

## **ONLINE BANKING AGREEMENT AND DISCLOSURE**

This Online Banking Agreement and Disclosure ("Agreement") describes your rights and obligations as a user of the Online Banking service ("Service"). It also describes the rights and obligations of The Bank of Santa Clarita ("Bank"). Please read this Agreement carefully. By requesting and using one of these Services, you agree to comply with the terms and conditions of this Agreement.

### **I. Definitions**

The following definitions apply in this Agreement:

1. "Authorized Representative" refers to a person with authority (with respect to the account);
2. "ISP" refers to your Internet Service Provider;
3. "Online Banking" is the internet-based service providing access to your Bank account(s);
4. "Online Account" means the Bank account from which you will be conducting transactions using a Service;
5. "Password" is the customer-generated code selected by you for use during the initial sign-on, or the codes you select after the initial sign-on, that establishes your connection to the Service;
6. "PC" means your personal computer which enables you, with the Internet browser and ISP, to access your Online Account;
7. "Time of day" references are to Pacific Standard Time;
8. "User ID" is the Bank-generated identification code assigned to you for your connection to the Service;
9. "We", "us", or "Bank" refer to Bank of Santa Clarita which offers the Services and which holds the accounts accessed by the Services; and
10. "You" or "your" refers to the owner of the account or the authorized representative.

### **II. Access to Services**

The Bank will provide instructions on how to use the Online Banking Service. You will gain access to your Online Accounts through the use of your Internet-enabled device, your ISP, your Password and your User ID. You may access your Online Accounts 24 hours a day, seven (7) days a week. However, availability of the Services may be suspended for brief periods of time for purposes of maintenance, updating and revising the software.

For purposes of transactions, the Bank's business days are Monday through Friday, excluding holidays and weekends. All Online Banking transaction requests received after 5:00 p.m. on business days and all transactions which are requested on Saturdays, Sundays, or holidays on which the Bank chooses to remain closed, will be processed on the Bank's next business day. The Bank's business hours are 9:00 a.m. to 5:00 p.m. Monday through Thursday, and 9:00 a.m. through 6:00 p.m. on Friday.

### **III. Banking Transactions with Online Banking**

- A. Account Access. You may access all Bank accounts under the same tax identification number online. Once you have selected your primary account you may select additional accounts including other checking, savings, certificates of deposit or loan accounts.
- B. Transfer of Funds. In addition to viewing account information, you may use Online Banking to conduct the transfer of funds. You may make one-time transfers or schedule future or recurring transfers such as transfers to make loan payments. You may transfer funds among your checking accounts, savings accounts and money market accounts.

NOTE: Because regulations require the Bank to limit preauthorized transfers (including Online Banking transfers), the following limitations apply:

- Savings Account. You can make no more than six transfers or withdrawals per month or statement cycle of at least four weeks. Transfers include preauthorized or automatic transfers, or telephonic (including data transmission) agreement, order or instruction, which transfers are made to another account of the depositor at the same bank, to the bank itself, or to a third party; checks, drafts, debit card, or similar transactions by the depositor.

Transfers not included within the six transfers allowed for non-demand deposit accounts:

1) Transfers from a deposit account when the transfers are made for the purpose of repaying loans and associated expenses at the bank (as the originator or servicer). This exemption does not apply to transfers to the bank that are made for the purpose of repaying loans that are made by the bank to the depositor's demand account for the purpose of covering overdrafts.

2) Transfers from a deposit account that are made to another account of the same depositor at the bank when the transfers are made by mail, messenger, ATM, or in person.

3) Withdrawals from a deposit account when the withdrawals are made by mail, messenger, telephone (via check mailed to the depositor), ATM, or in person.

Fees: A fee will be charged for excessive transactions per month or statement cycle of at least four weeks. Three withdrawals/transfers per month are allowed without a fee. A fee will be charged for each withdrawal/transfer in excess of three per month or statement cycle of at least four weeks.

- Money Market Deposit Accounts. You can make no more than six transfers or withdrawals per month or statement cycle of at least four weeks. Transfers include preauthorized or automatic transfers, or telephonic (including data transmission) agreement, order or instruction, which transfers are made to another account of the depositor at the same bank, to the bank itself, or to a third party; checks, drafts, debit card, or similar transactions by the depositor.

Transfers not included within the six transfers allowed for non-demand deposit accounts:

1) Transfers from a deposit account when the transfers are made for the purpose of repaying loans and associated expenses at the bank (as the originator or servicer). This exemption does not apply to transfers to the bank that are made for the purpose of repaying loans that are made by the bank to the depositor's demand account for the purpose of covering overdrafts.

2) Transfers from a deposit account that are made to another account of the same depositor at the bank when the transfers are made by mail, messenger, ATM, or in person.

3) Withdrawals from a deposit account when the withdrawals are made by mail, messenger, telephone (via check mailed to the depositor), ATM, or in person.

If you exceed the maximum of six withdrawals or transfers per month, you will be assessed a fee for each excessive transaction. In addition, if your account exceeds these transaction limitations, your account will be subject to closure by the bank or changed to another type of account, as required by Federal Regulations.

C. Additional Services. New services may be introduced for Online Banking from time to time. The Bank will notify you of the existence of these new services. By using these services when they become available, you agree to be bound by the rules that will be made available to you concerning these services.

#### **IV. Schedule of Fees**

The Bank offers the benefits and convenience of the Online Banking Service to you free. Other fees may apply to your account for other online services offered, such as Bill Pay. Refer to the Fee Schedule at branches or provided upon account opening for details regarding other fees.

#### **V. Statements and Notices**

You will receive a periodic statement for each monthly cycle in which an electronic fund transfer occurred. If no electronic fund transfer occurred, you will receive your regular account statement either monthly or quarterly, depending on the type of account.

After you complete a transaction online, you will see a pop-up notice confirming the transaction that you have just completed on your computer screen. If the transaction is not done correctly or is incomplete, the pop-up confirmation notice will not appear on your screen.

#### **VI. Use of Your Security Password**

You are responsible for keeping your password and Online Account information confidential. In order to protect yourself against fraud, you should adhere to the following guidelines:

- Do not give out your account information, Password, or User ID;
- Do not leave your PC unattended while you are in the Bank's Online Banking Site;
- Never leave your account information within range of others; and
- Do not send privileged account information (account number, Password, etc.) in any public or general e-mail system.

If you believe your password has been lost or stolen, or if you suspect any fraudulent activity on your account, call the Bank immediately at 661-362-6000, between the hours of 9:00 a.m. to 5:00 p.m., Monday through Thursday and 9:00 a.m. to 6:00 p.m., on Friday. Telephoning the Bank is the best way of minimizing your losses and liability.

If you believe your Password has been lost or stolen, please use the Password change feature within the Online Banking section of the Web site to change your Password.

## VIII. Term and Termination

- A. Term. This Agreement will become effective upon your completion of the online banking registration and your acceptance of these terms and conditions and shall remain in full force and effect until termination in accordance with the following provisions. Once you have completed the online registration, the Bank must review and approve your completed registration form. There may be a possible two day delay.
- B. Termination for Cause. We may immediately terminate your electronic banking privileges without notice to you under the following circumstances:
1. You do not pay any fee required by this Agreement when due; or
  2. You do not comply with the agreement governing your deposit or loan accounts or your accounts are not maintained in good standing.

We will promptly notify you if we terminate this Agreement or your use of the Services for any other reason.

- C. Termination for Convenience. To terminate this Agreement, you must notify the Bank and provide your name, address, the Service(s) you are discontinuing, and the termination date of the Service(s). You may notify the Bank by one of the following methods:
- By calling 661-362-6000
  - By writing a letter and either sending it to the following address: The Bank of Santa Clarita, Attn: Customer Service 23780 Magic Mountain Pkwy., Santa Clarita, CA 91355 or giving it to a Customer Service Representative at any of the Bank's locations.

If you are not paying a monthly service charge for the Service, we may convert your account to inactive status if you do not sign on to the Service or have any transaction scheduled through the Service during any consecutive 90-day period. If your account is considered inactive, you must contact us to have the Service activated before you will be able to schedule any transaction through the Service.

## IX. Electronic Fund Transfer Provisions For Consumers Only (Does Not Apply to Business Accounts)

- A. Applicability. These provisions are only applicable to online electronic fund transfers that credit or debit a consumer's checking, savings or other asset account and are subject to the Federal Reserve Board's Regulation E (an "EFT"). When applicable, the Bank may rely on any exceptions to these provisions which are contained in Regulation E. All terms that are not defined in this Agreement but which are defined in Regulation E shall have the same meaning when used in this section.
- B. Consumer's Liability. The following determines your liability for any unauthorized EFT or any series of related unauthorized EFTs:

Tell us at once if you believe your password has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission. 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). If you tell us within two business days, you can lose no more than \$50.00 or the amount of the unauthorized EFTs that occur before notification, whichever is

less. If you do not notify the bank within two business days after you learn of the loss or theft of your password, and we can prove we could have stopped someone from using your password 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 or authorize, 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 may extend the time periods.

**Error Resolution** - 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. If you tell us orally we may require that you send us your complaint or question in writing within 10 business days. We will tell you the results of our investigation within 10 business days (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, was a foreign initiated transfer or a POS debit card transfer) to investigate your complaint or questions. If we decide to do this, we will credit your account within 10 business days (20 business days if the transfer involved a new account) for the amount you think is in error, so that you 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. Your account is considered a new account for the first 30 days after the first deposit is made, unless you already have an established account with us before this account is opened. 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 documentation that we used in our investigation.

You may notify the Bank in person, by telephone, or in writing for any unauthorized electronic fund transfers on your account. **Notification by general e-mail to report an unauthorized transaction is not secure and therefore not advised.**

- C. Telephone Numbers and Addresses. In case of errors or questions regarding Online Banking, call 661-362-6000 or write us at: Bank of Santa Clarita, Attn: Customer Service, 23870 Magic Mountain Parkway, Santa Clarita, CA 91355.

We must hear from you at the telephone number or address, listed above, no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. We will need:

1. Your name and account number; and
2. A description of the error or the transfer in question and an explanation concerning why you believe it is an error or need more information; and
3. The dollar amount of the suspected error and date on which it occurred.

D. Preauthorized Payments

1. Right to stop payment and procedures 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 the Bank at 661-362-6000 or write to us at Bank of Santa Clarita, Attn: Customer Service, 23780 Magic Mountain Parkway, Santa Clarita, CA 91355 in time for us to receive your request three (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 will charge you for each stop-payment

order you give us. Refer to the Fee Schedule in branches or provided at account opening for the amount of this fee.

2. Notice of varying amount. If these regular payments may vary, the person you are going to pay or be paid will tell you, 10 days before each payment, when it will be made and how much it will be. You may choose instead to receive this notice only when the payment differs more than a certain amount from the previous payments or when the amount falls outside certain limits that you set.
3. Liability for failure to stop payment of preauthorized transfer. If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we may be liable for your losses or damages.

## **X. Liability**

- A. Our Liability. This section explains our liability to you only to the extent that any other agreements, notices or disclosures have not separately disclosed our liability. In no event shall we be liable to you for failure to provide access to your Online Banking accounts. Unless otherwise required by applicable law, we are only responsible for performing the Online Banking service as delineated in this Agreement. If the Bank does not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses or damages. However, there are some exceptions.

We will not be liable to you in the following instances:

1. If through no fault of the Bank, you do not have enough money in your account to make the transfer.
2. If circumstances beyond our control (such as fire, flood, power outage, equipment or technical failure or breakdown) prevents the transfer despite reasonable precautions that we have taken.
3. If there is a hold on your account, or if access to your account is blocked, in accordance with banking policy.
4. If your funds are subject to a legal proceeding or other encumbrance restricts the transfer.
5. If your transfer authorization terminates by operation of law.
6. If you believe someone has accessed your accounts without your permission and you fail to notify the Bank immediately.
7. If you have not properly followed the instructions on how to make a transfer included in this Agreement.
8. If we have received incomplete or inaccurate information from you or a third party involving the account or transfer.
9. If we have a reasonable basis for believing that unauthorized use of your Password or account has occurred or may be occurring or if you default under this Agreement, the deposit account agreement, a credit agreement or any other agreement with us, or if we or you terminate this Agreement.
10. If the transfer would go over the credit limit on your overdraft line.

11. If the terminal or system was not working properly and you know about the breakdown when you started the transfer.

IN NO EVENT SHALL WE HAVE ANY LIABILITY TO YOU OR ANY THIRD PARTY FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM OR ARISING OUT OF THIS AGREEMENT.

- B. Indemnification. You agree to indemnify, defend and hold us, our affiliate companies, directors, officers, employees and agents harmless against any third party claim, demand, suit, action or other proceeding and any expenses related to an Online Banking account.
- C. Third Parties. We are not liable for any loss or liability resulting from any failure of your equipment or software, or that of an internet browser provider such as Netscape (Netscape Navigator browser) or Microsoft (Microsoft Explorer browser), by an internet access provider, or by an online service provider, nor will we be liable for any direct, indirect, special or consequential damages resulting from your access to or failure to access an Online Banking account.
- D. Virus Protection. The Bank is not responsible for any electronic virus or viruses that you may encounter. We suggest that you routinely scan your PC using a virus protection product. An undetected virus may corrupt and destroy your programs, files, and your hardware.

## **XI. General Terms and Conditions**

- A. Bank Agreements. In addition to this Agreement, you and the Bank agree to be bound by and comply with the requirements of the agreements applicable to each of your Online Accounts. Your use of the Online Banking Service is your acknowledgment that you have received these agreements and intend to be bound by them. You should review other disclosures including the charges that may be imposed for electronic funds transfers or the right to make transfers listed in the fee schedules accompanying those disclosures.
- B. Changes and Modifications. The Bank may modify the terms and conditions applicable to the Services from time to time. We may send any notice to you via e-mail and you will have to be deemed to have received it three days after it is sent. The revised terms and conditions shall be effective at the earliest date allowed by applicable law. We reserve the right to terminate this Agreement and your use of the Services in whole or in part at any time without prior notice.
- C. Assignment. We may assign this Agreement to an affiliate of the Bank or any successor in interest in the event of a merger, reorganization, change of control, acquisition or sale of all or substantially all assets of the business to which this Agreement is related without the other party's prior written consent.
- D. Notices. Unless otherwise required by applicable law, any notice or written communication given pursuant to this Agreement may be sent to you electronically.
- E. Confidentiality of Information. We will only disclose information to third parties about your account or transfers you make under the following circumstances:
- Where it is necessary for the provision of Online Banking and for completing transfers; or
  - In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
  - In order to comply with government agencies or court orders, or other reporting requirements; or

- If you give us your written permission.
- F. Governing Law. This Agreement is governed by the laws of the State of California and applicable federal law.

ACCEPT    DECLINE