



Regulation E

ELECTRONIC FUND TRANSFER AGREEMENT AND DISCLOSURE

For purposes of this disclosure and agreement the terms “we”, “us”, and “our” refer to the Bank named above. The terms “you” and “your” refer to the recipient of this disclosure and agreement.

The Electronic Fund Transfer Act and Regulation E require Banks to provide certain information to customers regarding electronic fund transfers (EFTs). This disclosure applies to any EFT service you receive from us related to an account established primarily for personal, family or household purposes. Examples of EFT services include direct deposits to your account, automatic regular payments made from your account to a third party and one-time electronic payments from your account using information from your check to pay for purchases or bills. This disclosure also applies to the use of your Sierra Debit Card at our automated teller machines (ATMs) and any networks described below, and the use of Mobile Wallets.

TERMS AND CONDITIONS. The following provisions govern the use of electronic fund transfer (EFT) services through accounts held by the Bank which are established primarily for personal, family or household purposes. If you use any EFT services provided, you agree to be bound by the applicable terms and conditions listed below.

ELECTRONIC FUND TRANSFER SERVICES PROVIDED

SERVICES PROVIDED THROUGH USE OF SIERRA DEBIT CARD

If you have received an electronic fund transfer card (“Sierra Debit Card”) from us you may use it for the type(s) of services noted below, and the following provisions are applicable:

USING YOUR CARD AND PERSONAL IDENTIFICATION NUMBER (“PIN”). In order to assist us in maintaining the security of your account and the terminals, the Sierra Debit Card remains our property and may be revoked or canceled at any time without giving you prior notice. We may, but do not have to, allow transactions which exceed your available account balance or available overdraft protection. If we do, you agree to pay the overdraft. You also agree to pay overdraft charges in effect from time to time for each transaction which caused your available account balance or available overdraft protection to be exceeded.

Certain transactions involving your Sierra Debit Card require use of your PIN, which is used to identify you as an authorized user. Because the PIN is used for identification purposes, you agree to notify the Bank immediately if your Sierra Debit Card is lost or if the secrecy of your PIN is compromised. You also agree not to reveal your PIN to any person not authorized by you to use your Sierra Debit Card or to write your PIN on your Sierra Debit Card or on any other item kept with your Sierra Debit Card. We have the right to refuse a transaction on your account when your Sierra Debit Card or PIN has been reported lost or stolen or when we reasonably believe there is unusual activity on your account.

The security of your account depends upon your maintaining possession of your Sierra Debit Card and the secrecy of your PIN. You may change your PIN if you feel that the secrecy of your PIN has been compromised. You may change your PIN by using a Bank of the Sierra ATM, or by calling 1-800-448-8268.

ATM SERVICES

The following services are available through use of your Sierra Debit Card.

You may withdraw cash from your checking account(s), savings account(s), and money market account(s).

You may make deposits into your checking account(s), savings account(s), and money market account(s).

You may transfer funds between your checking and savings accounts, checking and money market accounts, savings and money market accounts.

You may make balance inquiries on your checking account(s), savings account(s), and money market account(s).

NETWORK. Your ability to perform the transactions or access the accounts set forth above depends on the location and type of ATM you are using and the network through which the transaction is being performed. A specific ATM or network may not perform or permit all of the above transactions. For example, you may not be able to make deposits or transfer funds at ATMs located out of state.

Besides being able to use your Sierra Debit Card at our ATM terminals, you may access your accounts through the following networks: Cirrus, MasterCard, Maestro, Pulse and Allpoint.

ATM 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.

We charge a fee for using ATMs not owned by us, as disclosed in the Schedule of Other Services, given to you in your Account Disclosures.

POINT OF SALE TRANSACTIONS

You may use your Sierra Debit Card to purchase goods and services from merchants that have arranged to accept your Sierra Debit Card as a means of payment (these merchants are referred to as "Participating Merchants"). Some Participating Merchants may permit you to receive cash back as part of your purchase. Purchases made with your Sierra Debit Card, including any purchase where you receive cash, are referred to as "Point of Sale" (POS) transactions and will cause your "designated account" to be debited for the amount of the purchase.

In addition, your Sierra Debit Card may be used at any merchant that accepts MasterCard™ debit cards for the purchase of goods and services. Your card may also be used to obtain cash from your designated account at participating financial institutions.

Each time you use your Sierra Debit Card, the amount of the transaction will be debited from your designated account. We have the right to return any check or other item drawn against your account to ensure there are funds available to pay for the Sierra Debit Card transactions. We may, but do not have to, allow transactions which exceed your available account balance or available overdraft protection. If we do, you agree to pay the overdraft. You also agree to pay overdraft charges in effect from time to time for each transaction which caused your available account balance or available overdraft protection to be exceeded.

CURRENCY CONVERSION. If you effect transactions with your Sierra Debit Card in a currency other than US dollars, MasterCard International Inc., will convert the charge into a US dollar amount. At MasterCard International they use a currency conversion procedure, which is disclosed to institutions that issue MasterCard. Currently the currency conversions rate used by MasterCard International to determine the transaction amount in US dollars for such transactions is generally either a government mandated rate or wholesale rate, determined by MasterCard International for the processing cycle in which the transaction is processed, increased by an adjustment factor established from time to time by MasterCard International. The currency conversion rate used by MasterCard International on the processing date may differ from the rate that would have been used on the purchase date or the cardholder statement posting date.

IMPORTANT ADDITIONAL FEE NOTICE. MasterCard charges us a Currency Conversion Fee of 0.200% of the transaction amount for performing currency conversions and a Cross-Border Fee of 0.800% of the transaction on all cross-border transactions (even those with no currency conversion). Therefore, you will be charged 1.000% of the dollar amount on all cross-border transactions – i.e., transactions processed through the "Global Clearing Management System" or the "MasterCard Debit Switch" when the country of the merchant or machine is different than your country, as cardholder.

MANNER OF HOLD AND RELEASE. When you use your Sierra Debit Card in a POS transaction, a hold will be placed on your designated account. The hold may be for the amount of the transaction or for a pre-established amount in excess of individual transactions (for example, hotel or car reservations). The held funds will not be available for other account purposes, and we have the right to return checks or other items drawn against your account to maintain sufficient funds to pay for any previously authorized transactions. The hold will be released when your Sierra Debit Card transaction is settled through the MasterCard system, and you agree to maintain sufficient available funds on deposit in the designated account to cover all previously authorized transactions. The hold may continue even if you do not purchase any goods or services for which authorization was obtained. If checks are paid or returned because of the debit hold on the account, you agree to pay all applicable charges. We may, but are not obligated to, allow transactions which exceed your available balance or available credit line. If we do, you agree upon receiving notice, to immediately deposit sufficient funds to the Account to cure the overdraft. You also agree to pay the overdraft charges in effect for each transaction which causes your available account balance or available line of credit to be exceeded

POINT OF SALE DISPUTES. Since your card is not a credit card, if you have a dispute with the merchant regarding the quality, price, warranty or otherwise regarding the goods or services you purchase with your card, you will have to settle your dispute with the merchant directly. We are not responsible for the merchant's actions, including any misrepresentations by the merchant.

POINT OF SALE FEES AND CHARGES. There is no Bank of the Sierra fee for POS transactions.

CAUTION: Using the Sierra Debit Card at a point-of-sale terminal in the "debit" function (using your PIN) may result in a fee assessed by the POS merchant. If they do so, a sign describing the fee should be posted at the terminal.

NO FEE will be assessed using the Sierra Debit Card in the “credit” function (without your PIN, slide card through the magnetic reader).

MOBILE WALLETS

A mobile wallet is a way to carry your debit card information in a digital form on your mobile device. Instead of using your physical plastic card to make purchases, you can pay with your smartphone, tablet or smartwatch. With Bank of the Sierra mobile wallets your card number is not visible to the merchant when you make a purchase, providing additional protection to your account.

You will receive the same protection when using your mobile wallet that you will receive if using your debit card, which includes zero liability (and MasterCard ID Theft Protection). Your mobile wallet is subject to the services and transaction limitations of the Sierra Debit Card, as outlined within this document.

To disable your mobile wallet if your phone, tablet or smartwatch is lost simply contact Bank of the Sierra Customer Service Center at 888-454-BANK

SERVICES PROVIDED THROUGH USE OF SIERRA TELEBANKING

You may perform the following function through use of Sierra Telebanking at (888) 307-3772 using a touch tone phone, your account numbers and your PIN.

You may initiate transfers of funds between your checking and savings accounts, checking and money market accounts, savings and money market accounts and checking to Sierra Reserve Accounts.

You may make balance inquires on your checking account(s), savings account(s), and money market account(s). You may change your PIN via the telephone.

PREAUTHORIZED TRANSFER SERVICES

You may arrange for the preauthorized automatic deposit of funds to your checking account(s), savings account(s), and money market account(s).

You may arrange for the preauthorized automatic payment of bills from your checking account(s), savings account(s), and money market account(s).

SERVICES PROVIDED THROUGH USE OF SIERRA ONLINE BANKING

This Bank offers its customers an Internet Banking (Home Banking) service. This service permits you to perform the following transactions using your home computer.

View deposits and cleared checks, download or upload to Quicken or MS Money, check balances, and transfer funds between your accounts, and reorder checks. An additional service offered through Sierra Online Banking is Sierra Personal Bill Pay.

LIMITATIONS ON TRANSACTIONS

TRANSACTION LIMITATIONS – SIERRA DEBIT CARD

CASH WITHDRAWAL LIMITATIONS – You may withdraw up to \$500.00 through the use of ATMs in any one day. You may make up to 99 withdrawals of cash through the use of ATMs in any one day.

POINT OF SALE LIMITATIONS – You may buy up to \$1,500.00 worth of goods or services each day through use of our Point of Sale service.

OTHER LIMITATIONS

The terms of your account(s) may limit the number of withdrawals you make each month. Restrictions disclosed at the time you opened your account(s), or sent to you subsequently will also apply to your electronic withdrawals and electronic payments unless specified otherwise.

LIMITS ON TRANSFERS FROM CERTAIN ACCOUNTS. Federal regulation limits the number of telephone transfers and preauthorized electronic transfers to third parties (including Point of Sale transactions) from money market and savings type accounts. You are limited to six such transfers from each money market and/or savings type account(s) you have each month for purposes of making a payment to a third party, by use of a telephone, by check, draft, debit card, or similar order.

NOTICE OF RIGHTS AND RESPONSIBILITIES

The use of any electronic fund transfer services described in this document creates certain rights and responsibilities regarding these services as described below.

RIGHT TO RECEIVE DOCUMENTATION OF YOUR TRANSFERS

TRANSACTION RECEIPTS. Upon completing a transaction at an ATM you will receive a printed receipt documenting the transaction (unless you have chosen not to get a paper receipt). These receipts (or the transaction number given in place of the paper receipt) should be retained to verify that a transaction was performed. You will receive a receipt at the time you perform any transaction using your Sierra Debit Card at a Participating Merchant.

PERIODIC STATEMENTS. If your account is subject to receiving a monthly statement, all EFT transactions will be reported on it. If your account is subject to receiving a statement less frequently than monthly, then you will continue to receive your statement on that cycle, unless there are EFT transactions, in which case you will receive a monthly statement. In any case you will receive your statement at least quarterly.

PREAUTHORIZED DEPOSITS. 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 1-888-454-2265 to find out whether or not the deposit has been made.

RIGHTS REGARDING PREAUTHORIZED TRANSFERS

RIGHTS AND PROCEDURES TO STOP PAYMENTS. If you have instructed us to make regular preauthorized transfers out of your account, you may stop any of the payments. To stop a payment, call us at:

1-888-454-2265 (Mon - Fri: 7:30 a.m. to 6:00 p.m.)

Or write to:

Bank of the Sierra

P. O. Box 1930

Porterville, CA 93258

We must receive your call or written request at least three (3) business days prior to the scheduled payment. If you call, please have the following information ready: your account number, the date the transfer is to take place, to whom the transfer is being made and the amount of the scheduled transfer. If you call, we may require you to put your request in writing and deliver it to us within fourteen (14) days after you call. The charge for stop payments is disclosed in the Schedule of Other Services, given to you in your Account Disclosures.

NOTICE OF VARYING AMOUNTS. If you have arranged for automatic payments to be deducted from your checking or savings account and these payments vary in amount, you will be notified by the person or company you are going to pay ten days prior to the payment date of the amount to be deducted. 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.

OUR LIABILITY FOR FAILURE TO STOP PREAUTHORIZED TRANSFER PAYMENTS. If you order us to stop one of the payments and have provided us with the information we need at least three (3) business days prior to the scheduled transfer, and we do not stop the transfer, we will be liable for your losses or damages.

NOTE: You may not stop payment on an ATM, POS or Sierra Debit Card transaction.

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 to pay bills.

YOUR RESPONSIBILITY TO NOTIFY US OF LOSS OR THEFT

If you believe your Sierra Debit Card or PIN or internet banking access code has been lost or stolen, call us at:

1-888-454-2265 (Mon - Fri: 7:30 a.m. to 6:00 p.m.)

or write to:

Bank of the Sierra

P. O. Box 1930

Porterville, CA 93258

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

CONSUMER LIABILITY

Tell us at once if you believe your Sierra Debit Card or PIN or internet banking access 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. If you tell us within two (2) business days after you learn of the loss or theft of your Sierra Debit Card or PIN, your liability is limited to zero dollars if someone used your Sierra Debit Card or PIN without your permission. If you do not tell us within two (2) business days after you learn of the loss or theft of you Sierra Debit Card or PIN and we can prove we could have stopped someone from using your Sierra Debit Card or PIN without your permission if you had given us notice, you can lose as much as five hundred dollars (\$500).

Also, if your statement shows transfers you did not make, including those made by card, code, or other means, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not receive back any money you lost after the sixty (60) days, and therefore, you could lose all the money in your account (plus your maximum overdraft line of credit, if applicable), if we can prove that we could have stopped someone from taking the money had you given us notice in time. If a good reason (such as a long trip or hospital stay) keeps you from giving notice, we will extend the time periods.

CONSUMER LIABILITY FOR UNAUTHORIZED TRANSACTIONS INVOLVING SIERRA DEBIT CARD

The limitations on your liability for unauthorized transactions described above generally apply to all electronic fund transfers. However, different limitations apply to certain transactions involving your Sierra Debit Card with the MasterCard™ logo. These limits apply to unauthorized transactions processed on the MasterCard™ Network.

If you notify us about an unauthorized transaction involving your Sierra Debit Card, and the unauthorized transaction took place on the MasterCard™ Network, zero liability will be imposed on you for the unauthorized transaction. In order to qualify for the zero liability protection, you must have exercised reasonable care in safeguarding your card from risk of loss or theft and upon becoming aware of such loss or theft; you must have promptly reported the loss or theft to us.

If the cardholder does not meet the conditions stated above, then the liability of the cardholder is unlimited.

PROVISIONAL CREDIT: Sierra Debit Card customers will be given provisional credit within five (5) business days of written notification for lost funds due to unauthorized transactions.

Your liability for unauthorized transactions with your Sierra Debit Card that involve PIN-based transactions not processed by the MasterCard™ Network, including ATM transactions may qualify for zero liability protection given that you exercised reasonable care in safeguarding your card from risk of loss or theft and upon becoming aware of such loss or theft you promptly reported the loss or theft to us.

ILLEGAL USE OF SIERRA DEBIT CARD. You agree not to use your Sierra Debit Card for any illegal transactions, including internet gambling and similar activities.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR TRANSACTIONS

In case of errors or questions about your electronic fund transfers, call us at:

1-888-454-2265 (Mon - Fri: 7:30 a.m. to 6:00 p.m.)

or write to:

Bank of the Sierra

P. O. Box 1930

Porterville, CA 93258

or use the current information on your most recent account statement.

Notification should be made as soon as possible if you think your statement or receipt is wrong or if you need more information about a transaction listed on the statement or receipt. You must contact the Bank no later than 60 days after it sent you the first statement on which the problem or error appears. You must be prepared to provide the following information:

- Your name and account number
- A description of the error or transaction you are unsure about along with an explanation as to why you believe it is an error or why you need more information
- The dollar amount of the suspected error.

If you provide oral notice, you will be required to send in your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days (twenty (20) business days for new accounts) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days (ninety (90) days for new accounts and foreign initiated or point of sale transfers) to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days (twenty (20) business days for new accounts) for the amount which you think is in error, so that you will have the use of the money in question during the time it takes to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account. The extended time periods for new accounts apply to all electronic fund transfers that occur within the first thirty (30) days after the first deposit to the account is made, including those for foreign initiated or point of sale transactions.

We will tell you the results within three (3) 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.

LIABILITY FOR FAILURE TO COMPLETE TRANSACTION

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 as provided by law. 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 result in your exceeding the credit limit on your line of credit, if you have one.
- If the electronic terminal was not working properly and you knew about the breakdown before you started the transfer.
- If circumstances beyond our control (such as fire or flood, computer or machine breakdown, or failure or interruption of communications facilities) prevent the transfer, despite reasonable precautions we have taken.
- If we have terminated our Agreement with you.
- When your Sierra Debit Card has been reported lost or stolen or we have reason to believe that something is wrong with a transaction.
- If we receive inaccurate or incomplete information needed to complete a transaction.
- In the case of preauthorized transfers, we will not be liable where there is a breakdown of the system which would normally handle the transfer.
- If the funds in the account are subject to legal action preventing a transfer to or from your account.
- If the electronic terminal does not have enough cash to complete the transaction.

There may be other exceptions provided by applicable law.

DISCLOSURE OF ACCOUNT INFORMATION

We will disclose information to third parties about your account or electronic fund transfers made to your account:

1. Where necessary to complete a transfer or to investigate and resolve errors involving the transfer(s); 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. With your consent.

DEFINITION OF BUSINESS DAY

Business days are Monday through Friday excluding holidays.

AMENDING OR TERMINATING THE AGREEMENT

We may change this agreement from time to time. You will be notified at least 21 days before a change will take effect if it will cause you an increase in costs or liability or it will limit your ability to make electronic fund transfers. No notice will be given if the change is necessary for security reasons. We also have the right to terminate this agreement at any time.

ATM SAFETY TIPS

As issuers of Automated Teller Machine (ATM) access devices, we have provided for your information a list of safety precautions regarding the use of automated teller machines. California issuers of Automated Teller Machine (ATM) access devices are required to provide customers with safety precautions regarding use of automated teller machines.

Please read the following safety tips:

- Be aware of your surroundings, particularly at night.
- Consider having someone accompany you when the automated teller machine is used after dark.
- Refrain from displaying your cash. Protect your cash and ATM access device as soon as your transaction is completed. Count the cash later in the safety of your car or home.
- Consider using another automated teller machine or coming back later if you notice anything suspicious. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, pocket your ATM access device and leave.
- Go to the nearest public area where people are located if you are followed after making a transaction.
- Report all crimes to law enforcement officials immediately.

ADDITIONAL PROVISIONS

Your account is also governed by the terms and conditions of other applicable agreements between you and the Bank.