

**ELECTRONIC FUND TRANSFERS
YOUR RIGHTS AND RESPONSIBILITIES**

The Electronic Fund Transfers we are capable of handling for consumers are indicated below, some of which may not apply to your account. Some of these may not be available at all terminals. Please read this disclosure carefully because it tells you your rights and obligations for these transactions. You should keep this notice for future reference.

TYPES OF TRANSFERS, FREQUENCY AND DOLLAR LIMITATIONS

X (a) Prearranged Transfers.

- X Preauthorized credits. You may make arrangements for certain direct deposits to be accepted into your
 - X checking and/or X savings account(s).
- X Preauthorized payments. You may make arrangements to pay certain recurring bills from your X checking and/or
 - .. savings account(s).

X (b) Telephone Transfers. You may access your account(s) by telephone at (831) 600-4000 *

- using a touch tone phone, your account numbers, and _____ to:
- X Transfer funds from checking to savings
 - X Transfer funds from savings to checking
 - X Transfer funds from checking to checking
 - X Transfer funds from line of credit to checking
 - X Make payments from checking to loan accounts with us
 - .. Make payments from _____ to _____
 - .. Make payments from _____ to _____
 - X Get checking account(s) information
 - X Get savings account(s) information
 - X Get loan account(s) Information
- X *Telephone transactions are conducted with bank employees.

X (c) ATM Transfers. You may access your account(s) by ATM using your MasterCard Debit Card

- _____ and personal identification number to:
- .. Make deposits to checking accounts
 - .. Make deposits to savings accounts
 - X Get cash withdrawals from checking accounts you may withdraw no more than \$500.00 per day
 - .. Get cash withdrawals from savings accounts you may withdraw no more than _____ per _____
 - .. Transfer funds from savings to checking
 - .. Transfer funds from checking to savings
 - .. Transfer funds from _____ to _____
 - .. Make payments from checking account to _____

- .. Make payments from _____ to _____
- X Get checking account(s) information
- .. Get savings account(s) information
- X \$500.00 per business day is a combined total for all accounts.
- X Bank uses business day, not calendar day.

X (d) Point-Of-Sale Transactions.

- Using your card:
- X You may access your X checking account
 - .. _____ account(s) to purchase goods (X in person, X by phone, X by computer), pay for services (X in person, X by phone, X by computer), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.
 - X You may not exceed more than \$1,500.00 in transactions per business day.

X (e) Computer Transfers. You may access your account(s) by computer by N/A

- www.lighthousebank.net through Lighthouse Online and using your User ID and password to:
- X Transfer funds from checking to savings
 - X Transfer funds from savings to checking
 - X Transfer funds from checking to checking
 - .. Transfer funds from _____ to _____
 - X Make payments from checking to loan accounts with us
 - X Make payments from savings to loan accounts with us
 - .. Make payments from _____ to _____
 - X Get checking account(s) information
 - X Get savings account(s) information
 - X Get loan account(s) information

X (f) **Mobile Banking Transfers.** You may access your account(s) by web-enabled cell phone by _____ going to m.lighthousebank.net or by an APP and using your mobile device

_____ to:

- X Transfer funds from checking to savings
- X Transfer funds from savings to checking
- X Transfer funds from checking to checking to _____

.. Transfer funds from _____ to _____

- X Make payments from checking to loan accounts with us
- X Make payments from savings to loan accounts with us

.. Make payments from _____ to _____

- X Get checking account(s) information
- X Get savings account(s) information
- X Get loan account information

.. _____

.. _____

X This is a consumer/retail product only and does not apply to business clients.

X You may be charged access fees by your cell phone provider based on your individual plan. Web access is needed to use this service. Check with your cell phone provider for details on specific fees and charges.

X (g) **Electronic Fund Transfers Initiated By Third Parties.** You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print

the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and financial institution information. This information can be found (on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your financial institution and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

X **Electronic check conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills. You may:

.. Not exceed more than _____ payments by electronic check per _____ .

.. Make payments by electronic check from _____ . Payments are limited to _____ per _____ .

X **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic fund transfer to collect a charge in the event a check is returned for insufficient funds. You may:

.. Make no more than _____ payments per _____ for electronic payment of charges for checks returned for insufficient funds.

.. Make electronic payment of charges for checks returned for insufficient funds from _____ . Payments are limited to _____ per _____ .

.. _____

GENERAL LIMITATIONS

In addition to those limitations on transfers elsewhere described, if any, the following limitations apply:

X Transfers or withdrawals from a Money Market or Savings account to another account of yours or to a third party by means of a preauthorized or automatic transfer or telephone order or instruction, computer transfer, or by check, draft, debit card or similar order to a third party, are limited to six (6) per month .

If you exceed the transfer limitations set forth above, your account shall be subject to closure.

LHB does not allow ATM withdrawals or one-time point of sale transactions if there are not available funds in your account at the time of the transaction authorization. We reserve the right to return ATM withdrawals or one-time point of sale transactions if your account becomes overdrawn and the merchant did not obtain proper authorization before processing the transaction(s) as well as pre-authorized transactions that may overdraw your account.

FEES

We charge _____ each _____ to our customers whose accounts are set up to use _____.

We charge _____ each _____ but only if the _____ balance in the _____ falls below _____ during the _____.

Except as indicated above, we do not charge for Electronic Fund Transfers.

ATM Operator/Network Fees: When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

DOCUMENTATION

(a) **Terminal Transfers.** You can get a receipt at the time you make a transfer to or from your account using a(n)

- automated teller machine
- point-of-sale terminal.

You may not get a receipt if the amount of the transfer is \$15 or less.

(b) **Preauthorized Credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at the telephone number listed below to find out whether or not the deposit has been made.

(c) **In addition,**

You will get a monthly account statement from us, unless there are no transfers in a particular month. In any case you will get a statement at least quarterly.

You will get a quarterly statement from us on your savings account if the only possible electronic transfer to or from the account is a preauthorized credit.

If you bring your passbook to us, we will record any electronic deposits that were made to your account since the last time you brought in your passbook.

PREAUTHORIZED PAYMENTS

(a) **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how:

Call or write us at the telephone number or address listed in this disclosure, in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

We charge \$20.00 for each stop payment.

(b) **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

(c) **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

FINANCIAL INSTITUTION'S LIABILITY

(a) **Liability for failure to make transfers.** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- } If, through no fault of ours, you do not have enough money in your account to make the transfer.
- } If the transfer would go over the credit limit on your overdraft line.
- } If the automated teller machine where you are making the transfer does not have enough cash.
- } If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- } If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- } There may be other exceptions stated in our agreement with you.

CONFIDENTIALITY

We will disclose information to third parties about your account or the transfers you make:

- (1) where it is necessary for completing transfers; 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.
 as explained in the separate Privacy Disclosure.

UNAUTHORIZED TRANSFERS

(a) Consumer Liability.

Generally, Tell us at once if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). You can lose no more than \$50 if someone used your card and/or code without your permission, and, either:

- (i) your card can be used to initiate a transaction without a PIN or other personal identification number, or
- (ii) you tell us within 2 business days after you learn of the loss or theft of your card and/or code. If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time period.

Visa, Debit Card. Additional Limits on Liability for _____

Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Visa card. This additional limit on liability does not apply to ATM transactions outside of the U.S., to ATM transactions not sent over Visa or Plus networks, or to transactions using your Personal Identification Number which are not processed by Visa. Visa is a registered trademark of Visa International Service Association.

X MasterCard, Debit Card. Additional Limits on Liability for MasterCard Debit Card

You will not be liable for any unauthorized transactions using your MasterCard debit card if: (i) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, and (ii) upon becoming aware of a loss or theft, you promptly report the loss or theft to us. MasterCard is a registered trademark of MasterCard International Incorporated.

If you fail to notify us because of extenuating circumstances beyond your control that contributed to your delay in notifying us, such as a serious physical impairment or hospitalization, this time period may be extended.

X Lighthouse Bank defines promptly as a transaction that appears on a periodic statement within 60 days of our transmittal of the statement.

FOR ADDITIONAL INFORMATION VISIT:

www.mastercard.com/zeroliability

If you fail to notify us because of extenuating circumstances beyond your control that contributed to your delay in notifying us, such as a serious physical impairment or hospitalization, this time period may be extended.

(b) Contact in event of unauthorized transfer. If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed at the end of this disclosure. You should also call the number or write to the address listed at the end of this disclosure if you believe a transfer has been made using the information from your check without your permission.

ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed below, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and account number (if any).
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (5 business days if involving a Visa, point-of-sale transaction processed by Visa or 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days if involving a Visa point-of-sale transaction processed by Visa or 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. An account is considered a new account for 30 days after the first deposit is made, if you are a new customer.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

By signing below customer acknowledges receipt of pages 1, 2, 3, 4 and 5 of this notice.

Signed _____

Dated _____

INSTITUTION (name, address, telephone number, business days)

Lighthouse Bank
111 Mission Street
Santa Cruz, CA 95060

(831) 600-4000

Mailing Address:

Lighthouse Bank
P. O. Box 8317
Santa Cruz, CA 95061-8317

Business Days:

Monday - Thursday 9:00am - 5:00 pm
Friday 9:00am - 6:00 pm
Excluding Federal Holidays
Closed Saturday and Sunday

ADDITIONAL INFORMATION:

Lighthouse Bank will waive the first 10 ATM surcharges per calendar month on your MasterCard Debit Card.

For information regarding benefits associated with your debit card, specific to identity theft, please visit:
<http://www.mastercard.us/guide-to-benefits-2014/pdf/idtheftassisted.pdf>

OR

For a guide to your MasterCard Debit Card Benefits, visit
<http://www.mastercard.us/guide-to-benefits-2014/>