



External Funds Transfer Agreement

ACCEPTANCE OF TERMS

This Agreement sets out the terms and conditions (Terms) upon which Lighthouse Bank (Bank) will provide the ability to perform external funds transfers and serves as a legally binding agreement between you and the Bank. When you click on the "I Agree" button, you are accepting the Terms, including any amendments to this Agreement or any changes in the Terms. The act of selecting the aforementioned radio button not only indicates your acceptance but also serves as your electronic signature which has the same legal effect as your hand written signature. If you do not accept and agree to all of the Terms, you will not be entitled to use the external funds transfer feature. The Bank reserves the right to change the Terms, under which the external funds transfer feature is offered at any time; however, the Bank will notify you of any material change to the Terms. In most cases, you will receive the notice on-line the next time you log in; however, the Bank reserves the right to notify you by e-mail or by conventional mail, at its discretion. You agree that if you continue to use the external funds transfer feature after we notify you of any change, you thereby accept the changes to the Terms and agree to be bound by this Agreement, as amended. You can review, download and print the most current version of this Agreement at any time <https://lighthousebank.net>. If at any time you wish to discontinue using the external funds transfer, you can unsubscribe by calling us at 1-831-600-4060. If your Bank account associated with an external transfer has been closed you will have no further right or access to use this feature.

TERMS AND CONDITIONS

Information Authorization

If you request external transfer limits in excess of the \$2,500 per day or \$10,000 per month you authorize the Bank to obtain information about your credit history from a consumer reporting agency. The Bank will obtain and use your credit information only in accordance with the Fair Credit Reporting Act and other applicable law. We may approve or decline your request based upon our review of your consumer report. If we deny your request, you may contact the Bank to obtain a free copy of your consumer report. In addition to obtaining a consumer report, the Bank reserves the right to obtain such additional information as we deem reasonably necessary to insure that you, or persons to whom you may transfer funds, are not using the external transfer feature in violation of law, including, but not limited to, laws and regulations designed to prevent "money laundering" or the transfer of funds to or from persons or organizations whose accounts are blocked under regulations of the Office of Foreign Asset Control (OFAC) of the United States Treasury Department.

When you initially set up an external transfer we will verify ownership of your accounts at the other bank. You authorize us to validate your ownership through the use of a test transfer, in which one or more low value payments will be credited or debited from your account at the other bank. Once the test transfer is complete you must access the account at the other bank to retrieve the small dollar test transactions. Once retrieved you must verify the transactions by entering the values within the Bank's consumer internet banking application. External transfers will not be established until the small dollar test transactions are verified.

Accounts

By using the external transfer feature, you represent and warrant to the Bank that you have the right to authorize external transfers between accounts that you own at the Bank as well as the other bank, and you are not violating any third party rights. You warrant and represent that the information you are providing us with is true, current, correct and complete. You hereby authorize the Bank to use information submitted by you to facilitate external transfers.

YOU ACKNOWLEDGE AND AGREE THAT WHEN **LIGHTHOUSE BANK** IS EXECUTING AN EXTERNAL FUNDS TRANSFER FROM OR TO ANY OF YOUR OR A RECIPIENT'S ACCOUNTS, **LIGHTHOUSE BANK** IS ACTING AS YOUR AGENT, AND NOT AS THE AGENT OR ON BEHALF OF ANY THIRD PARTY.

YOU AGREE THAT WE SHALL NOT BE LIABLE FOR ANY COSTS, FEES, LOSSES OR DAMAGES OF ANY KIND INCURRED AS A RESULT OF (1) OUR ACCESS TO THE ACCOUNTS; (2) OUR ABILITY OR INABILITY TO DEBIT AND/OR CREDIT THE ACCOUNTS IN ACCORDANCE WITH YOUR FUNDS TRANSFER INSTRUCTIONS; (3) ANY INACCURACY, INCOMPLETENESS OR MISINFORMATION CONTAINED IN THE INFORMATION RETRIEVED FROM THE ACCOUNTS; (4) ANY CHARGES IMPOSED BY OTHER FINANCIAL INSTITUTIONS AND (5) ANY FUNDS TRANSFER LIMITATIONS SET BY THE FINANCIAL INSTITUTIONS OR OTHER PROVIDERS OF THE ACCOUNTS.

Electronic Communications

A. The external funds transfer feature is an electronic, Internet based-service. Therefore, you understand and agree that this Agreement will be entered into electronically, and that the following categories of information ("Communications") may be provided by electronic means:

- This Agreement and any amendments, modifications or supplements to it.
- Your records of external funds transfers, including without limitation confirmations of individual transactions.
- Any initial, periodic or other disclosures or notices provided in connection with external funds transfers, including without limitation those required by federal or state law.
- Any customer service communications, including without limitation communications with respect to claims of error or unauthorized use of external funds transfers.
- Any other communication related to the Service.

Although the Bank reserves the right to provide Communications in paper format at any time, you agree that we are under no obligation to do so. All Communications in either electronic or paper format will be considered to be "in writing." You should print a paper copy of this Agreement and retain the

copy for your records.

- B. You agree to update your contact information and alerts within internet banking if your e-mail address or other information changes.
- C. Communications may be posted on applicable web pages within the Bank's internet banking application or delivered to the e-mail address you provide. Any electronic Communication sent by e-mail will be deemed to have been received by you when it was sent, whether or not you received the e-mail. An electronic Communication by e-mail is considered to be sent at the time that it is directed by the e-mail server to the appropriate e-mail address. If the Communication is posted on a web page within the Bank's internet banking, then it will be deemed to have been received by you no later than five (5) business days after it has been posted. An electronic Communication made by posting to web pages within the Bank's internet banking application is considered to be sent at the time it is publicly available. You agree that these are reasonable procedures for sending and receiving electronic Communications.

Liability

You agree to notify the Bank AT ONCE if you identify unauthorized external funds transfers or if your password has been lost or stolen. You can see a complete statement of all your funds transfers affected or pending at any time under the Account Detail option within internet banking. If your statement shows transfers that you did not make, notify the Bank AT ONCE.

Business Days

The external funds transfer feature will process requests for transfers on business days. Our business days are Monday through Friday. External transfers created after 1 PM PST are considered to occur on the next business day. Holidays and Bank Holidays are not included.

Types of Transfers

External funds transfers can be between accounts at the Bank and other financial Institutions. You may transfer funds externally between any two of your accounts about which you have provided the necessary information to initiate and complete an external funds transfer. External funds transfer may not be available at all times. The Bank may from time to time make available additional or new features. You will be approved or declined for any such additional service at the Bank's sole discretion and additional terms and conditions may apply. Please ensure that you have sufficient funds to affect any external funds transfers from your Accounts. The Bank may at any time decline to affect any external funds transfers where we have been unable to verify account ownership or where we believe it may violate applicable law.

Fees

A \$3.00 fee will be assessed on each outgoing (*Transfer To*) transfers and a \$1.00 fee for each incoming (*Transfer From*) transfers.

Frequency of Transfers

The Bank does not limit the number of external funds transfers you may make; however, you may not make external funds transfers in excess of the number allowed by federal regulations and the rules governing the applicable accounts. (Please refer to the Lighthouse Bank Account Agreement and Truth in Savings Disclosure for "Limits on Electronic Payments and Telephone or Internet Transfers and Debit Card Transactions.") We may from time to time for security and risk management reasons modify the limit on the number of transfers you can make using our the external funds transfer feature.

Dollar Amount of Transfers

For security reasons, the Bank has established limits on the amount of funds that can be transferred via External Transfers. External Transfers where funds are transferred either from or into your Lighthouse Bank account are limited to **\$2,500 per day and \$10,000** in aggregate per calendar month. We reserve the right to change your External Transfer dollar limit at any time. If we decrease the dollar limit, we will notify you as required by law, but we may not notify you if we are restricting your transfer limits for security purposes or because of excessive overdrafts to your Lighthouse Bank account.

When you initiate an External Transfer from your account at another Financial Institution (FI) to your Lighthouse Bank account, you are initiating an ACH debit transfer to your external account and a corresponding credit to your Lighthouse Bank account. It may take up to three business days for an External Transfer you initiate to be received into your account.

Transfers subject to the Rules of the Accounts

External funds transfers are also subject to the rules and regulations governing the related accounts. You agree not to affect any external funds transfers from or to accounts that are not allowed under the rules or regulations applicable to such accounts including, without limitation, rules or regulations designed to prevent the transfer of funds in violation of OFAC regulations.

Rejection of Transfers

The Bank reserve the rights to decline any funds transfer requests, to submit funds transfer instructions or orders, to cancel funds transfer requests, or to carry out change or cancellation requests initiated by you.

Authorization

You authorize the Bank to select any means to execute your external funds transfer instructions. You understand that to affect your external funds transfer instructions, the Bank utilizes the Automated Clearing House (ACH) and follows the applicable ACH Rules. If an external funds transfer is returned by the other financial institution, the Bank will charge your account and/or other accounts owned by you at the Bank for either the entire or a portion of the amount returned. We reserve the right to resubmit the entire dollar amount or a portion of the aforementioned transaction to the other financial institution based upon the reason for the return. You understand there may be a fee associated with such collection imposed by the other financial institution. You understand and agree that the Bank may impose additional charges in connection with your external funds transfer transactions. In the event there is an additional charge, the

Bank will notify you of such fee in advance of the transaction. You understand and agree that in the event the Bank is unable to execute your funds transfer request utilizing the ACH, we may utilize other established payment mechanisms in order to complete your funds transfer instructions, such as wire transfer or check.

Suspension and Reinstatement of Funds Transfer Service

If the Bank incurs a problem with your use of the external funds transfer feature where we cannot collect with respect to any of your funds transfers as described above, we reserve the right to suspend your right to use the external funds transfer feature. You understand and agree that such action is reasonable for the Bank to take in order to protect itself from loss. In the event of such suspension, you may request reinstatement of your external funds transfer service by calling 1-831-600-4060. The Bank reserves the right at our discretion to grant or deny your reinstatement of external funds transfer privilege. In the event your external funds transfer privileges are reinstated, the Bank reserves the right to lower your per-transaction and monthly dollar limits. Based upon your subsequent usage of external funds transfer, the Bank at its sole discretion may restore your daily and monthly limits (see "Dollar Amount of Transfers," above).

Documentation

You may access a statement of all external funds transfers completed or pending at any time by accessing the Account Detail menu within internet banking. If an external funds transfer could not be completed, depending on the reason for its failure, you will receive either an automated e-mail alert from the Bank or we will notify you to contact the other financial institution. Upon notification from the other financial institution that the external funds transfer has failed, the Bank will make a reasonable effort to complete the transfer again before contacting you.

Your Responsibility for Errors

You understand that the Bank must rely on the information provided by you to establish an external transfer and you authorize us to act on any instruction which has been or reasonably appears to have been sent by you, to execute an external funds transfer instructions on your behalf. You understand that financial institutions receiving the external funds transfer instructions may rely on such information as well. Besides transmitting the initial small dollar test transactions when a new external transfer is established by you, the Bank is not obligated to take any further steps to confirm or authenticate such instructions and will act on them without getting further confirmation. You understand that if you provide the Bank with incorrect information or if there is any error in your instruction we will make all reasonable efforts to reverse or delete such instructions, but you accept full responsibility for losses resulting from any of your errors, duplication, ambiguities or fraud in the information that you provide. You agree not to impersonate any person or use a name that you are not authorized to use. If any information you provide is untrue, inaccurate, not current or incomplete, the Bank reserves the right to recover from you any costs or losses incurred as a direct or indirect result of the inaccurate or incomplete information.

Proprietary Rights

You acknowledge and agree that the Bank and/or our service provider owns all rights in and to the external funds transfer feature. You are permitted to use the Service only as expressly authorized by this Agreement.

No Unlawful or Prohibited Use

As a condition of using external funds transfer, you warrant to the Bank that you will not use this feature for any purpose that is unlawful or is not permitted, expressly or implicitly, by the terms of this Agreement or by any applicable law or regulation. You may not obtain or use external funds transfer to obtain any materials or information through any means not intentionally made available or provided for through this feature. You agree that these warranties and representations will remain in full force and effect even if this Agreement terminates for any reason.

Service Changes and Discontinuation

The Bank may modify or discontinue the external funds transfer feature associated with your account, with or without notice, without liability to you, any other user or any third party. The Bank reserves the right, subject to applicable law, to terminate your account and your right to use the external funds transfer feature at any time and for any reason, including without limitation if we, in our sole judgment, believe you have engaged in conduct or activities that violate any of the terms of this agreement or the rights of the Bank, or if you provide us with false or misleading information. The Bank reserves the right to charge a fee for the use of the external funds transfer feature and any additional services or features that we may introduce. If the Bank decides to begin charging a fee for external funds transfers, we will notify you by mail or electronically prior to enacting the fee. You understand and agree that you are responsible for paying all potential fees associated with the use of external funds transfer. You may terminate this service at any time by calling 1-831-600-4060.

Security Procedures

You understand that the financial institution at which an account is maintained may contact the Bank to verify the content and authority of funds transfer instructions and any changes to those instructions. You understand that, as your agent, the Bank may provide to such financial institution such information as may be required to verify the instructions and may constitute a valid security procedure at the other financial institution according to their rules governing such account.

Deviating from Security Procedures

You agree to allow the Bank to authorize any financial institution at which you have an account to accept funds and transfer instructions in accordance with any authorization procedures as may be agreed upon from time to time between you and such financial institution, or between the Bank, on your behalf, and such financial institution, without verifying the instructions under the established security procedures, regardless of whether such security procedures were agreed by you directly or by the Bank on your behalf. In addition you agree that the Bank may authorize such financial institutions to charge and debit your accounts based solely on these communications.

Account Number Policy

If funds transfer instructions identify a bank or beneficiary by name and account number, the relevant financial institution may execute those instructions by

reference to the number only, even if the number does not correspond to the name. You understand that such financial institutions may not investigate discrepancies between names and numbers. In addition, you agree that the Bank has no responsibility to investigate discrepancies between names and numbers.

Joint Account Holder

When creating or executing an external funds transfer, you confirm that, if any of your accounts is a joint account, your joint account holder has consented for you to use your accounts for the external funds transfer service.

Means of Transfer

You authorize the bank to select any means we deem suitable to provide your funds transfer instructions to the applicable financial institution. These choices include banking channels; electronic means, funds transfer systems, mail, courier, or telecommunications services, intermediary banks and other organizations. You agree to be bound by the rules and regulations that govern the applicable funds transfer systems, such as CHIPS or automated clearing house (ACH) as published by the National Automated Clearinghouse Association (NACHA). The Bank shall make all reasonable efforts to ensure that your transfer requests are processed on time; however, we reserve the right to hold funds beyond the normal period (for incoming or outgoing transfers) and any interest is earned will be the property of the Bank.

The Bank's Liability

If the Bank does not provide an external funds transfer instruction on time, if we cause an incorrect amount to be removed from an Account or if we cause funds from an Account to be transferred to any account other than the Account or Recipient's account specified in the applicable external funds transfer instruction, we shall be responsible for returning the improperly transferred funds and/or for directing any misdirected funds to the proper Account or intended recipient's account. The Bank is not responsible or liable if your or the Recipient's financial institution's system fails and we are unable to complete the transfer. Except as otherwise required by law, the Bank shall in no other event be liable for any losses and damages other than those arising from gross negligence or willful misconduct on our part or if we breach a representation or warranty of Lighthouse Bank hereunder.

- You agree that your transfer instructions constitute authorization for us to complete the transfer.
- You represent and warrant to us that you have enough money in the applicable Accounts to make any funds transfer you request that we make on your behalf through the external funds transfer service.
- You understand and agree that the Bank is not liable under any circumstances for any losses or damages if, through no fault of ours, you do not have enough money to make the funds transfer and the funds transfer is not completed or is later reversed or if your financial institution does not verify account ownership or your financial institution does not permit the transfer or the funds transfer would exceed the credit limit on any applicable overdraft line.
- You also understand and agree that the Bank is not responsible for any losses or damages if circumstances beyond our control (such as fire or flood) prevent us from executing an external funds transfer if you knew about the incident prior to initiating the external funds transfer order.

Limitation of Warranty and Liability

YOU UNDERSTAND AND AGREE THAT THE BANK'S EXTERNAL FUNDS TRANSFER SERVICE IS PROVIDED "AS-IS" EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT OR AS REQUIRED BY LAW, WE ASSUME NO RESPONSIBILITY FOR THE TIMELINESS, DELETION, MIS-DELIVERY OR FAILURE TO STORE ANY USER COMMUNICATIONS OR PERSONALIZATION SETTINGS. YOU UNDERSTAND AND EXPRESSLY AGREE THAT USE OF THE EXTERNAL FUNDS TRANSFER SERVICE IS AT YOUR SOLE RISK, THAT ANY MATERIAL AND/OR DATA DOWNLOADED OR OTHERWISE OBTAINED THROUGH THE USE OF THE EXTERNAL FUNDS TRANSFER SERVICE IS DOWNLOADED OR OBTAINED AT YOUR OWN DISCRETION AND RISK AND THAT YOU WILL BE SOLELY RESPONSIBLE FOR ANY DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA THAT RESULTS FROM THE DOWNLOAD OR THE OBTAINING OF SUCH MATERIAL AND/OR DATA, EXCEPT AS EXPRESSLY SET FORTH ON THE BANK'S WEB SITE OR IN THIS AGREEMENT. WE DISCLAIM ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF INTELLECTUAL PROPERTY OR THIRD PARTY RIGHTS, AND WE MAKE NO WARRANTY OR REPRESENTATION REGARDING THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE EXTERNAL FUNDS TRANSFER SERVICE, THE ACCURACY OR RELIABILITY OF ANY INFORMATION OBTAINED THROUGH THE EXTERNAL FUNDS TRANSFER SERVICE, THE ACCURACY OF ANY INFORMATION RETRIEVED BY THE BANK FROM THE ACCOUNTS OR THAT THE EXTERNAL FUNDS TRANSFER SERVICE WILL MEET ANY USER'S REQUIREMENTS, BE UNINTERRUPTED, TIMELY, SECURE OR ERROR FREE, EXCEPT AS DESCRIBED IN THIS AGREEMENT. WE WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND RESULTING FROM THE USE OF OR THE INABILITY TO USE THE EXTERNAL FUNDS TRANSFER SERVICE, ANY INACCURACY OF ANY INFORMATION OR AMOUNT RETRIEVED BY US FROM THE ACCOUNTS, ANY BREACH OF SECURITY CAUSED BY A THIRD PARTY, ANY TRANSACTIONS ENTERED INTO BASED ON THE EXTERNAL FUNDS TRANSFER SERVICE, ANY LOSS OF, UNAUTHORIZED ACCESS TO OR ALTERATION OF A USER'S TRANSMISSIONS OR DATA OR FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES, INCLUDING BUT NOT LIMITED TO DAMAGES FOR LOSS OF PROFITS, USE, DATA OR OTHER INTANGIBLES, EVEN IF WE HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Indemnification

You agree to indemnify, defend and hold harmless the Bank, its affiliates, partners, officers, directors, employees, consultants, service providers and agents from any and all third party claims, liability, damages and/or costs (including, but not limited to, attorney's fees) arising from your use of the external funds transfer service, our reliance on the information, instruction, license and/or authorization provided by you under or pursuant to this Agreement, your violation of the Terms or your infringement, or infringement by any other user of your external funds transfer account, of any intellectual property or other right of any person or entity.

Miscellaneous

You represent and warrant that you are who you claim to be; that you are the rightful owner of all Content and the Accounts linked for the purposes of the external funds transfer service; and that you are rightfully authorizing us to access the accounts. You agree that our rights and remedies arising out of any breach of your representations and warranties in this Agreement, the limitations on the Bank's liability and our rights to indemnification under this Agreement are continuing and shall survive the termination of this Agreement, notwithstanding the lack of any specific reference to such survivability in these provisions. The Bank's failure to enforce the strict performance of any provision of this Agreement will not constitute a waiver of the Bank's right to subsequently enforce such provision or any other provisions of this Agreement. The most current version of this Agreement as it appears on our website, including any amendments that the Bank may make from time to time, constitutes the entire agreement between us, and supersedes and replaces all other agreements or understandings, whether written or oral, regarding the external funds transfer service. This Agreement may be amended, or any of the Bank's rights waived, only if the Bank agrees in writing to such changes, or you continue using the external funds transfer service following receipt of notice of any changes proposed by the Bank. All notices to you shall be in writing and shall be made either via e-mail, conventional mail or messages delivered through internet banking at the Bank's discretion. Notices to the Bank must be made in writing and shall be sent by e-mail or conventional mail to Lighthouse Bank, PO Box 8317, Santa Cruz, CA, 95060. This Agreement is personal to you and you may not assign it to anyone. If either of us has any dispute or disagreement with the other regarding this Agreement that we cannot resolve amicably, both parties agree that the sole and exclusive remedy shall be binding arbitration in accordance with the then-current rules and procedures of the American Arbitration Association. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its conflict of law's provisions or your actual state or country of residence. If for any reason a court of competent jurisdiction finds any provision or portion of the Terms to be unenforceable, the remainder of the Terms will continue in full force and effect.

This Agreement shall take effect immediately upon the acceptance of your application for the external funds transfer by us.

ACKNOWLEDGMENT

By Clicking "I Agree", I acknowledge that I have read and or printed a copy of this External Funds Transfer Agreement and agree to abide by the terms of the Agreement.