

EXHIBIT B

SECURITY PROCEDURES

The terms and conditions for the Security Procedures described in this Exhibit B to the BOB Agreement supplement the Silvergate Bank Cash Management and Treasury Services Agreement (the "CMTS Agreement") entered into between the Bank and Customer. In the event there are any conflicts between this Exhibit B and the CMTS Agreement, or between this Exhibit B and the Wire Transfer Agreement, the terms and conditions of this Exhibit B will control to the extent of the inconsistency. Except as provided in this Exhibit B, those Customers who have executed the Wire Transfer Agreement and conduct transfers through the Business Online Banking System ("System") will be subject to the terms of the CMTS Agreement for those transfers.

Unless otherwise defined herein, capitalized terms in this Exhibit B have the meanings provided in the CMTS Agreement.

1. **Applicability of Security Procedures.** Depending on the Services that Customer is authorized by the Bank to use, a different combination of Security Procedures will be implemented for transactions initiated by Customer. While the Security Procedures described below are those that the Bank intends and agrees to use under the CMTS Agreement and Wire Transfer Agreement for transactions conducted through the System, Bank reserves the right to implement and use other Security Procedures at any time and from time to time as it determines in its sole discretion.

(a) Customers of the Bank who have entered into the CMTS Agreement with the Bank will be subject to Section 2 below.

(b) Customers enrolled in the Wire Transfer Service and/or ACH Service, in addition to being subject to Section 2, will also be subject to the additional Security Procedures described in Section 3 below for both accessing the System and again when using the Wire Transfer Service or ACH Service, and must sign the "Acknowledgement for One Time Passcode Delivery Method" form found at the end of this Exhibit B.

(c) Customers enrolled in the Wire Transfer Service, in addition to being subject to Sections 2 and 3, will also be subject to Section 4 below and required to sign the "Acknowledgement for One Time Passcode Delivery Method" form found at the end of this Exhibit B.

2. **Security Procedures for all Services.** Customer agrees that the Bank will use the Security Procedures described in this Exhibit B for Customer to access the System as well as to verify the authenticity of requests for transactions made through the following Services as defined in the CMTS Agreement: (i) Wire Transfer Service; (ii) ACH Service; and (iii) any additional Services that Customer may be authorized by the Bank to use and for which the Bank determines Security Procedures are necessary.

"Security Procedures" means the codes consisting of a combination of any of the following as may be required by the Bank (individually a "Credential" and collectively "Credentials"): (i) user identification ("User ID"); (ii) password selected by Customer ("Password"); (iii) secret codes shared only between Customer and the Bank; (iv) a one-time use passcode which expires within a short period of time ("One Time Passcode"); and (v) any other additional authentication tool or method offered or required by the Bank in order to verify Customer's identity. Bank will designate the Credentials or combination of Credentials that are to be used by Customer to access the System. The use of One Time Passcodes will be subject to Section 3 below.

Customer acknowledges and agrees that based upon a consideration of all circumstances, whether known or unknown to the Bank (including without limitation the wishes of Customer expressed to the Bank, alternative security procedures offered to Customer, security procedures in general use by customers and receiving banks similarly situated, and the size, type and frequency of payment orders normally issued by Customer to the Bank), the Security Procedures offered by the Bank to Customer are commercially reasonable. Customer must notify the Bank by phone at 858-362-3317 if Customer determines that the Security Procedures are no longer commercially reasonable in light of Customer's actual usage of the Services and transactions conducted thereunder.

These Security Procedures may be amended, modified, or replaced by the Bank at any time upon prior notice to Customer.

3. **Additional Security Procedures for Wire Transfer Service and ACH Service.** Customers who utilize the Wire Transfer Service or the ACH Service, as described in Sections 12 and 13 of Part B of the CMTS Agreement, will be required to utilize a One Time Passcode by selecting one of the options provided below. A One Time Passcode may be required upon logging into the System and again for each transfer requested.

(a) **One Time Passcode Delivery Method.** Customer has the option of selecting either of the following methods to receive One Time Passcodes by completing and executing the "Acknowledgement for One Time Passcode Delivery Method" form found at the end of this Exhibit B:

(i) **Hardware Token.** A physical device that is used to generate a One Time Passcode;
or

(ii) **Out of Band Authentication.** A One Time Passcode delivered via SMS/text message or entered into a touch tone phone in response to a call initiated by the Bank.

(b) **Fees and Handling of Secured Tokens.** The Out of Band Authentication method for delivery of One Time Passcodes will be provided to the Customer free of charge. Customer will be charged for any Hardware Tokens provided to Customer as described in the Bank's Business Schedule of Fees and Charges, including additional Hardware Tokens to replace lost or stolen Hardware Tokens.

Hardware Tokens may not be transferred to any other party without advance written approval by the Bank. Customer agrees to return all Hardware Tokens to Bank upon termination of the Wire Transfer Service or ACH Service. Customer further agrees that the Customer's deposit account indicated below will be charged the fees as described in the Bank's Business Schedule of Fees and Charges for each Hardware Token not returned to Bank upon termination of the Wire Transfer Service or ACH Service.

(c) **Customer's Additional Liability for Unauthorized Transactions Conducted with One Time Passwords.** In addition to Customer's liability for unauthorized transactions as described in the CMTS Agreement and the Wire Transfer Agreement entered into between the Bank and Customer, and for avoidance of doubt, Customer agrees that Customer will be liable for any unauthorized transactions that occur as a result of a lost, stolen or otherwise compromised (collectively "compromised") One Time Password Delivery Methods from the time the One Time Password Delivery Method was compromised to the time the Bank has had a reasonable time to respond to a report by Customer of the compromised One Time Password Delivery Method. Customer agrees to report a compromised One Time Password Delivery Method immediately by contacting the Bank by phone at 858-362-3317.

(d) **Acknowledgment for One Time Passcode Delivery Method.** If Customer is requesting approval to use One Time Passcodes, which must be obtained to use the Wire Transfer Service and ACH Service, the "Acknowledgment for One Time Passcode Delivery Method" form found at the end of this Exhibit B must be completed and executed.

4. **Additional Callback Procedures for Wire Transfer Service.** In addition to the Security Procedures described above for the Wire Transfer Service available through the System, the Bank retains the right to conduct a callback verification in order to ensure the authenticity of any instruction made to the Bank by Customer for a wire transfer request (“Wire Transfer Order”).

(a) **Circumstances for Callbacks.** The Bank retains the right to conduct a callback verification to the individuals listed in the form titled “Authorized Individuals for Callbacks” found near the end of this Exhibit B in the following circumstances:

(i) The Wire Transfer Order exceeds \$5,000.

(ii) The Bank determines in its sole discretion that a callback is prudent to verify the identity of the individual initiating the Wire Transfer Order or to verify that the Wire Transfer Order is made within the scope of such individual’s authority to act on behalf of Customer.

(b) **No Obligation to Use Callback Procedures.** Customer agrees that the Bank is not required to use the callback procedures described in paragraph 4(a) above and that it is the Bank’s decision to be made in its sole discretion to use or not use such callback procedures with regards to any Wire Transfer Order.

<u>Authorized Individuals for Callbacks</u>		
The Customer agrees that the following individuals (as listed by the Customer or prefilled by the Bank) are authorized to receive, in accordance with Section 4(a) above, callbacks from the Bank to the individual’s corresponding phone number:		
Name and Title	Phone Number	Password
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Acknowledgement for Wire Transfer and ACH Origination Approval settings:

Number of Approvals required for transmission (select one):
 one (1)
 two (2)
 three (3)

Can a user entering a Wire Transfer or ACH approve their own transaction?:
 Yes
 No

Acknowledgement for One Time Passcode Delivery Method (note that only one type can be selected):

Hardware Tokens

Number of Hardware Tokens requested: _____

Amount owed for Hardware Tokens \$_____

Out of Band Authentication via SMS/Text or Phone Call

The online banking System Administrator designated by the Customer is responsible for updating phone numbers used for Out of Band Authentication.

The Bank may restrict this method of delivery for Customers electing to allow a single System user to submit and approve a transaction.

Customer agrees to abide by the terms and conditions described in this Exhibit B as well as in the CMTS Agreement with respect to each Hardware Token provided to Customer. Customer agrees that the Settlement Account (demand deposit account) you have designated in your System Enrollment will be used by the Bank to collect any fees owned by Customer to the Bank under this Exhibit B. If for any reason the Settlement Account is closed or has insufficient funds then Customer agrees that the Bank may charge any other deposit account of Customer held at the Bank for any fees owned by Customer to the Bank under this Exhibit B.

Customer Name: _____

By _____

Name: _____

Title: _____

Date: _____