realized loan cost (recorded as a credit offset to salary expense) driven by lower residential loan originations. For the fourth quarter of 2023, other expense included approximately \$0.6 million in professional and legal fees related to the financial statement restatement.

Compared to the fourth quarter of 2022, the \$0.7 million increase in noninterest expense reflected a \$0.8 million increase in compensation expense and a \$0.8 million increase in occupancy expense that was partially offset by a \$0.9 million decrease in other expense. The increases in compensation expense and occupancy expense were generally driven by the same factors discussed in further detail below. The variance in other expense was primarily attributable to lower pension related costs, including the recognition of pension settlement expense of \$1.7 million in the fourth quarter of 2022 whereas there was no pension settlement expense in the fourth quarter of 2023 due to a significantly lower level of retirements. A \$0.7 million increase in the non-service component of pension plan expense was partially offsetting.

For the full year of 2023, noninterest expense totaled \$157.0 million compared to \$151.6 million for 2022 and reflected increases in occupancy expense of \$3.1 million and compensation expense of \$2.3 million. The increase in occupancy expense was primarily driven by the addition of four new banking offices in mid-to-late 2022 and early 2023, and to a lesser extent higher expense for property insurance (increased premiums) and maintenance agreements (network and security upgrades). The increase in compensation expense reflected a \$4.7 million increase in salary expense that was partially offset by a \$2.4 million decrease in associate benefit expense. The increase in salary expense was primarily due to a \$3.6 million increase in base salaries (primarily the addition of staffing in new markets and annual merit), a \$3.0 million reduction in realized cost (lower new residential loan originations in 2023) and higher incentive expense of \$1.2 million that was partially offset by lower commission expense of \$3.3 million (lower residential loan originations and insurance policy sales in 2023). The decrease in associate benefit expense reflected a \$2.9 million decrease in pension plan service cost expense that was partially offset by a \$0.5 million increase in associate insurance expense (higher premiums). The net variance in other expense was primarily due to lower expenses for OREO of \$1.6 million (gain from the sale of a banking office in the first quarter of 2023), mortgage servicing asset amortization of \$1.0 million (mid-2023 sale of servicing rights), and pension plan expense (non-service component) of \$0.5 million, offset by higher expenses for professional fees of \$0.8 million and FDIC insurance of \$0.6 million. Further, there was no pension settlement expense in 2023 whereas we realized \$2.3 million in total pension settlement expense in 2022.

Income Taxes

We realized income tax expense of \$2.9 million (effective rate of 20.3%) for the fourth quarter of 2023 compared to \$3.0 million (effective rate of 20.7%) for the third quarter of 2023 and \$1.9 million (effective rate of 18.1%) for the fourth quarter of 2022. For the full year of 2023, we realized income tax expense of \$13.0 million (effective rate of 20.4%) compared to \$7.8 million (effective rate of 19.0%) for 2022. The increase in our effective tax rate for the fourth quarter of 2023 reflected a lower level of tax benefit accrued from an investment in a solar tax credit equity fund. The increase in our effective tax rate for the full year of 2023 was attributable to a lower level of pre-tax income from our 51% owned residential mortgage subsidiary, Capital City Home Loans ("CCHL"), in relation to our consolidated income as the

non-controlling interest adjustment for CCHL is accounted for as a permanent tax adjustment. Further, we recognized a lower level of tax benefit accrued from an investment in a solar tax credit equity fund. Absent discrete items or new tax credit investments, we expect our annual effective tax rate to approximate 21-22% for 2024.

Discussion of Financial Condition

Earning Assets

Average earning assets totaled \$3.824 billion for the fourth quarter of 2023, a decrease of \$53.0 million, or 1.4%, from the third quarter of 2023, and a decrease of \$208.8 million, or 5.2%, from the fourth quarter of 2022. The decrease from both prior periods was attributable to lower deposit balances (see below – *Deposits*). Compared to both prior periods, the mix of earning assets improved as overnight funds were utilized to fund loan growth.

Average loans held for investment (“HFI”) increased \$38.6 million, or 1.4%, over the third quarter of 2023 and \$271.9 million, or 11.1%, over the fourth quarter of 2022. Period end loans increased \$28.7 million, or 1.1%, over the third quarter of 2023 and \$186.2 million, or 7.3%, over the fourth quarter of 2022. Compared to both prior periods, the loan growth was primarily in the residential real estate category and was partially offset by lower indirect auto and construction loan balances.

Allowance for Credit Losses

At December 31, 2023, the allowance for credit losses for HFI loans totaled \$29.9 million compared to \$29.1 million at September 30, 2023 and \$25.1 million at December 31, 2022. Activity within the allowance is provided on Page 9. The increase in the allowance over both prior periods was driven primarily by loan growth. Further, the increase from December 31, 2022 reflected a higher loss rate for the residential real estate portfolio due to slower prepayment speeds. At December 31, 2023, the allowance represented 1.10% of HFI loans compared to 1.08% at September 30, 2023, and 0.98% at December 31, 2022.

Credit Quality

Overall credit quality remains strong. Nonperforming assets (nonaccrual loans and other real estate) totaled \$6.2 million at December 31, 2023 compared to \$4.7 million at September 30, 2023 and \$2.7 million at December 31, 2022. At December 31, 2023, nonperforming assets as a percent of total assets equaled 0.15%, compared to 0.11% at September 30, 2023 and 0.06% at December 31, 2022. Nonaccrual loans totaled \$6.2 million at December 31, 2023, a \$1.5 million increase over September 30, 2023 and a \$3.9 million increase over December 31, 2022. Further, classified loans totaled \$22.2 million at December 31, 2023, a \$0.4 million increase over September 30, 2023 and a \$2.9 million increase over December 31, 2022.

Deposits

Average total deposits were \$3.549 billion for the fourth quarter of 2023, a decrease of \$48.3 million, or 1.3%, from the third quarter of 2023 and a decrease of \$254.5 million, or 6.7%, from the fourth quarter of 2022. Compared to both prior periods, the decreases were primarily attributable to lower noninterest bearing and savings accounts, partially offset by

increases in NOW balances and certificates of deposit.

At December 31, 2023, total deposits were \$3.702 billion, an increase of \$161.4 million, or 4.6%, from September 30, 2023 and a decline of \$237.5 million, or 6.0%, from December 31, 2022. Our public fund deposit balances increased \$234.4 million and declined \$10.9 million from September 30, 2023 and December 31, 2022, respectively. Compared to September 30, 2023, the increase in public funds reflected the seasonal increase in these balances as municipal tax receipts are received. Lower deposit balances year-over-year reflected continued client spend of stimulus savings and clients seeking higher yielding investment products outside the Bank, a portion of which have moved to our wealth division. Additionally, compared to both prior periods, we realized a remix of deposit balances of \$33 million and \$140 million, respectively, as noninterest bearing accounts migrated into interest bearing accounts (primarily NOW and money market accounts).

Business deposit transaction accounts classified as repurchase agreements averaged \$26.8 million for the fourth quarter of 2023, an increase of \$1.5 million over the third quarter of 2023 and \$18.4 million over the fourth quarter of 2022. At December 31, 2023, repurchase agreement balances were \$27.0 million compared to \$22.9 million at September 30, 2023 and \$6.6 million at December 31, 2022.

Liquidity

The Bank maintained an average net overnight funds (deposits with banks plus FED funds sold less FED funds purchased) sold position of \$99.8 million in the fourth quarter of 2023 compared to \$136.6 million in the third quarter of 2023 and \$469.4 million in the fourth quarter of 2022. The declining overnight funds position reflected growth in average loans and lower average deposit balances.

At December 31, 2023, we had the ability to generate approximately \$1.488 billion (excludes overnight funds position of \$229 million) in additional liquidity through various sources including various federal funds purchased lines, Federal Home Loan Bank borrowings, the Federal Reserve Discount Window, and brokered deposits.

We also view our investment portfolio as a liquidity source and have the option to pledge securities in our portfolio as collateral for borrowings or deposits, and/or to sell selected securities. Our portfolio consists of debt issued by the U.S. Treasury, U.S. governmental agencies, municipal governments, and corporate entities. At December 31, 2023, the weighted-average maturity and duration of our portfolio were 2.91 years and 2.53, respectively, and the available-for-sale portfolio had a net unrealized tax-effected loss of \$22.3 million.

Capital

Shareowners' equity was \$440.6 million at December 31, 2023 compared to \$419.7 million at September 30, 2023 and \$387.3 million at December 31, 2022. For the fourth quarter of 2023, the \$20.9 million increase was partially attributable to a \$12.5 million decrease in the accumulated other comprehensive loss including a \$9.3 million net decrease in the investment securities loss and a \$4.3 million decrease in the pension plan loss from the year-end re-measurement of the plan. For the full year 2023, shareowners' equity was positively impacted by net income attributable to common shareowners of \$52.3 million, a

\$4.1 million decrease in the accumulated other comprehensive loss for our pension plan, a \$11.7 million decrease in the unrealized loss on investment securities, the issuance of stock of \$2.5 million, and stock compensation accretion of \$1.3 million. Shareowners' equity was reduced by common stock dividends of \$12.9 million (\$0.76 per share), the repurchase of stock of \$3.7 million (122,538 shares), net adjustments totaling \$1.3 million related to transactions under our stock compensation plans, and a \$0.7 million decrease in the fair value of the interest rate swap related to subordinated debt.

At December 31, 2023, our total risk-based capital ratio was 16.57% compared to 16.30% at September 30, 2023 and 15.30% at December 31, 2022. Our common equity tier 1 capital ratio was 13.52%, 13.26%, and 12.38%, respectively, on these dates. Our leverage ratio was 10.30%, 9.98%, and 8.91%, respectively, on these dates. At December 31, 2023, all our regulatory capital ratios exceeded the thresholds to be designated as "well-capitalized" under the Basel III capital standards. Further, our tangible common equity ratio was 8.26% at December 31, 2023 compared to 8.08% and 6.65% at September 30, 2023 and December 31, 2022, respectively. If our unrealized held-to-maturity securities losses of \$21.5 million (after-tax) were recognized in accumulated other comprehensive loss, our adjusted tangible capital ratio would be 7.74%.

About Capital City Bank Group, Inc.

Capital City Bank Group, Inc. (NASDAQ: CCBG) is one of the largest publicly traded financial holding companies headquartered in Florida and has approximately \$4.3 billion in assets. We provide a full range of banking services, including traditional deposit and credit services, mortgage banking, asset management, trust, merchant services, bankcards, securities brokerage services and financial advisory services, including the sale of life insurance, risk management and asset protection services. Our bank subsidiary, Capital City Bank, was founded in 1895 and now has 63 banking offices and 103 ATMs/ITMs in Florida, Georgia and Alabama. For more information about Capital City Bank Group, Inc., visit www.ccbg.com.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this Press Release are based on current plans and expectations that are subject to uncertainties and risks, which could cause our future results to differ materially. The words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "target," "vision," "goal," and similar expressions are intended to identify forward-looking statements. The following factors, among others, could cause our actual results to differ: our ability to successfully manage credit risk, interest rate risk, liquidity risk, and other risks inherent to our industry; legislative or regulatory changes; adverse developments in the financial services industry generally, such as bank failures and any related impacts on depositor behavior; the effects of changes in the level of checking or savings account deposits and the competition for deposits on our funding costs, net interest margin and ability to replace maturing deposits and advances, as necessary; inflation, interest rate, market and monetary fluctuations; uncertainty in the pricing of residential mortgage loans that we sell, as well as competition for the mortgage servicing rights related to these loans and related interest rate risk or price risk resulting from retaining mortgage servicing rights and the potential effects of higher interest rates on our loan origination volumes; the effects of actions taken by governmental agencies to stabilize the financial system and the effectiveness of such actions; changes in monetary and fiscal policies of the

U.S. Government; the effects of security breaches and computer viruses that may affect our computer systems or fraud related to debit card products; the accuracy of our financial statement estimates and assumptions, including the estimates used for our allowance for credit losses, deferred tax asset valuation and pension plan; changes in our liquidity position; changes in accounting principles, policies, practices or guidelines; the frequency and magnitude of foreclosure of our loans; the effects of our lack of a diversified loan portfolio, including the risks of loan segments, geographic and industry concentrations; the strength of the United States economy in general and the strength of the local economies in which we conduct operations; our ability to declare and pay dividends, the payment of which is subject to our capital requirements; changes in the securities and real estate markets; structural changes in the markets for origination, sale and servicing of residential mortgages; risks related to changes in key personnel and any changes in our ability to retain key personnel; the effect of corporate restructuring, acquisitions or dispositions, including the actual restructuring and other related charges and the failure to achieve the expected gains, revenue growth or expense savings from such corporate restructuring, acquisitions or dispositions; the effects of natural disasters, harsh weather conditions (including hurricanes), widespread health emergencies (including pandemics, such as the COVID-19 pandemic), acts of war, terrorism, civil unrest or other geopolitical events; our ability to comply with the extensive laws and regulations to which we are subject, including the laws for each jurisdiction where we operate; the impact of the restatement of our previously issued financial statements as of and for the year ended December 31, 2022, the three months ended March 31, 2022 and 2023, the three and six months ended June 30, 2022 and 2023, and the three and nine months ended September 30, 2022; any inability to implement and maintain effective internal control over financial reporting or inability to remediate our existing material weaknesses in our internal controls deemed ineffective; the inherent limitations in internal control over financial reporting and disclosure controls and procedures; the willingness of clients to accept third-party products and services rather than our products and services and vice versa; increased competition and its effect on pricing; technological changes; the outcomes of litigation or regulatory proceedings; negative publicity and the impact on our reputation; changes in consumer spending and saving habits; growth and profitability of our noninterest income; the limited trading activity of our common stock; the concentration of ownership of our common stock; anti-takeover provisions under federal and state law as well as our Articles of Incorporation and our Bylaws; other risks described from time to time in our filings with the Securities and Exchange Commission; and our ability to manage the risks involved in the foregoing. Additional factors can be found in our Annual Report on Form 10-K/A for the fiscal year ended December 31, 2022, and our other filings with the SEC, which are available at the SEC's internet site (<http://www.sec.gov>). Forward-looking statements in this Press Release speak only as of the date of the Press Release, and we assume no obligation to update forward-looking statements or the reasons why actual results could differ, except as may be required by law.

USE OF NON-GAAP FINANCIAL MEASURES

Unaudited

We present a tangible common equity ratio and a tangible book value per diluted share that removes the effect of goodwill and other intangibles resulting from merger and acquisition activity. We believe these measures are useful to investors because it allows investors to

more easily compare our capital adequacy to other companies in the industry.

The GAAP to non-GAAP reconciliations are provided below.

<i>(Dollars in Thousands, except per share data)</i>		Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022
Shareowners' Equity (GAAP)		\$ 440,625	\$ 419,706	\$ 412,422	\$ 403,260	\$ 387,281
Less: Goodwill and Other Intangibles (GAAP)		92,933	92,973	93,013	93,053	93,093
Tangible Shareowners' Equity (non-GAAP)	A	<u>347,692</u>	<u>326,733</u>	<u>319,409</u>	<u>310,207</u>	<u>294,188</u>
Total Assets (GAAP)		4,304,477	4,138,287	4,391,206	4,401,762	4,519,223
Less: Goodwill and Other Intangibles (GAAP)		92,933	92,973	93,013	93,053	93,093
Tangible Assets (non-GAAP)	B	<u>\$ 4,211,544</u>	<u>\$ 4,045,314</u>	<u>\$ 4,298,193</u>	<u>\$ 4,308,709</u>	<u>\$ 4,426,130</u>
Tangible Common Equity Ratio (non-GAAP)	A/B	8.26%	8.08%	7.43%	7.20%	6.65%
Actual Diluted Shares Outstanding (GAAP)	C	17,000,590	16,997,886	17,025,023	17,049,913	17,039,401
Tangible Book Value per Diluted Share (non-GAAP)	A/C	\$ 20.45	\$ 19.22	\$ 18.76	\$ 18.19	\$ 17.27

CAPITAL CITY BANK GROUP, INC.

EARNINGS HIGHLIGHTS

Unaudited

<i>(Dollars in thousands, except per share data)</i>	Three Months Ended			Twelve Months Ended	
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
EARNINGS					
Net Income Attributable to Common Shareowners	\$ 11,720	\$ 12,655	\$ 9,609	\$ 52,258	\$ 33,412
Diluted Net Income Per Share	\$ 0.70	\$ 0.74	\$ 0.56	\$ 3.07	\$ 1.97
PERFORMANCE					
Return on Average Assets (annualized)	1.12 %	1.19 %	0.87 %	1.22 %	0.77 %
Return on Average Equity (annualized)	10.69	11.74	10.02	12.40	8.81
Net Interest Margin	4.07	4.03	3.76	4.05	3.14
Noninterest Income as % of Operating Revenue	30.46	29.87	28.65	31.05	37.55
Efficiency Ratio	70.82 %	69.71 %	73.41 %	67.99 %	75.62 %
CAPITAL ADEQUACY					
Tier 1 Capital	15.37 %	15.11 %	14.27 %	15.37 %	14.27 %
Total Capital	16.57	16.30	15.30	16.57	15.30
Leverage	10.30	9.98	8.91	10.30	8.91
Common Equity Tier 1	13.52	13.26	12.38	13.52	12.38
Tangible Common Equity ⁽¹⁾	8.26	8.08	6.65	8.26	6.65
Equity to Assets	10.24 %	10.14 %	8.57 %	10.24 %	8.57 %
ASSET QUALITY					
Allowance as % of Non-Performing Loans	479.70 %	619.58 %	1091.33 %	479.70 %	1091.33 %
Allowance as a % of Loans HFI	1.10	1.08	0.98	1.10	0.98
Net Charge-Offs as % of Average Loans HFI	0.23	0.17	0.21	0.18	0.18
Nonperforming Assets as % of Loans HFI and OREO	0.23	0.17	0.11	0.23	0.11
Nonperforming Assets as % of Total Assets	0.15 %	0.11 %	0.06 %	0.15 %	0.06 %
STOCK PERFORMANCE					
High	\$ 32.56	\$ 33.44	\$ 36.23	\$ 36.86	\$ 36.23
Low	26.12	28.64	31.14	26.12	24.43
Close	\$ 29.43	\$ 29.83	\$ 32.50	\$ 29.43	\$ 32.50
Average Daily Trading Volume	33,297	26,774	31,894	33,775	27,987

⁽¹⁾ Tangible common equity ratio is a non-GAAP financial measure. For additional information, including a reconciliation to GAAP, refer to Page 6.

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
Unaudited

	2023				2022
(Dollars in thousands)	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter
ASSETS					
Cash and Due From Banks	\$ 83,118	\$ 72,379	\$ 83,679	\$ 84,549	\$ 72,114
Funds Sold and Interest Bearing Deposits	228,949	95,119	285,129	303,403	528,536
Total Cash and Cash Equivalents	312,067	167,498	368,808	387,952	600,650
Investment Securities Available for Sale	337,902	334,052	386,220	402,943	413,294
Investment Securities Held to Maturity	625,022	632,076	641,398	651,755	660,744
Other Equity Securities	3,450	3,585	1,703	1,883	10
Total Investment Securities	966,374	969,713	1,029,321	1,056,581	1,074,048
Loans Held for Sale	28,211	34,013	44,659	28,475	26,909
Loans Held for Investment ("HFI"):					
Commercial, Financial, & Agricultural	225,190	221,704	227,219	236,263	247,362
Real Estate - Construction	196,091	197,526	226,404	253,903	234,519
Real Estate - Commercial	825,456	828,234	831,285	798,438	782,557
Real Estate - Residential	1,001,257	966,512	893,384	847,697	744,167
Real Estate - Home Equity	210,920	203,606	203,142	206,931	208,217
Consumer	270,994	285,122	295,646	305,324	324,450
Other Loans	2,962	1,401	5,425	7,660	5,346
Overdrafts	1,048	1,076	1,007	931	1,067
Total Loans Held for Investment	2,733,918	2,705,181	2,683,512	2,657,147	2,547,685
Allowance for Credit Losses	(29,941)	(29,083)	(28,243)	(26,808)	(25,068)
Loans Held for Investment, Net	2,703,977	2,676,098	2,655,269	2,630,339	2,522,617
Premises and Equipment, Net	81,266	81,677	82,062	82,055	82,138
Goodwill and Other Intangibles	92,933	92,973	93,013	93,053	93,093
Other Real Estate Owned	1	1	1	13	431
Other Assets	119,648	116,314	118,073	123,294	119,337
Total Other Assets	293,848	290,965	293,149	298,415	294,999
Total Assets	\$ 4,304,477	\$ 4,138,287	\$ 4,391,206	\$ 4,401,762	\$ 4,519,223
LIABILITIES					
Deposits:					
Noninterest Bearing Deposits	\$ 1,377,934	\$ 1,472,165	\$ 1,520,134	\$ 1,601,388	\$ 1,653,620
NOW Accounts	1,327,420	1,092,996	1,269,839	1,242,721	1,290,494
Money Market Accounts	319,319	304,323	321,743	271,880	267,383
Savings Accounts	547,634	571,003	590,245	617,310	637,374
Certificates of Deposit	129,515	99,958	86,905	90,621	90,446
Total Deposits	3,701,822	3,540,445	3,788,866	3,823,920	3,939,317
Repurchase Agreements	26,957	22,910	22,619	4,429	6,583
Other Short-Term Borrowings	8,384	18,786	28,054	22,203	50,210
Subordinated Notes Payable	52,887	52,887	52,887	52,887	52,887
Other Long-Term Borrowings	315	364	414	463	513
Other Liabilities	66,080	75,585	77,192	85,878	73,675
Total Liabilities	3,856,445	3,710,977	3,970,032	3,989,780	4,123,185
Temporary Equity	7,407	7,604	8,752	8,722	8,757
SHAREOWNERS' EQUITY					

Common Stock	170	170	170	170	170
Additional Paid-In Capital	36,326	36,182	36,853	37,512	37,331
Retained Earnings	426,275	418,030	408,771	397,654	387,009
Accumulated Other Comprehensive Loss, Net of Tax	(22,146)	(34,676)	(33,372)	(32,076)	(37,229)
Total Shareowners' Equity	440,625	419,706	412,422	403,260	387,281
Total Liabilities, Temporary Equity and Shareowners' Equity	\$ 4,304,477	\$ 4,138,287	\$ 4,391,206	\$ 4,401,762	\$ 4,519,223
OTHER BALANCE SHEET DATA					
Earning Assets	\$ 3,957,452	\$ 3,804,026	\$ 4,042,621	\$ 4,045,607	\$ 4,177,177
Interest Bearing Liabilities	2,412,431	2,163,227	2,372,706	2,302,514	2,395,890
Book Value Per Diluted Share	\$ 25.92	\$ 24.69	\$ 24.21	\$ 23.65	\$ 22.73
Tangible Book Value Per Diluted Share ⁽¹⁾	20.45	19.22	18.76	18.19	17.27
Actual Basic Shares Outstanding	16,950	16,958	16,992	17,022	16,987
Actual Diluted Shares Outstanding	17,001	16,998	17,025	17,050	17,039

⁽¹⁾ Tangible book value per diluted share is a non-GAAP financial measure. For additional information, including a reconciliation to GAAP, refer to Page 6.

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
Unaudited

(Dollars in thousands, except per share data)	2023				2022	Twelve Months Ended December 31,	
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	2023	2022
INTEREST INCOME							
Loans, including Fees	\$ 40,407	\$ 39,344	\$ 37,608	\$ 34,891	\$ 31,908	\$ 152,250	\$ 106,444
Investment Securities	4,392	4,561	4,815	4,924	4,847	18,692	15,955
Federal Funds Sold and Interest Bearing Deposits	1,385	1,848	2,782	4,111	4,463	10,126	9,511
Total Interest Income	46,184	45,753	45,205	43,926	41,218	181,068	131,910
INTEREST EXPENSE							
Deposits	5,872	5,214	4,008	2,488	1,902	17,582	3,444
Repurchase Agreements	199	190	115	9	7	513	14
Other Short-Term Borrowings	310	440	336	452	683	1,538	1,747
Subordinated Notes Payable	627	625	604	571	522	2,427	1,652
Other Long-Term Borrowings	5	4	5	6	8	20	31
Total Interest Expense	7,013	6,473	5,068	3,526	3,122	22,080	6,888
Net Interest Income	39,171	39,280	40,137	40,400	38,096	158,988	125,022
Provision for Credit Losses	2,025	2,393	2,197	3,099	3,616	9,714	7,494
Net Interest Income after Provision for Credit Losses	37,146	36,887	37,940	37,301	34,480	149,274	117,528
NONINTEREST INCOME							
Deposit Fees	5,304	5,456	5,326	5,239	5,536	21,325	22,121
Bank Card Fees	3,713	3,684	3,795	3,726	3,744	14,918	15,401
Wealth Management Fees	4,276	3,984	4,149	3,928	3,649	16,337	18,059
Mortgage Banking Revenues	2,327	1,839	3,363	2,871	102	10,400	11,909
Other	1,537	1,765	3,334	1,994	2,265	8,630	7,691
Total Noninterest Income	17,157	16,728	19,967	17,758	15,296	71,610	75,181
NONINTEREST EXPENSE							
Compensation	23,822	23,003	23,438	23,524	23,032	93,787	91,519
Occupancy, Net	7,098	6,980	6,820	6,762	6,253	27,660	24,574
Other	9,038	9,122	10,027	7,389	9,977	35,576	35,541
Total Noninterest Expense	39,958	39,105	40,285	37,675	39,262	157,023	151,634
OPERATING PROFIT	14,345	14,510	17,622	17,384	10,514	63,861	41,075
Income Tax Expense	2,909	3,004	3,417	3,710	1,900	13,040	7,798
Net Income	11,436	11,506	14,205	13,674	8,614	50,821	33,277
Pre-Tax Loss (Income) Attributable to Noncontrolling Interest	284	1,149	(31)	35	995	1,437	135
NET INCOME ATTRIBUTABLE TO COMMON SHAREOWNERS	\$ 11,720	\$ 12,655	\$ 14,174	\$ 13,709	\$ 9,609	\$ 52,258	\$ 33,412
PER COMMON SHARE							
Basic Net Income	\$ 0.69	\$ 0.75	\$ 0.83	\$ 0.81	\$ 0.56	\$ 3.08	\$ 1.97
Diluted Net Income	0.70	0.74	0.83	0.80	0.56	3.07	1.97
Cash Dividend	\$ 0.20	\$ 0.20	\$ 0.18	\$ 0.18	\$ 0.17	\$ 0.76	\$ 0.66
AVERAGE SHARES							
Basic	16,947	16,985	17,002	17,016	16,963	16,987	16,951
Diluted	16,997	17,025	17,035	17,045	17,016	17,023	16,985

CAPITAL CITY BANK GROUP, INC.
ALLOWANCE FOR CREDIT LOSSES ("ACL")
AND CREDIT QUALITY
Unaudited

	2023					2022		Twelve Months Ended December 31,	
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter		Fourth Quarter		2023	2022
<i>(Dollars in thousands, except per share data)</i>									
ACL - HELD FOR INVESTMENT LOANS									
Balance at Beginning of Period	\$ 29,083	\$ 28,243	\$ 26,808	\$ 25,068	\$	22,747	\$	25,068	\$ 21,606
Transfer from Other Liabilities	66	-	-	-		-		66	-
Provision for Credit Losses	2,354	1,993	1,922	3,260		3,638		9,529	7,397
Net Charge-Offs (Recoveries)	1,562	1,153	487	1,520		1,317		4,722	3,935
Balance at End of Period	\$ 29,941	\$ 29,083	\$ 28,243	\$ 26,808	\$	25,068	\$	29,941	\$ 25,068
As a % of Loans HFI	1.10%	1.08%	1.05%	1.01%		0.98%		1.10%	0.98%
As a % of Nonperforming Loans	479.70%	619.58%	426.44%	584.18%		1,091.33%		479.70%	1,091.33%
ACL - UNFUNDED COMMITMENTS									
Balance at Beginning of Period	3,502	\$ 3,120	\$ 2,833	\$ 2,989	\$	3,012	\$	2,989	\$ 2,897
Provision for Credit Losses	(311)	382	287	(156)		(23)		202	92
Balance at End of Period ⁽¹⁾	3,191	3,502	3,120	2,833		2,989		3,191	2,989
ACL - DEBT SECURITIES									
Provision for Credit Losses	\$ (18)	\$ 18	\$ (12)	\$ (5)	\$	1	\$	(17)	\$ 5
CHARGE-OFFS									
Commercial, Financial and Agricultural	\$ 217	\$ 76	\$ 54	\$ 164	\$	129	\$	511	\$ 1,308
Real Estate - Construction	-	-	-	-		-		-	-
Real Estate - Commercial	-	-	-	120		88		120	355
Real Estate - Residential	79	-	-	-		-		79	-
Real Estate - Home Equity	-	-	39	-		160		39	193
Consumer	1,689	1,340	993	1,732		976		5,754	2,901
Overdrafts	602	659	894	634		720		2,789	3,149
Total Charge-Offs	\$ 2,587	\$ 2,075	\$ 1,980	\$ 2,650	\$	2,073	\$	9,292	\$ 7,906
RECOVERIES									
Commercial, Financial and Agricultural	\$ 83	\$ 28	\$ 71	\$ 95	\$	25	\$	277	\$ 307
Real Estate - Construction	-	-	1	1		-		2	10
Real Estate - Commercial	16	17	11	8		13		52	106
Real Estate - Residential	34	30	132	57		98		253	284
Real Estate - Home Equity	17	53	131	25		36		226	183
Consumer	433	418	514	571		175		1,936	1,071
Overdrafts	442	376	633	373		409		1,824	2,010
Total Recoveries	\$ 1,025	\$ 922	\$ 1,493	\$ 1,130	\$	756	\$	4,570	\$ 3,971
NET CHARGE-OFFS (RECOVERIES)	\$ 1,562	\$ 1,153	\$ 487	\$ 1,520	\$	1,317	\$	4,722	\$ 3,935
Net Charge-Offs as a % of Average Loans HFI ⁽²⁾	0.23%	0.17%	0.07%	0.24%		0.21%		0.18%	0.18%
CREDIT QUALITY									
Nonaccruing Loans	\$ 6,242	\$ 4,694	\$ 6,623	\$ 4,589	\$	2,297			
Other Real Estate Owned	1	1	1	13		431			
Total Nonperforming Assets ("NPAs")	\$ 6,243	\$ 4,695	\$ 6,624	\$ 4,602	\$	2,728			
Past Due Loans 30-89 Days	\$ 6,854	\$ 5,577	\$ 4,207	\$ 5,061	\$	7,829			
Past Due Loans 90 Days or More	-	-	-	-		-			
Classified Loans	22,203	21,812	14,973	12,179		19,342			
Nonperforming Loans as a % of Loans HFI	0.23%	0.17%	0.25%	0.17%		0.09%			
NPAs as a % of Loans HFI and Other Real Estate	0.23%	0.17%	0.25%	0.17%		0.11%			
NPAs as a % of Total Assets	0.15%	0.11%	0.15%	0.10%		0.06%			

⁽¹⁾ Recorded in other liabilities

⁽²⁾ Annualized

CAPITAL CITY BANK GROUP, INC.
AVERAGE BALANCE AND INTEREST RATES
Unaudited

(Dollars in thousands)	Fourth Quarter 2023			Third Quarter 2023			Second Quarter 2023			First
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance
ASSETS:										
Loans Held for Sale	\$ 49,790	\$ 817	6.50 %	\$ 62,768	\$ 971	6.14 %	\$ 54,350	\$ 800	5.90 %	\$ 55,110
Loans Held for Investment ⁽¹⁾	2,711,243	39,679	5.81	2,672,653	38,455	5.71	2,657,693	36,890	5.55	2,582,395
Investment Securities										
Taxable Investment Securities	962,322	4,389	1.81	1,002,547	4,549	1.80	1,041,202	4,803	1.84	1,061,372
Tax-Exempt Investment Securities ⁽¹⁾	862	7	4.32	2,456	17	2.66	2,656	17	2.47	2,840
Total Investment Securities	963,184	4,396	1.82	1,005,003	4,566	1.81	1,043,858	4,820	1.84	1,064,212
Federal Funds Sold and Interest Bearing Deposits	99,763	1,385	5.51	136,556	1,848	5.37	218,902	2,782	5.10	360,971
Total Earning Assets	3,823,980	\$ 46,277	4.80 %	3,876,980	\$ 45,840	4.69 %	3,974,803	\$ 45,292	4.57 %	4,062,688
Cash and Due From Banks	76,681			75,941			75,854			74,639
Allowance for Credit Losses	(29,998)			(29,172)			(27,893)			(25,637)
Other Assets	296,114			295,106			297,837			300,175
Total Assets	\$ 4,166,777			\$ 4,218,855			\$ 4,320,601			\$ 4,411,865
LIABILITIES:										
Noninterest Bearing Deposits	\$ 1,416,825			\$ 1,474,574			\$ 1,539,877			\$ 1,601,750
NOW Accounts	1,138,461	\$ 3,696	1.29 %	1,125,171	\$ 3,489	1.23 %	1,200,400	\$ 3,038	1.01 %	1,228,928
Money Market Accounts	318,844	1,421	1.77	322,623	1,294	1.59	288,466	747	1.04	267,573
Savings Accounts	557,579	202	0.14	579,245	200	0.14	602,848	120	0.08	629,388
Time Deposits	116,797	553	1.88	95,203	231	0.96	87,973	103	0.47	89,675
Total Interest Bearing Deposits	2,131,681	5,872	1.09	2,122,242	5,214	0.97	2,179,687	4,008	0.74	2,215,564
Total Deposits	3,548,506	5,872	0.66	3,596,816	5,214	0.58	3,719,564	4,008	0.43	3,817,314
Repurchase Agreements	26,831	199	2.94	25,356	190	2.98	17,888	115	2.58	9,343
Other Short-Term Borrowings	16,906	310	7.29	24,306	440	7.17	17,834	336	7.54	37,766
Subordinated Notes Payable	52,887	627	4.64	52,887	625	4.62	52,887	604	4.52	52,887
Other Long-Term Borrowings	336	5	4.72	387	4	4.73	431	5	4.80	480
Total Interest Bearing Liabilities	2,228,641	\$ 7,013	1.25 %	2,225,178	\$ 6,473	1.15 %	2,268,727	\$ 5,068	0.90 %	2,316,040

Other Liabilities	78,772		83,099		84,305		81,206
Total Liabilities	3,724,238		3,782,851		3,892,909		3,998,996
Temporary Equity	7,423		8,424		8,935		8,802
SHAREOWNERS' EQUITY:	435,116		427,580		418,757		404,067
Total Liabilities, Temporary Equity and Shareowners' Equity	<u>\$ 4,166,777</u>		<u>\$ 4,218,855</u>		<u>\$ 4,320,601</u>		<u>\$ 4,411,865</u>
Interest Rate Spread	\$ 39,264	3.55 %	\$ 39,367	3.54 %	\$ 40,224	3.67 %	
Interest Income and Rate Earned ⁽¹⁾	46,277	4.80	45,840	4.69	45,292	4.57	
Interest Expense and Rate Paid ⁽²⁾	7,013	0.73	6,473	0.66	5,068	0.51	
Net Interest Margin	\$ 39,264	4.07 %	\$ 39,367	4.03 %	\$ 40,224	4.06 %	

⁽¹⁾ Interest and average rates are calculated on a tax-equivalent basis using a 21% Federal tax rate.

⁽²⁾ Rate calculated based on average earning assets.

For Information Contact:

Jep Larkin

Executive Vice President and Chief Financial Officer

850.402. 8450



Source: Capital City Bank Group

Capital City Bank Group, Inc. Reports Fourth Quarter 2024 Results

TALLAHASSEE, Fla., Jan. 28, 2025 (GLOBE NEWSWIRE) -- Capital City Bank Group, Inc. (NASDAQ: CCBG) today reported net income attributable to common shareowners of \$13.1 million, or \$0.77 per diluted share, for the fourth quarter of 2024 compared to \$13.1 million, or \$0.77 per diluted share, for the third quarter of 2024, and \$11.7 million, or \$0.70 per diluted share, for the fourth quarter of 2023.

For the full year of 2024, net income attributable to common shareowners totaled \$52.9 million, or \$3.12 per diluted share, compared to net income of \$52.3 million, or \$3.07 per diluted share, for the same period of 2023.

QUARTER HIGHLIGHTS (4th Quarter 2024 versus 3rd Quarter 2024)

Income Statement

- *Tax-equivalent net interest income totaled \$41.2 million compared to \$40.3 million for the prior quarter*
 - *Net interest margin increased 5 basis points to 4.17% (total deposit costs down 6 basis points partially offset by a 1 basis point decrease in earning asset yield).*
- *Stable credit quality metrics and credit loss provision – net loan charge-offs were 25 basis points (annualized) of average loans – allowance coverage ratio was 1.10% at December 31, 2024*
- *Noninterest income decreased \$0.8 million, or 3.9%, driven by lower mortgage banking revenues*
- *Noninterest expense decreased \$1.1 million, or 2.7%, primarily due to lower other expense which included a gain from the sale of a banking office*

Balance Sheet

- *Loan balances decreased \$16.1 million, or 0.6% (average), and \$31.5 million, or 1.2% (end of period)*
- *Deposit balances increased \$28.4 million, or 0.8% (average), and increased \$92.9 million, or 2.6% (end of period), reflective of the seasonal increase in public fund balances*
- *Tangible book value per share increased \$1.05, or 4.6%, due in part to a favorable year-end re-measurement adjustment for the pension plan (\$0.60 per diluted share)*

FULL YEAR 2024 HIGHLIGHTS

Income Statement

- *Tax-equivalent net interest income totaled \$159.2 million for 2024 compared to \$159.4 million for 2023 driven by higher yields across our earning assets, partially offset by*

higher deposit cost which was well controlled at 89 basis points for the year – net interest margin was 4.08% for 2024 compared to 4.05% for 2023

- Credit quality metrics remained strong throughout the year – allowance coverage ratio remained stable at 1.10% - net loan charge-offs were 21 basis points of average loans for 2024 versus 18 basis points for 2023*
- Noninterest income increased \$4.4 million, or 6.1%, driven by higher mortgage banking revenues and wealth management fees*
- Noninterest expense increased \$8.3 million, or 5.3%, primarily due to higher compensation expense reflective of higher incentive compensation, merit raises, and higher health insurance costs*

Balance Sheet

- Loan balances increased \$50.1 million, or 1.9% (average), and decreased \$82.4 million, or 3.0% (end of period)*
- Deposit balances decreased \$72.2 million, or 2.0% (average), and decreased \$29.8 million, or 0.8% (end of period)*
- Tangible book value per share increased \$3.20, or 15.6%, driven by strong earnings and favorable investment security and pension plan accumulated other comprehensive loss adjustments*

“In 2024, we delivered record earnings and advanced our commitment to creating shareholder value, which is demonstrated by a 15.6% increase in tangible book value per share, a 15.8% increase in the dividend, and the repurchase of 83,000 shares,” said William G. Smith, Jr., President, Chairman and CEO of Capital City Bank Group. “Our associates also earned us recognition for the 12th consecutive year as one of the best banks to work for—an achievement that underscores the strength of our organization and the core values we embrace. We remain focused on soundness, profitability, growth, and making strategic investments that add long-term value. Our fortress balance sheet, diversified revenues, and growth markets together position us well for 2025 and beyond.”

Discussion of Operating Results

Net Interest Income/Net Interest Margin

Tax-equivalent net interest income for the fourth quarter of 2024 totaled \$41.2 million, compared to \$40.3 million for the third quarter of 2024, and \$39.3 million for the fourth quarter of 2023. For 2024, tax-equivalent net interest income totaled \$159.2 million compared to \$159.4 million for 2023. Compared to the third quarter of 2024, the increase reflected higher investment securities interest due to new investment purchases at higher yields, in addition to lower deposit interest expense, partially offset by lower loan interest due to lower balances. Compared to 2023, the slight decrease reflected an increase in deposit interest expense and a decrease in investment securities interest that was offset by increases in loan interest and overnight funds interest.

Our net interest margin for the fourth quarter of 2024 was 4.17%, an increase of five basis points over the third quarter of 2024 and an increase of 10 basis points over the fourth quarter of 2023. For the month of December 2024, our net interest margin was 4.18%. For 2024, our net interest margin was 4.08%, an increase of three basis points over 2023. Compared to the third quarter of 2024, the increase reflected higher yield in the investment

portfolio driven by new purchases during the quarter, in addition to lower deposit interest expense. The increase over 2023 reflected a combination of earning assets re-pricing at higher interest rates and higher average loan balances, partially offset by a higher cost of deposits. For the fourth quarter of 2024, our cost of funds was 88 basis points, a decrease of five basis points from the third quarter of 2024 and an increase of 15 basis points over the fourth quarter of 2023. Our total cost of deposits (including noninterest bearing accounts) was 86 basis points, 92 basis points, and 66 basis points, respectively, for the same periods.

Provision for Credit Losses

We recorded a provision expense for credit losses of \$0.7 million for the fourth quarter of 2024 compared to \$1.2 million for the third quarter of 2024 and \$2.0 million for the fourth quarter of 2023. Compared to the third quarter of 2024, the provision expense reflected a \$0.8 million decrease in the provision for loans held for investment ("HFI") and a \$0.3 million decrease in the provision benefit for unfunded loan commitments. The decrease in the provision for loans HFI was primarily due to lower loan balances and slightly lower loss rates.

For 2024, we recorded a provision expense for credit losses of \$4.0 million compared to \$9.7 million for 2023. The decrease reflected a \$4.5 million decrease in the provision for loans HFI and a \$1.2 million decrease in the provision for unfunded loan commitments. The decrease in the provision for loans HFI was primarily due to lower new loan volume and loan balances in 2024 and favorable loan grade migration. The decrease in the provision for unfunded loan commitments reflected a lower level of loan commitments. We discuss the allowance for credit losses further below.

Noninterest Income and Noninterest Expense

Noninterest income for the fourth quarter of 2024 totaled \$18.8 million compared to \$19.5 million for the third quarter of 2024 and \$17.2 million for the fourth quarter of 2023. Compared to the third quarter of 2024, the \$0.7 million decrease from the third quarter of 2024 reflected a \$0.8 million decrease in mortgage banking revenues attributable to lower production volume and a \$0.3 million decrease in deposit fees that was partially offset by a \$0.4 million increase in wealth management fees, primarily from retail brokerage. The \$1.6 million increase over the fourth quarter of 2023 was driven by higher mortgage banking revenues of \$0.8 million driven by a higher gain on sale margin and wealth management fees of \$0.9 million, primarily from retail brokerage and to a lesser extent trust.

For 2024, noninterest income totaled \$76.0 million compared to \$71.6 million for 2023, primarily attributable to a \$3.9 million increase in mortgage banking revenues and a \$2.8 million increase in wealth management fees, partially offset by a \$2.2 million decrease in other income. The increase in mortgage banking revenues was due to a higher gain on sale margin. The increase in wealth management fees was primarily driven by higher retail brokerage fees and to a lesser extent trust fees, primarily attributable to both new account growth and higher account values driven by higher market returns. The decrease in other income was primarily attributable to a \$1.4 million gain from the sale of mortgage servicing rights in 2023, and to a lesser extent a decrease in vendor bonus income and miscellaneous income.

Noninterest expense for the fourth quarter of 2024 totaled \$41.8 million compared to \$42.9

million for the third quarter of 2024 and \$40.0 million for the fourth quarter of 2023. The \$1.1 million decrease from the third quarter of 2024 was primarily attributable to lower other expense of \$1.2 million and occupancy expense of \$0.2 million that was partially offset by a \$0.3 million increase in compensation expense. The decrease in other expense was primarily attributable to a \$1.0 million decrease in other real estate expense driven by the sale of a banking office and lower miscellaneous expense of \$0.5 million which reflected a non-routine VISA Class B swap payment in the third quarter of 2024. The decrease in occupancy expense reflected lower property tax and software license expense. The increase in compensation was driven by higher incentive plan compensation. Compared to the fourth quarter of 2023, the \$1.8 million increase was driven by a \$2.3 million increase in compensation expense that was partially offset by a \$0.2 million decrease in occupancy expense and a \$0.3 million decrease in other expense. The unfavorable variance in compensation expense reflected a \$1.4 million increase in salary expense and a \$0.9 million increase in other benefit expense with the salary expense driven by higher incentive compensation and merit adjustments and the associate benefit expense reflective of higher health insurance cost.

For 2024, noninterest expense totaled \$165.3 million compared to \$157.0 million for 2023, primarily attributable to increases in compensation expense of \$6.9 million, occupancy expense of \$0.3 million, and other expense of \$1.1 million. The increase in compensation reflected a \$5.4 million increase in salary expense and a \$1.6 million increase in other associate benefit expense. The increase in salary expense was primarily due to a lower level of realized loan cost (credit offset to salary expense) of \$3.1 million (lower new loan volume), higher base salary expense of \$2.2 million (primarily annual merit raises), and a \$1.2 million increase in cash incentive compensation that was partially offset by lower commission expense of \$1.4 million (lower residential mortgage volume). The unfavorable variance in other associate benefit expense was due to a \$0.9 million increase in associate insurance cost and a \$0.6 million increase in stock compensation expense. The increase in occupancy expense was attributable to increases in software license and maintenance agreement expenses. The increase in other expense was driven by a \$1.1 million increase in other real estate expense and a \$1.4 million increase in processing expense that was partially offset by a \$1.4 million decrease in miscellaneous expense. The increase in other real estate expense reflected a lower level of gains from the sale of banking offices in 2024. The increase in processing expense reflected both inflationary increases on contract renewals and the outsourcing of our core processing system. The decrease in miscellaneous expense was attributable to lower pension plan expense for the non-service related component of the plan.

Income Taxes

We realized income tax expense of \$4.2 million (effective rate of 24.3%) for the fourth quarter of 2024 compared to \$3.0 million (effective rate of 19.1%) for the third quarter of 2024 and \$2.9 million (effective rate of 20.3%) for the fourth quarter of 2023. Compared to the third quarter of 2024, the increase in our effective tax rate was attributable to a lower than projected level of pre-tax income from Capital City Home Loans ("CCHL") in relation to our consolidated income as the non-controlling interest adjustment for CCHL is accounted for as a permanent tax adjustment. Further, we realized a higher than projected Internal Revenue Code ("IRC") Section 162(m) limitation related to current and future compensation. For 2024, we realized income tax expense of \$13.9 million (effective rate of 21.2%)

compared to \$13.0 million (effective rate of 20.4%) for 2023 with the increase in the effective tax rate primarily attributable to a higher IRC Section 162(m) limitation and lower tax-exempt interest income. Absent discrete items or new tax credit investments, we expect our annual effective tax rate to approximate 24% for 2025.

Discussion of Financial Condition

Earning Assets

Average earning assets totaled \$3.922 billion for the fourth quarter of 2024, an increase of \$38.5 million, or 1.0 %, over the third quarter of 2024, and an increase of \$97.9 million, or 2.6%, over the fourth quarter of 2023. The increase over both prior periods was primarily driven by higher deposit balances (see below – *Deposits*). Compared to the third quarter of 2024, the change in earning asset mix was primarily attributable to a \$41.4 million increase in short term investments (overnight funds sold), a \$6.7 million increase in investment securities, and \$6.5 million increase in loans held for sale, partially offset by a \$16.1 million decrease in loans HFI. Compared to the fourth quarter of 2023, the change in earning asset mix reflected a \$198.4 million increase in short term investments (overnight funds sold) that was partially offset by a \$48.0 million decrease in investment securities, a \$33.8 million decrease in loans HFI, and a \$18.7 million decrease in loans held for sale.

Average loans HFI for the fourth quarter of 2024 decreased \$16.1 million, or 0.6%, from the third quarter of 2024 and decreased \$33.8 million, or 1.3%, from the fourth quarter of 2023. Compared to the third quarter of 2024, the decline was primarily attributable to decreases in consumer loans (primarily indirect auto) of \$18.3 million and commercial mortgage real estate loans of \$24.1 million, partially offset by increases in construction real estate loans of \$13.1 million, and residential real estate loans of \$11.6 million. Compared to the fourth quarter of 2023, the decrease was driven by decreases in consumer loans (primarily indirect auto) of \$72.8 million, commercial loans of \$30.2 million, and commercial mortgage real estate loans of \$25.3 million, partially offset by increases in residential real estate loans of \$70.8 million, construction real estate loans of \$16.6 million, and home equity loans of \$10.2 million.

Loans HFI at December 31, 2024 decreased \$31.5 million, or 1.2%, from September 30, 2024 and decreased \$82.4 million, or 3.0%, from December 31, 2023. Compared to September 30, 2024, the decrease was driven by decreases in commercial mortgage real estate loans of \$40.9 million, consumer loans (primarily indirect auto) of \$13.8 million, and commercial loans of \$5.4 million, partially offset by increases in home equity loans of \$9.1 million, other loans of \$13.5 million, and residential real estate loans of \$5.0 million. Compared to December 31, 2023, the decrease was primarily attributable to decreases in consumer loans (primarily indirect auto) of \$71.5 million, commercial mortgage real estate loans of \$46.4 million, and commercial loans of \$36.0 million, partially offset by increases in residential real estate loans of \$27.2 million, construction real estate loans of \$23.9 million, and home equity loans of \$9.1 million.

Allowance for Credit Losses

At December 31, 2024, the allowance for credit losses for loans HFI totaled \$29.3 million compared to \$29.8 million at September 30, 2024 and \$29.9 million at December 31, 2023. Activity within the allowance is provided on Page 9. The decreases in the allowance from

September 30, 2024 and December 31, 2023 were primarily attributable to lower loan balances and favorable loan migration. Net loan charge-offs were 25 basis points of average loans for the fourth quarter of 2024 versus 19 basis points for the third quarter of 2024. For 2024, net loan charge-offs were 21 basis points of average loans compared to 18 basis points in 2023. At December 31, 2024, the allowance represented 1.10% of loans HFI compared to 1.11% at September 30, 2024, and 1.10% at December 31, 2023.

Credit Quality

Nonperforming assets (nonaccrual loans and other real estate) totaled \$6.7 million at December 31, 2024 compared to \$7.2 million at September 30, 2024 and \$6.2 million at December 31, 2023. At December 31, 2024, nonperforming assets as a percent of total assets equaled 0.15%, compared to 0.17% at September 30, 2024 and 0.15% at December 31, 2023. Nonaccrual loans totaled \$6.3 million at December 31, 2024, a \$0.3 million decrease from September 30, 2024 and a \$0.1 million increase over December 31, 2023. Further, classified loans totaled \$19.9 million at December 31, 2024, a \$5.6 million decrease from September 30, 2024 and a \$2.3 million decrease from December 31, 2023.

Deposits

Average total deposits were \$3.600 billion for the fourth quarter of 2024, an increase of \$28.4 million, or 0.8%, over the third quarter of 2024 and an increase of \$51.9 million, or 1.5%, over the fourth quarter of 2023. Compared to the third quarter of 2024, the increase was primarily attributable to higher NOW account balances which reflected the seasonal inflow of public funds from municipal clients as they receive their tax receipts beginning in late November. The increase over the fourth quarter of 2023 reflected higher NOW, MMA, and certificates of deposit ("CD") balances that were partially offset by decreases in noninterest bearing and savings balances. During 2024, we realized a re-mix in deposits as rate sensitive clients sought higher yield deposit products. Average core deposit balances (total deposits less public funds) increased \$20.3 million over the third quarter of 2024 and \$28.4 million over the fourth quarter of 2023.

At December 31, 2024, total deposits were \$3.672 billion, an increase of \$92.9 million, or 2.6%, over September 30, 2024 and a decrease of \$29.8 million, or 0.8%, from December 31, 2023. Compared to the third quarter of 2024, the increase was primarily due to a \$110.7 million increase in NOW account balances which reflected the aforementioned seasonal inflow of public funds balances. The decrease from the fourth quarter of 2023 was driven by lower noninterest bearing, NOW, and savings account balances that were partially offset by higher MMA and CD balances which reflected the aforementioned re-mix in balances during 2024. Core deposit balances (total deposits less public funds) decreased \$50.3 million from the third quarter of 2024 and increased \$21.9 million over the fourth quarter of 2023.

Liquidity

The Bank maintained an average net overnight funds (deposits with banks plus FED funds sold less FED funds purchased) sold position of \$298.3 million in the fourth quarter of 2024 compared to \$256.9 million in the third quarter of 2024 and \$99.8 million in the fourth quarter of 2023. Compared to both prior periods, the increases reflected growth in average core and public fund deposit balances.

At December 31, 2024, we had the ability to generate approximately \$1.535 billion (excludes overnight funds position of \$321 million) in additional liquidity through various sources including various federal funds purchased lines, Federal Home Loan Bank borrowings, the Federal Reserve Discount Window, and brokered deposits.

We also view our investment portfolio as a liquidity source and have the option to pledge securities in our portfolio as collateral for borrowings or deposits, and/or to sell selected securities. Our portfolio consists of debt issued by the U.S. Treasury, U.S. governmental agencies, municipal governments, and corporate entities. At December 31, 2024, the weighted-average maturity and duration of our portfolio were 2.54 years and 2.19 years, respectively, and the available-for-sale portfolio had a net unrealized after-tax loss of \$19.2 million.

Capital

Shareowners' equity was \$495.3 million at December 31, 2024 compared to \$476.5 million at September 30, 2024 and \$440.6 million at December 31, 2023. For the fourth quarter of 2024, shareowners' equity was positively impacted by net income attributable to common shareowners of \$13.1 million, a net \$7.6 million decrease in the accumulated other comprehensive loss, the issuance of stock of \$0.9 million, stock compensation accretion of \$0.7 million, and a \$0.4 million reclassification from temporary equity (concurrent with the agreement to assign the minority membership interest (49%) in Capital City Home Loans, LLC, temporary equity was reclassified to other liabilities and included a \$0.4 million net credit to retained earnings to account for the difference between the fair value and the book value of the minority interest). The net favorable change in accumulated other comprehensive loss reflected a \$10.1 million decrease in the pension plan loss from the year-end re-measurement of the plan and a \$0.7 million increase in the fair value of the interest rate swap related to subordinated debt, that was partially offset by a \$3.2 million increase in the investment securities loss. Shareowners' equity was reduced by common stock dividends of \$3.9 million (\$0.23 per share).

For the full year 2024, shareowners' equity was positively impacted by net income attributable to common shareowners of \$52.9 million, a net \$15.7 million decrease in the accumulated other comprehensive loss, the issuance of stock of \$3.1 million, and stock compensation accretion of \$1.9 million. The net favorable change in accumulated other comprehensive loss reflected a \$10.1 million decrease in the pension plan loss from the year-end re-measurement of the plan and a \$5.6 million decrease in the investment securities loss. Shareowners' equity was reduced by common stock dividends of \$14.9 million (\$0.88 per share), the repurchase of stock of \$2.3 million (82,540 shares), net adjustments totaling \$1.4 million related to transactions under our stock compensation plans, and a \$0.3 million reclassification from temporary equity.

At December 31, 2024, our total risk-based capital ratio was 18.77% compared to 17.97% at September 30, 2024 and 16.57% at December 31, 2023. Our common equity tier 1 capital ratio was 15.64%, 14.88%, and 13.52%, respectively, on these dates. Our leverage ratio was 11.05%, 10.89%, and 10.30%, respectively, on these dates. At December 31, 2024, all our regulatory capital ratios exceeded the thresholds to be designated as "well-capitalized" under the Basel III capital standards. Further, our tangible common equity ratio was 9.55% at December 31, 2024 compared to 9.28% and 8.26% at September 30, 2024 and December 31, 2023, respectively. If our unrealized held-to-maturity securities losses of

\$16.0 million (after-tax) were recognized in accumulated other comprehensive loss, our adjusted tangible capital ratio would be 9.17%.

About Capital City Bank Group, Inc.

Capital City Bank Group, Inc. (NASDAQ: CCBG) is one of the largest publicly traded financial holding companies headquartered in Florida and has approximately \$4.3 billion in assets. We provide a full range of banking services, including traditional deposit and credit services, mortgage banking, asset management, trust, merchant services, bankcards, securities brokerage services and financial advisory services, including the sale of life insurance, risk management and asset protection services. Our bank subsidiary, Capital City Bank, was founded in 1895 and now has 63 banking offices and 104 ATMs/ITMs in Florida, Georgia and Alabama. For more information about Capital City Bank Group, Inc., visit www.ccbg.com.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this Press Release are based on current plans and expectations that are subject to uncertainties and risks, which could cause our future results to differ materially. The words “may,” “could,” “should,” “would,” “believe,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” “target,” “vision,” “goal,” and similar expressions are intended to identify forward-looking statements. The following factors, among others, could cause our actual results to differ: our ability to successfully manage credit risk, interest rate risk, liquidity risk, and other risks inherent to our industry; the effects of changes in the level of checking or savings account deposits and the competition for deposits on our funding costs, net interest margin and ability to replace maturing deposits and advances; legislative or regulatory changes; adverse developments in the financial services industry generally; inflation, interest rate, market and monetary fluctuations; uncertainty in the pricing of residential mortgage loans that we sell, as well as competition for the mortgage servicing rights related to these loans; interest rate risk and price risk resulting from retaining mortgage servicing rights and the effects of higher interest rates on our loan origination volumes; changes in monetary and fiscal policies of the U.S. Government; the cost and effects of cybersecurity incidents or other failures, interruptions, or security breaches of our systems or those of our customers or third-party providers; the effects of fraud related to debit card products; the accuracy of our financial statement estimates and assumptions; changes in accounting principles, policies, practices or guidelines; the frequency and magnitude of foreclosure of our loans; the effects of our lack of a diversified loan portfolio; the strength of the local economies in which we operate; our ability to declare and pay dividends; structural changes in the markets for origination, sale and servicing of residential mortgages; our ability to retain key personnel; the effects of natural disasters (including hurricanes), widespread health emergencies (including pandemics), military conflict, terrorism, civil unrest or other geopolitical events; our ability to comply with the extensive laws and regulations to which we are subject; the impact of the restatement of our previously issued consolidated statements of cash flows and any deficiencies in the processes undertaken to effect such restatements; any inability to implement and maintain effective internal control over financial reporting and/or disclosure control or inability to remediate our existing material weaknesses in our internal controls deemed ineffective; the willingness of clients to accept third-party products and services rather than our products and services; technological changes; the outcomes of litigation or regulatory proceedings;

negative publicity and the impact on our reputation; changes in consumer spending and saving habits; growth and profitability of our noninterest income; the limited trading activity of our common stock; the concentration of ownership of our common stock; anti-takeover provisions under federal and state law as well as our Articles of Incorporation and our Bylaws; other risks described from time to time in our filings with the Securities and Exchange Commission; and our ability to manage the risks involved in the foregoing. Additional factors can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as amended, and our other filings with the SEC, which are available at the SEC's internet site (<http://www.sec.gov>). Forward-looking statements in this Press Release speak only as of the date of the Press Release, and we assume no obligation to update forward-looking statements or the reasons why actual results could differ, except as may be required by law.

USE OF NON-GAAP FINANCIAL MEASURES

Unaudited

We present a tangible common equity ratio and a tangible book value per diluted share that removes the effect of goodwill and other intangibles resulting from merger and acquisition activity. We believe these measures are useful to investors because it allows investors to more easily compare our capital adequacy to other companies in the industry.

The GAAP to non-GAAP reconciliations are provided below.

(Dollars in Thousands, except per share data)

		Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Shareowners' Equity (GAAP)	\$	495,317	\$ 476,499	\$ 460,999	\$ 448,314	\$ 440,625
Less: Goodwill and Other Intangibles (GAAP)		92,773	92,813	92,853	92,893	92,933
Tangible Shareowners' Equity (non-GAAP)	A	402,544	383,686	368,146	355,421	347,692
Total Assets (GAAP)		4,307,142	4,225,316	4,225,695	4,259,922	4,304,477
Less: Goodwill and Other Intangibles (GAAP)		92,773	92,813	92,853	92,893	92,933
Tangible Assets (non-GAAP)	B	4,214,369	4,132,503	4,132,842	4,167,029	4,211,544
Tangible Common Equity Ratio (non-GAAP)	A/B	9.55%	9.28%	8.91%	8.53%	8.26%
Actual Diluted Shares Outstanding (GAAP)	C	17,018,122	16,980,686	16,970,228	16,947,204	17,000,758
Tangible Book Value per Diluted Share (non-GAAP)	A/C	\$ 23.65	\$ 22.60	\$ 21.69	\$ 20.97	\$ 20.45

CAPITAL CITY BANK GROUP, INC.
EARNINGS HIGHLIGHTS
Unaudited

(Dollars in thousands, except per share data)	Three Months Ended			Twelve Months Ended	
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
EARNINGS					
Net Income Attributable to Common Shareowners	\$ 13,090	\$ 13,118	\$ 11,720	\$ 52,915	\$ 52,258
Diluted Net Income Per Share	\$ 0.77	\$ 0.77	\$ 0.70	\$ 3.12	\$ 3.07
PERFORMANCE					
Return on Average Assets (annualized)	1.22%	1.24%	1.12%	1.25%	1.22%
Return on Average Equity (annualized)	10.60	10.87	10.69	11.18	12.40
Net Interest Margin	4.17	4.12	4.07	4.08	4.05
Noninterest Income as % of Operating Revenue	31.34	32.67	30.46	32.34	31.05
Efficiency Ratio	69.74%	71.81%	70.82%	70.30%	67.99%
CAPITAL ADEQUACY					
Tier 1 Capital	17.58%	16.77%	15.37%	17.58%	15.37%
Total Capital	18.77	17.97	16.57	18.77	16.57
Leverage	11.05	10.89	10.30	11.05	10.30
Common Equity Tier 1	15.64	14.88	13.52	15.64	13.52
Tangible Common Equity ⁽¹⁾	9.55	9.28	8.26	9.55	8.26
Equity to Assets	11.50%	11.28%	10.24%	11.50%	10.24%
ASSET QUALITY					
Allowance as % of Non-Performing Loans	464.14%	452.64%	479.70%	464.14%	479.70%
Allowance as a % of Loans HFI	1.10	1.11	1.10	1.10	1.10
Net Charge-Offs as % of Average Loans HFI	0.25	0.19	0.23	0.21	0.18
Nonperforming Assets as % of Loans HFI and OREO	0.25	0.27	0.23	0.25	0.23
Nonperforming Assets as % of Total Assets	0.15%	0.17%	0.15%	0.15%	0.15%
STOCK PERFORMANCE					
High	\$ 40.86	\$ 36.67	\$ 32.56	\$ 40.86	\$ 36.86
Low	33.00	26.72	26.12	25.45	26.12
Close	\$ 36.65	\$ 35.29	\$ 29.43	\$ 36.65	\$ 29.43
Average Daily Trading Volume	27,484	37,151	33,297	31,390	33,775

⁽¹⁾ Tangible common equity ratio is a non-GAAP financial measure. For additional information, including a reconciliation to GAAP, refer to Page 7.

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
Unaudited

(Dollars in thousands)	2024				2023
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter
ASSETS					
Cash and Due From Banks	\$ 70,543	\$ 83,431	\$ 75,304	\$ 73,642	\$ 83,118
Funds Sold and Interest Bearing Deposits	321,311	261,779	272,675	231,047	228,949
Total Cash and Cash Equivalents	391,854	345,210	347,979	304,689	312,067
Investment Securities Available for Sale	403,345	336,187	310,941	327,338	337,902
Investment Securities Held to Maturity	567,155	561,480	582,984	603,386	625,022
Other Equity Securities	2,399	6,976	2,537	3,445	3,450
Total Investment Securities	972,899	904,643	896,462	934,169	966,374
Loans Held for Sale	28,672	31,251	24,022	24,705	28,211

Loans Held for Investment ("HFI"):					
Commercial, Financial, & Agricultural	189,208	194,625	204,990	218,298	225,190
Real Estate - Construction	219,994	218,899	200,754	202,692	196,091
Real Estate - Commercial	779,095	819,955	823,122	823,690	825,456
Real Estate - Residential	1,028,498	1,023,485	1,012,541	1,012,791	1,001,257
Real Estate - Home Equity	220,064	210,988	211,126	214,617	210,920
Consumer	199,479	213,305	234,212	254,168	270,994
Other Loans	14,006	461	2,286	3,789	2,962
Overdrafts	1,206	1,378	1,192	1,127	1,048
Total Loans Held for Investment	2,651,550	2,683,096	2,690,223	2,731,172	2,733,918
Allowance for Credit Losses	(29,251)	(29,836)	(29,219)	(29,329)	(29,941)
Loans Held for Investment, Net	2,622,299	2,653,260	2,661,004	2,701,843	2,703,977
Premises and Equipment, Net	81,952	81,876	81,414	81,452	81,266
Goodwill and Other Intangibles	92,773	92,813	92,853	92,893	92,933
Other Real Estate Owned	367	650	650	1	1
Other Assets	116,326	115,613	121,311	120,170	119,648
Total Other Assets	291,418	290,952	296,228	294,516	293,848
Total Assets	\$ 4,307,142	\$ 4,225,316	\$ 4,225,695	\$ 4,259,922	\$ 4,304,477
LIABILITIES					
Deposits:					
Noninterest Bearing Deposits	\$ 1,306,254	\$ 1,330,715	\$ 1,343,606	\$ 1,361,939	\$ 1,377,934
NOW Accounts	1,285,281	1,174,585	1,177,180	1,212,452	1,327,420
Money Market Accounts	404,396	401,272	413,594	398,308	319,319
Savings Accounts	506,766	507,604	514,560	530,782	547,634
Certificates of Deposit	169,280	164,901	159,624	151,320	129,515
Total Deposits	3,671,977	3,579,077	3,608,564	3,654,801	3,701,822
Repurchase Agreements	26,240	29,339	22,463	23,477	26,957
Other Short-Term Borrowings	2,064	7,929	3,307	8,409	8,384
Subordinated Notes Payable	52,887	52,887	52,887	52,887	52,887
Other Long-Term Borrowings	794	794	1,009	265	315
Other Liabilities	57,863	71,974	69,987	65,181	66,080
Total Liabilities	3,811,825	3,742,000	3,758,217	3,805,020	3,856,445
Temporary Equity	-	6,817	6,479	6,588	7,407
SHAREOWNERS' EQUITY					
Common Stock	170	169	169	169	170
Additional Paid-In Capital	37,684	36,070	35,547	34,861	36,326
Retained Earnings	463,949	454,342	445,959	435,364	426,275
Accumulated Other Comprehensive Loss, Net of Tax	(6,486)	(14,082)	(20,676)	(22,080)	(22,146)
Total Shareowners' Equity	495,317	476,499	460,999	448,314	440,625
Total Liabilities, Temporary Equity and Shareowners' Equity	\$ 4,307,142	\$ 4,225,316	\$ 4,225,695	\$ 4,259,922	\$ 4,304,477
OTHER BALANCE SHEET DATA					
Earning Assets	\$ 3,974,431	\$ 3,880,769	\$ 3,883,382	\$ 3,921,093	\$ 3,957,452
Interest Bearing Liabilities	2,447,708	2,339,311	2,344,624	2,377,900	2,412,431
Book Value Per Diluted Share	\$ 29.11	\$ 28.06	\$ 27.17	\$ 26.45	\$ 25.92
Tangible Book Value Per Diluted Share ⁽¹⁾	23.65	22.60	21.69	20.97	20.45
Actual Basic Shares Outstanding	16,975	16,944	16,942	16,929	16,950
Actual Diluted Shares Outstanding	17,018	16,981	16,970	16,947	17,001

(1) Tangible book value per diluted share is a non-GAAP financial measure. For additional information, including a reconciliation to GAAP, refer to Page 7.

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
Unaudited

	2024				2023	Twelve Months Ended December 31,	
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	2024	2023
<i>(Dollars in thousands, except per share data)</i>							
INTEREST INCOME							
Loans, including Fees	\$ 41,453	\$ 41,659	\$ 41,138	\$ 40,683	\$ 40,407	\$ 164,933	\$ 152,250
Investment Securities	4,694	4,155	4,004	4,244	4,392	17,097	18,692
Federal Funds Sold and Interest Bearing Deposits	3,596	3,514	3,624	1,893	1,385	12,627	10,126
Total Interest Income	49,743	49,328	48,766	46,820	46,184	194,657	181,068
INTEREST EXPENSE							
Deposits	7,766	8,223	8,579	7,594	5,872	32,162	17,582
Repurchase Agreements	199	221	217	201	199	838	513
Other Short-Term Borrowings	83	52	68	39	310	242	1,538
Subordinated Notes Payable	581	610	630	628	627	2,449	2,427
Other Long-Term Borrowings	11	11	3	3	5	28	20
Total Interest Expense	8,640	9,117	9,497	8,465	7,013	35,719	22,080
Net Interest Income	41,103	40,211	39,269	38,355	39,171	158,938	158,988
Provision for Credit Losses	701	1,206	1,204	920	2,025	4,031	9,714
Net Interest Income after Provision for Credit Losses	40,402	39,005	38,065	37,435	37,146	154,907	149,274
NONINTEREST INCOME							
Deposit Fees	5,207	5,512	5,377	5,250	5,304	21,346	21,325
Bank Card Fees	3,697	3,624	3,766	3,620	3,713	14,707	14,918
Wealth Management Fees	5,222	4,770	4,439	4,682	4,276	19,113	16,337
Mortgage Banking Revenues	3,118	3,966	4,381	2,878	2,327	14,343	10,400
Other	1,516	1,641	1,643	1,667	1,537	6,467	8,630
Total Noninterest Income	18,760	19,513	19,606	18,097	17,157	75,976	71,610
NONINTEREST EXPENSE							
Compensation	26,108	25,800	24,406	24,407	23,822	100,721	93,787
Occupancy, Net	6,893	7,098	6,997	6,994	7,098	27,982	27,660
Other	8,781	10,023	9,038	8,770	9,038	36,612	35,576
Total Noninterest Expense	41,782	42,921	40,441	40,171	39,958	165,315	157,023
OPERATING PROFIT	17,380	15,597	17,230	15,361	14,345	65,568	63,861
Income Tax Expense	4,219	2,980	3,189	3,536	2,909	13,924	13,040
Net Income	13,161	12,617	14,041	11,825	11,436	51,644	50,821
Pre-Tax Loss (Income) Attributable to Noncontrolling Interest	(71)	501	109	732	284	1,271	1,437
NET INCOME ATTRIBUTABLE TO COMMON SHAREOWNERS	\$ 13,090	\$ 13,118	\$ 14,150	\$ 12,557	\$ 11,720	\$ 52,915	\$ 52,258
PER COMMON SHARE							
Basic Net Income	\$ 0.77	\$ 0.77	\$ 0.84	\$ 0.74	\$ 0.69	\$ 3.12	\$ 3.08
Diluted Net Income	0.77	0.77	0.83	0.74	0.70	3.12	3.07
Cash Dividend	\$ 0.23	\$ 0.23	\$ 0.21	\$ 0.21	\$ 0.20	\$ 0.88	\$ 0.76
AVERAGE SHARES							
Basic	16,946	16,943	16,931	16,951	16,947	16,943	16,987
Diluted	16,990	16,979	16,960	16,969	16,997	16,969	17,023

CAPITAL CITY BANK GROUP, INC.
ALLOWANCE FOR CREDIT LOSSES ("ACL")

AND CREDIT QUALITY
Unaudited

	2024					2023		Twelve Months Ended December 31,	
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Fourth Quarter		2024	2023
<i>(Dollars in thousands, except per share data)</i>									
ACL - HELD FOR INVESTMENT LOANS									
Balance at Beginning of Period	\$ 29,836	\$ 29,219	\$ 29,329	\$ 29,941	\$ 29,083	\$ 29,941	\$ 25,068		
Transfer from Other Liabilities	-	-	-	(50)	66	(50)	66		
Provision for Credit Losses	1,085	1,879	1,129	932	2,354	5,025	9,529		
Net Charge-Offs (Recoveries)	1,670	1,262	1,239	1,494	1,562	5,665	4,722		
Balance at End of Period	\$ 29,251	\$ 29,836	\$ 29,219	\$ 29,329	\$ 29,941	\$ 29,251	\$ 29,941		
As a % of Loans HFI	1.10%	1.11%	1.09%	1.07%	1.10%	1.10%	1.10%		
As a % of Nonperforming Loans	464.14%	452.64%	529.79%	431.46%	479.70%	464.14%	479.70%		
ACL - UNFUNDED COMMITMENTS									
Balance at Beginning of Period	2,522	\$ 3,139	\$ 3,121	\$ 3,191	\$ 3,502	\$ 3,191	\$ 2,989		
Provision for Credit Losses	(367)	(617)	18	(70)	(311)	(1,036)	202		
Balance at End of Period ⁽¹⁾	2,155	2,522	3,139	3,121	3,191	2,155	3,191		
ACL - DEBT SECURITIES									
Provision for Credit Losses	\$ (17)	\$ (56)	\$ 57	\$ 58	\$ (18)	\$ 42	\$ (17)		
CHARGE-OFFS									
Commercial, Financial and Agricultural	\$ 499	\$ 331	\$ 400	\$ 282	\$ 217	\$ 1,512	\$ 511		
Real Estate - Construction	47	-	-	-	-	47	-		
Real Estate - Commercial	-	3	-	-	-	3	120		
Real Estate - Residential	44	-	-	17	79	61	79		
Real Estate - Home Equity	33	23	-	76	-	132	39		
Consumer	1,307	1,315	1,061	1,550	1,689	5,233	5,754		
Overdrafts	574	611	571	638	602	2,394	2,789		
Total Charge-Offs	\$ 2,504	\$ 2,283	\$ 2,032	\$ 2,563	\$ 2,587	\$ 9,382	\$ 9,292		
RECOVERIES									
Commercial, Financial and Agricultural	\$ 103	\$ 176	\$ 59	\$ 41	\$ 83	\$ 379	\$ 277		
Real Estate - Construction	3	-	-	-	-	3	2		
Real Estate - Commercial	33	5	19	204	16	261	52		
Real Estate - Residential	28	88	23	37	34	176	253		
Real Estate - Home Equity	17	59	37	24	17	137	226		
Consumer	352	405	313	410	433	1,480	1,936		
Overdrafts	298	288	342	353	442	1,281	1,824		
Total Recoveries	\$ 834	\$ 1,021	\$ 793	\$ 1,069	\$ 1,025	\$ 3,717	\$ 4,570		
NET CHARGE-OFFS (RECOVERIES)	\$ 1,670	\$ 1,262	\$ 1,239	\$ 1,494	\$ 1,562	\$ 5,665	\$ 4,722		
Net Charge-Offs as a % of Average Loans HFI ⁽²⁾	0.25%	0.19%	0.18%	0.22%	0.23%	0.21%	0.18%		
CREDIT QUALITY									
Nonaccruing Loans	\$ 6,302	\$ 6,592	\$ 5,515	\$ 6,798	\$ 6,242				
Other Real Estate Owned	367	650	650	1	1				
Total Nonperforming Assets ("NPAs")	\$ 6,669	\$ 7,242	\$ 6,165	\$ 6,799	\$ 6,243				
Past Due Loans 30-89 Days	\$ 4,311	\$ 9,388	\$ 5,672	\$ 5,392	\$ 6,855				
Classified Loans	19,896	25,501	25,566	22,305	22,203				
Nonperforming Loans as a % of Loans HFI	0.24%	0.25%	0.21%	0.25%	0.23%				
NPAs as a % of Loans HFI and Other Real Estate	0.25%	0.27%	0.23%	0.25%	0.23%				
NPAs as a % of Total Assets	0.15%	0.17%	0.15%	0.16%	0.15%				

⁽¹⁾ Recorded in other liabilities

⁽²⁾ Annualized

CAPITAL CITY BANK GROUP, INC.
AVERAGE BALANCE AND INTEREST RATES
Unaudited

	Fourth Quarter 2024			Third Quarter 2024			Second Quarter 2024			First Quarter 2024	
(Dollars in thousands)	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest
ASSETS:											
Loans Held for Sale	\$ 31,047	\$ 976	7.89%	\$ 24,570	\$ 720	7.49%	\$ 26,281	\$ 517	5.26%	\$ 27,314	563
Loans Held for Investment ⁽¹⁾	2,677,396	40,521	6.07	2,693,533	40,985	6.09	2,726,748	40,683	6.03	2,728,629	40,196
Investment Securities											
Taxable Investment Securities	914,353	4,688	2.04	907,610	4,148	1.82	918,989	3,998	1.74	952,328	4,239
Tax-Exempt Investment Securities ⁽¹⁾	849	9	4.31	846	10	4.33	843	9	4.36	856	9
Total Investment Securities	915,202	4,697	2.04	908,456	4,158	1.82	919,832	4,007	1.74	953,184	4,248
Federal Funds Sold and Interest Bearing Deposits	298,255	3,596	4.80	256,855	3,514	5.44	262,419	3,624	5.56	140,488	1,893
Total Earning Assets	3,921,900	\$ 49,790	5.05%	3,883,414	\$ 49,377	5.06%	3,935,280	\$ 48,831	4.99%	3,849,615	\$ 46,900
Cash and Due From Banks	73,992			70,994			74,803			75,763	
Allowance for Credit Losses	(30,107)			(29,905)			(29,564)			(30,030)	
Other Assets	293,884			291,359			291,669			295,275	
Total Assets	\$4,259,669			\$4,215,862			\$4,272,188			\$4,190,623	
LIABILITIES:											
Noninterest Bearing Deposits	\$1,323,556			\$1,332,305			\$1,346,546			\$1,344,188	
NOW Accounts	1,182,073	\$ 3,826	1.29%	1,145,544	\$ 4,087	1.42%	1,207,643	\$ 4,425	1.47%	1,201,032	\$ 4,497
Money Market Accounts	422,615	2,526	2.38	418,625	2,694	2.56	407,387	2,752	2.72	353,591	1,985
Savings Accounts	504,859	179	0.14	512,098	180	0.14	519,374	176	0.14	539,374	188
Time Deposits	167,321	1,235	2.94	163,462	1,262	3.07	160,078	1,226	3.08	138,328	924
Total Interest Bearing Deposits	2,276,868	7,766	1.36	2,239,729	8,223	1.46	2,294,482	8,579	1.50	2,232,325	7,594
Total Deposits	3,600,424	7,766	0.86	3,572,034	8,223	0.92	3,641,028	8,579	0.95	3,576,513	7,594
Repurchase Agreements	28,018	199	2.82	27,126	221	3.24	26,999	217	3.24	25,725	201
Other Short-Term Borrowings	6,510	83	5.06	2,673	52	7.63	6,592	68	4.16	3,758	39
Subordinated Notes Payable	52,887	581	4.30	52,887	610	4.52	52,887	630	4.71	52,887	628
Other Long-Term Borrowings	794	11	5.57	795	11	5.55	258	3	4.31	281	3
Total Interest Bearing Liabilities	2,365,077	\$ 8,640	1.45%	2,323,210	\$ 9,117	1.56%	2,381,218	\$ 9,497	1.60%	2,314,976	\$ 8,465
Other Liabilities	73,130			73,767			72,634			68,295	

Total Liabilities	3,761,763		3,729,282		3,800,398		3,727,459
Temporary Equity	6,763		6,443		6,493		7,150
SHAREOWNERS' EQUITY:	491,143		480,137		465,297		456,014
Total Liabilities, Temporary Equity and Shareowners' Equity	<u>\$4,259,669</u>		<u>\$4,215,862</u>		<u>\$4,272,188</u>		<u>\$4,190,623</u>
Interest Rate Spread	\$ 41,150	3.59%	\$ 40,260	3.49%	\$ 39,334	3.38%	\$ 38,435
Interest Income and Rate Earned ⁽¹⁾	49,790	5.05	49,377	5.06	48,831	4.99	46,900
Interest Expense and Rate Paid ⁽²⁾	8,640	0.88	9,117	0.93	9,497	0.97	8,465
Net Interest Margin	\$ 41,150	4.17%	\$ 40,260	4.12%	\$ 39,334	4.02%	\$ 38,435

⁽¹⁾ Interest and average rates are calculated on a tax-equivalent basis using a 21% Federal tax rate.

⁽²⁾ Rate calculated based on average earning assets.

For Information Contact:

Jep Larkin

Executive Vice President and Chief Financial Officer

850.402. 8450



Source: Capital City Bank Group

CAPITAL CITY BANK PROCESSING SCHEDULE MARCH 03, 2025

All cut-off times are in Eastern Time.

Capital City Bank OnLine Banking

Internal Transfers	10:00 pm
Capital City Bank Client to Client Transfers	10:00 pm
Stop Payments	10:00 pm
Mobile Deposits	8:00 pm
Bill Payments	3:00 pm
Standard File ACH Origination*	4:00 pm
Same-Day ACH Credit Entries (if offered by the Bank) 5:00 pm settlement	1:00 pm
Same Day ACH Debit Entries (if offered by the Bank) 5:00 pm settlement	1:00 pm
Wire Transfer Origination	5:00 pm
Positive Pay Exception Item Decision deadline	1:00 pm
ACH Exception Item Decision deadline	1:00 pm

*The cut-off for standard credit files is 4:00 pm ET **two business days** prior to the settlement date. Files received one business day prior to the settlement date will be processed on a best effort basis and as set forth in the Treasury Management Services Booklet.

Remote Deposit Capture

Deposits	8:00 pm
Deposits received after 8:00 pm	Next business day by 8:00 pm

Lockbox Services

Deposited items and documents available for viewing	4:00 pm
1 st US Mail pick up	2:00 am
2 nd US Mail pick up	4:30 am
3 rd US Mail pick up	7:30 am
In-House Courier pick up	11:00 am
Deposits Credited	Same Business Day



STATE OF FLORIDA
Office of the Chief Financial Officer
Division of Treasury
Bureau of Collateral Management

CERTIFICATE OF QUALIFIED PUBLIC DEPOSITORY
UNDER THE FLORIDA SECURITY FOR
PUBLIC DEPOSITS ACT

This is to certify that

CAPITAL CITY BANK
217 North Monroe Street
Tallahassee, FL 32301

has fully qualified as a public depository pursuant to Chapter 280, Florida Statutes, otherwise known as the Florida Security for Public Deposits Act. As such, said bank or savings association is hereby designated to receive public deposits, as defined in Subsection 280.02(13), Florida Statutes.

Given under my hand this 15th day of August 2024.

A handwritten signature in blue ink, appearing to be "Z. J. [unclear]", is written over a horizontal line.

CHIEF FINANCIAL OFFICER, STATE OF FLORIDA

**SWORN STATEMENT PURSUANT TO SECTION 287.133(3) (A), FLORIDA STATUTES,
ON PUBLIC ENTITY CRIMES**

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. THIS SWORN STATEMENT IS SUBMITTED TO the City of Inverness, Florida

By Michele Pellino, Institutional Banking AVP
(Print Individual's Name and Title)

For Capital City Bank
(Print Name of Entity Submitting Sworn Statement)

Whose business is Florida State Chartered Bank

And (if applicable) its Federal Employer Identification Number (FEIN) is 59-2273542

2. I understand that a "public entity crime" as defined in Paragraph 287.133 (1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1) (b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Paragraph 287.133(1) (a), Florida Statutes, means:
1. A predecessor or successor of a person convicted of a public entity crime; or
 2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Paragraph 287.133(1) (e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provisions of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners,

shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (Indicate which statement applies)

☒ Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity, nor any affiliates of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

☐ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

☐ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (Attach a copy of the final order)

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR A CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.


(Signature)

Sworn and subscribed before me this 3rd day of March, 2025.

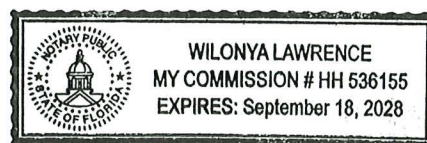
Personally known ☒

(Notary) 
OR produced identification

(Type of Identification)

Notary Public State of Florida

My commission expires: Sept 18, 2028



DRUG-FREE WORKPLACE CERTIFICATION

A. The below Financial Institution certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violation of such prohibition.
- (b) Establishing an on-going drug-free awareness program to inform employees about:
 - (1) The dangers of drug abuse in the workplace.
 - (2) The employer's policy of maintaining a drug-free workplace.
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs, and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- (c) Making it a requirement that each employee to be engaged in the performance of this contract be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under this contract, the employee will:
 - (1) Abide by the terms of the statement; and
 - (2) Notify the Employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the City, in writing, within 10 calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Consultants of convicted employees must provide notice, including position and title to: City Manager, City of Inverness, Florida, and 212 W. Main Street, Inverness, FL 34450
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is convicted.
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended, or
 - (2) Requiring such employee to participate satisfactorily in drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency.
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B. The Financial Institution may insert in the space provided below the site(s) for the performance of work done in connection with the specific contract:

Place of performance (street address, city, county, state, zip code)

217 North Monroe Street

Tallahassee, Florida 32301

Check [] if there are workplaces on file that are not identified here.

As a duly authorized representative of the Financial Institution, I hereby certify that the Financial Institution will comply with the above certifications.

Capital City Banking Group

Financial Institution

Michele Pellino, Institutional Banking AVP

Printed Name and Title of Authorized Representative



Signature

March 7, 2025

Date

Agenda Memorandum - *City of Inverness*

March 18, 2025

TO: Elected Officials
FROM: Rob Pell, Assistant Public Works Director
SUBJECT: Traffic Calming Improvements Ella Avenue and Zephyr Street
CC: Eric Williams, City Manager, Susan Jackson, City Clerk, Frank Calascione,
Assistant City Manager

Enclosures:

As Council is aware, the widening of US41 North included the permanent closure of multiple City road outlets onto that highway. The situation created new traffic patterns resulting in more frequent accidents at the intersection of Ella Avenue and Zephyr Street. The City tasked Lochner Engineering with developing certain interim traffic-calming measures for both Ella Avenue and Zephyr Street. These measures will address driver speeds and raise awareness of the intersection in an effort to increase public safety.

However, the City will maintain focus on this intersection for additional treatments as the highway project becomes fully complete and operational. This will be part of future CIP planning and consideration. This evening Council will receive an update and no formal action is required to proceed.

Recommended Action - Verbal Update - No Action Required

If you wish to discuss this further, please contact me at your convenience.

Eric C. Williams
City Manager

Agenda Memorandum - ***City of Inverness***

March 18, 2025

TO: Elected Officials

FROM:

SUBJECT: Project and Program Updates

- Liberty Park Boardwalk Rehab
- Pine St. Stormwater and Parking Lot Improvements
- Turner Camp - Middle School Traffic
- Recap of recent events
- Upcoming events
- Other

CC:

Enclosures:
