



REGULATION E ELECTRONIC FUND TRANSFERS

YOUR RIGHTS AND RESPONSIBILITIES

The provisions of the Electronic Funds Transfer Act and Federal Reserve's Regulation E apply specifically to consumer accounts only. Non-consumer accounts are not covered by these provisions.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural, and the plural includes the singular.

This Agreement and Disclosure governs the use of Electronic Fund Transfer (EFT) services offered in conjunction with your checking, money market or other accounts with Locality Bank. These services include preauthorized transfers to and from your account, such as automated deposits of Social Security checks, and all transactions resulting from the use of the Locality Bank Debit Card through an automated teller machine (ATM), a Point-of-Sale (POS) terminal or any other use of the card. In consideration of the EFT services made available to you and any other person using the EFT services in conjunction with the account (who, by such use, agrees to be bound hereby) by signing, accepting or using the EFT service agrees to the terms and conditions in this Agreement and Disclosure.

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

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 bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank 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:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your checking or money market account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your checking and money market account(s).
- **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.
- **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

Locality Bank Debit Card Transactions - You may access your checking account to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept. In addition to the above, using your debit card, each day you may:

- Make purchases up to \$5,000 total per day at participating VISA® merchants.
- Withdraw cash at an ATM up to \$500 per day

Currency Conversion. When you use your VISA® Debit Card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by VISA® from the range of rates available in wholesale

currency markets for the applicable central processing date, which rate may vary from the rate VISA® itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

Advisory Against Illegal Use. You agree not to use your card(s) for illegal gambling or other illegal purposes. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located. Cardholder Notice: As a member of the Pulse Network, Locality Bank's VISA® branded debit cards allow transactions to be initiated without a PIN. Merchants must provide a clear way of choosing to make a VISA® Debit Card transaction if they support this option. Transactions completed outside the VISA® network may not carry the same terms as those processed over the VISA® Network.

Arrangements with other organizations - From time to time, we may enter into arrangements with other electronic fund transfer system owners/operators of ATMs and/or retail organizations to enable you to use your ATM card in their ATMs. These organizations may impose transaction fees on transactions performed at their machines. Also, the types of transactions and services available through their machines may vary from those provided through Locality Bank's ATMs. Deposits of any type will not be permitted at their machines.

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 transaction). Fees incurred will be reimbursed by the Bank.

- Refer to the separate fee schedule for any ATM charges we may impose.

DOCUMENTATION

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an ATM or point-of-sale terminal.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account, you can call us to find out whether or not the deposit has been made.
- **Periodic statements.** You will get a monthly account statement from us, unless there are no transfers in a particular month. In any case you will get the statement at least quarterly.

STOP PAYMENT OF PRE-AUTHORIZED PAYMENTS

- **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 by following the steps outlined below:

Call or write to us at the telephone number or address listed in this disclosure in time for us to receive your request (3) three 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) fourteen days after you call. Refer to the Locality Bank Deposit Products and Fee Schedule for charges and other restrictions which may be imposed.

- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, (10) ten 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.) In order to stop payment, you must notify us of the exact dollar amount (3) three business days or more before the scheduled payment.
- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments (3) three 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

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: (1) If, through no fault of ours, you do not have enough money in your account to make the transfer, (2) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer. (3) If circumstances beyond our control (such as fire or flood or natural disaster) prevents the transfer, despite reasonable precautions that we have taken. (4) There may be other exceptions stated in our agreement with you.

CONFIDENTIALITY

We will only 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) as explained in the Privacy Disclosure contained elsewhere in documents provided to you.

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. Contacting us by telephone is the best way of keeping your losses minimized. You could potentially lose all the money in your account (plus your additional funds if your account has a sweep activated)). If you tell us within (2) two business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do NOT tell us within (2) two 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) sixty days of your statement date, regardless of how we make your statement of account available to you, you may not get back any money you lost after the (60) sixty days if we can prove that we could have stopped someone from taking the money if you had told us in time.

• Additional Limit on Liability for VISA® Debit Card. Unless you have been negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen VISA® Debit 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.

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

Locality Bank
1400 South Andrews Avenue
Fort Lauderdale, FL 33316
Business Days: Monday through Friday Excluding Federal Holidays
954-799-0900

CUSTOMER RESPONSIBILITY

The card may be used only by the person named on the card(s) issued to you. If you authorized another person to use the card in violation of this Agreement, you agree to assume responsibility for such use, and we will be entitled to debit your account for all such transactions by you or the authorized person.

SECURITY PRECAUTIONS

You understand the necessity to protect the confidential nature of the personal identification number (PIN) and not disclose it to anyone or write it where it is available to others by lawful or unlawful means. Failure to keep your PIN confidential can result in access to your account in event of loss or theft.

OWNERSHIP OF CARD

Your privilege to use the card may be cancelled by us at any time. The card shall remain the property of Locality Bank and will be surrendered upon demand or upon the closing of your account(s) with us.

APPLICABLE RULES AND LAWS

All EFT transactions including those transactions involving the use of the card shall be governed by this agreement and disclosure, account contracts and the normal rules governing your account, and by state and federal laws.

ERROR RESOLUTION NOTICE

In case of errors or questions about your electronic transfers, call or write to us at the telephone number or address listed in this document, 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) sixty days of your statement date, regardless of how we make your statement of account available to you 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) ten business days.

We will determine whether an error occurred within (10) ten business days (5 business days if the transfer involved a VISA® Debit Card purchase and 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 involves 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 the transfer involved a VISA® Debit Card purchase and 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) ten business days, we may not credit your account. An account is considered a new account for (30) thirty days after the first deposit is made, if you are a new customer.

We will tell you the results within (3) 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.