

DEPOSIT ACCOUNT TERMS AND DISCLOSURES



Welcome to Montecito Bank & Trust and thank you for opening an account with us. This document provides the general rules that apply to deposit accounts you have with us and will be referred to as the "Agreement." This document, along with any other documents we give you pertaining to your account, is a contract that establishes rules which control your account with us. Additional rules will be provided in:

- disclosures we give you when you open your account (for example, our *Schedule of Fees & Charges* or Signature Card) and other fee disclosures;
- disclosures we give to you when you use additional products and services (for example, our Online Banker Agreement);
- periodic statements;
- user guides; and
- any appropriate means such as direct mail and notices on or with your statement, including statements delivered electronically.

AGREEMENT

This Agreement is subject to applicable federal laws and the laws of the state of California (except to the extent that this Agreement can and does vary from such rules or laws). The purpose of this document is to:

- summarize some laws that apply to common transactions;
- establish rules to cover transactions or events which the law does not regulate;
- establish rules for certain transactions or events which the law regulates, but permits variation by agreement; and give you required disclosures.

If any provision of this Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from this Agreement, but we must agree to any variation in writing. As used in this document the words, "we", "our", "MBT", "us" and "the Bank" mean Montecito Bank & Trust, a California Banking Corporation, 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. The word "owner" means the person or entity that possesses the beneficial and management rights to an account and does not include an agent such as an attorney in fact or mere authorized signer. 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.

Our relationship with you concerning your account is that of a debtor and creditor and no fiduciary, quasi-fiduciary, or special relationship exists between you and us.

INFORMATION SHARING

Our Privacy Policy describes certain personal information we may collect about you, including your name, address, telephone number, and other information we receive from you, information about your account and transactions, and information we receive from credit reporting agencies and other sources. You authorize us to disclose this information to nonaffiliated third parties as permitted by applicable law except as limited under the terms of our Privacy Policy. We provide a copy of our Privacy Policy with this Agreement and will provide it thereafter as required by applicable law. You can also receive a copy by calling us toll-free at 800-348-0146 or by visiting our website at www.montecito.bank/privacy.

ACCOUNT OPENING

We may make any inquiries that we consider appropriate to determine if we should open, or maintain, or need to collect your account. This may include ordering a credit report on you or any other signer on the account.

If we decline to open an account or provide other services (or we close any account or discontinue services) based on any information received, we will provide you, on request, with the name and address of the company that provided this information. If your new relationship with

us is declined based on the information received, you may obtain a free copy of this information. Send your written request to the company and include your name, address, tax payer identification number (TIN), and signature.

In addition to the policies described in "Account Opening", we are authorized to obtain address information any time from the California Department of Motor Vehicles or any other agency or person, and each signer on your account waives the requirement of Section 1808.21 of the California Vehicle Code.

Identification Notice (USA PATRIOT ACT): To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

What This Means for You: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see other identifying documents like a driver's license or documents showing your existence as a legal entity.

Existing Customers: Even if you have been a customer of ours for many years, we may ask you to provide this kind of information and documentation because we may not have collected it from you in the past or we may need to update our records.

Failure to Provide Information: If, for any reason, any owner is unable or unwilling to provide the information necessary to verify their identity, their account(s) may be blocked or closed, which may result in additional fees assessed to the account(s).

In all cases, protection of our customers' identity and confidentiality is our Bank's pledge to you. For more information about our Privacy Policy, please visit our website at www.montecito.bank/privacy or stop by any of our convenient branch locations and request a copy. You may also request a copy by sending a written request to:

Montecito Bank & Trust
P.O. Box 2460
Santa Barbara, CA 93120-2460.

ACH AND WIRE TRANSFERS

This Agreement is subject to Division 11 of the California Commercial Code (similar to Article 4A of the Uniform Commercial Code). If you originate a funds transfer for which Fedwire is used, and you identify by name and number any other party, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a party other than the one named.

Clearing House Rules: You agree to be bound by Automated Clearing House ("ACH") association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Section 11403(a) of the California Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited.

Notice of Receipt of Funds: Unless we have agreed in writing, we will notify you of funds electronically debited or credited to your account through the statement for your account covering the period in which the transaction occurred. We are under no obligation to provide you with any additional notice or receipt.

ADJUSTMENTS

We can fix any error on your account and make adjustments without first notifying you. For example, if:

- your check is paid for an incorrect amount;
- a deposit is added incorrectly; or

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- we apply a deposit to the wrong account.

We can fix the error without any special notice to you, though such a correction will normally appear on your statement if the error and the correction occur on different business days. We might not adjust for insignificant errors unless you request it.

AMENDMENTS AND TERMINATIONS

We may change any term of this Agreement, which may include adding to them or deleting certain provisions entirely or partially. In addition, we will revise this Agreement from time to time to reflect these changes. Copies of the current Agreement will be available at any branch location or you can call 805-963-7511 or 800-348-0146 to request a new copy. We suggest that you keep any notification of changes to this Agreement along with the rest of your Montecito Bank & Trust account information. Rules governing changes in interest rates are provided separately. Unless otherwise required by law, we may amend this Agreement without prior notice to you. If we choose to notify you or are required by law to notify you of changes to this Agreement, we may mail or deliver a notice, a statement message, or an electronic message to you at the last address we have on file for you. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Notice from us to any one of you is notice to all of you.

APPOINTMENT OF AN AGENT

We may provide you with a power of attorney form for you to use in appointing someone (an agent) to sign on your account on your behalf. You shall be bound by and responsible for the actions of your agent, even if the agency relationship is not indicated on the check, withdrawal order or other instruction.

If you choose to use a power of attorney form other than one provided by us, we may not accept it. The best way to determine whether we will recognize a power of attorney is for you to bring the power of attorney form and your agent into our office so we can review the form and determine if we will recognize and act upon the form you present.

ASSIGNMENT OR TRANSFER

This account may not be transferred or assigned without our prior written consent.

AUTHORIZED SIGNATURES

The authorized signatures for an account are those persons reflected on the signature card, a resolution or another separate written authorization relating to the account in a form acceptable to us. We are authorized to act on those signatures, but we will not be liable for refusing to honor items or signed instructions regarding an account if we believe in good faith that the signatures appearing on such items or instructions are not genuine. Furthermore, you may inadvertently give another person authority over your account by your conduct or by your failure to act. For example, if you give information about your account (such as the Bank's routing number and/or your account number) to another party, any item presented against your account by that party is deemed to have been authorized by you.

AVAILABILITY OF FUNDS: YOUR ABILITY TO WITHDRAW FUNDS

This funds availability policy applies only to your checking accounts. For accounts other than checking accounts (for example, savings accounts) the policies below do not apply and you can ask us when you make a deposit when those funds will be available for withdrawal.

Some sections of this disclosure apply to all accounts and all customers. There are special sections for Retail Consumer, Small Business, Commercial, and New Accounts. We will make that clear in this section's headings.

Funds "availability" means your ability to withdraw funds from your account, whether those withdrawals are in cash, by check, automatic payment, or any other method we allow. If deposited funds are not "available" to you on a given day, you may not withdraw the funds in cash and we may not use the funds to pay items that you have written or honor

other withdrawals you request. If we pay items that you have written or honor other withdrawals before funds are available to you, we may charge a fee for this.

Even after an item has "cleared" and we have made funds available to you and you have withdrawn the funds, you are still responsible for items you deposit that are returned to us unpaid and for any other problems involving your deposit. (Refer to the section titled *Returned Deposits and Cashed Items*.)

Determining The Availability of a Deposit: The day funds become available is determined by counting business days from the day of your deposit. Every day is a business day, except Saturdays, Sundays and Federal holidays. If you make a deposit in person in our branch or at our ATM before our established cutoff times, on a business day that we are open, we will consider that day to be the day of your deposit for purposes of calculating when your funds will become available. However, if you make a deposit in our branch or at our ATM after our cutoff times, or on a day that we are not open, we will consider that the deposit was made on the next business day we are open.

In person deposit cutoff times:

Branch deposits: 5:00 p.m. local time

MB&T ATM deposits: 6:00 p.m. local time

Any deposit you send by mail is considered deposited on the business day it arrives if it arrives before closing time at the branch of deposit.

Immediate Availability: The following types of deposits will usually be available for immediate withdrawal:

- cash (if deposited in person to our employee);
- electronic direct deposits; and
- wire transfers.

Cash and wire transfer deposits are subject to the "Special Rules for New Accounts" listed below.

Next Day Availability for Retail Consumer, Small Business and Commercial Accounts: Our general availability policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Once they are available, you can withdraw the funds in cash and we can use the funds to pay items that you have written.

Even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

Longer Delays May Apply: In some cases, we will not make all the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, the first \$225 of your deposit may be available on the first business day after we receive your deposit. The remaining funds will be available on the second business day after the day of your deposit. If we are not going to make all the funds from your deposit available on the first business day after we receive your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six (6) months.
- There is an emergency, such as a failure of communications or computer equipment.

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We will notify you if we delay your ability to withdraw funds for any of these reasons and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

Special Rules for New Accounts - Retail Consumer and Small Business Accounts: If you are a new customer, the following special rules will apply during the first thirty (30) days your account is open.

- Funds from electronic direct deposits into your account will be available on the day we receive the deposit.
- Funds from deposits of cash, wire transfers and the first \$5,525 of a day's total deposits of Cashier's, certified, travelers, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and, if this is a new account, you may have to use a special deposit slip).
- The excess over \$5,525 will be available on the ninth business day after the day of your deposit.
- If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit.
- Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

BUSINESS ACCOUNTS

Earnings in the form of interest or credits will be paid only on collected funds, unless otherwise provided by law or our policy. We may require you to give us a separate authorization telling us who is authorized to act on a business entity's behalf. We will honor the authorization until we receive written notice of a change from the governing body of the legal entity.

If you have a business account, you agree to notify us promptly of any change in the business name or identity, or a change in the authorized signers on the account.

We may change the designation of your account type in the event the monthly account activity exceeds stated limits for your particular account type. To the extent that the account type is modified, you will be subject to all standard conditions, rules and fees associated with the new account type.

BUSINESS DAYS

For purposes of these disclosures, our business days are Monday through Friday, excluding Saturday, Sunday and Federal holidays..

CASH TRANSACTIONS

Pursuant to federal law and regulations, we are required to report large domestic transactions in cash or coin to the U. S. Treasury Department. Large transactions that involve transporting, mailing or shipping currency or other monetary instruments from or into the United States are reported to the U.S. Customs Department.

CASHIER'S CHECKS

You do not automatically have the right to stop payment on Cashier's checks you purchase from us. In the event that a Cashier's check is lost, stolen or destroyed, contact us for the procedures to follow to obtain reimbursement or have the Cashier's check reissued. In general, you will have to sign a declaration under penalty of perjury describing the check and how it was lost, stolen or destroyed. We must then wait ninety (90) days from the date the check was issued before we can pay your claim. If ninety (90) days has already passed, we will act on your claim within a reasonable time. If the check is presented during the ninety (90) day waiting period, we may pay a person entitled to enforce the check. If this happens, we will not pay your claim.

CELLULAR PHONE CONTACT POLICY

By providing us with a telephone number for a cellular or other wireless device, you expressly consent to receiving communications –

including, but not limited to, prerecorded or artificial voice message calls, text messages and calls made by an automatic telephone dialing system – from us at that number. This express consent applies to each such telephone number that you provide us now or in the future and permits such calls regardless of their purpose. Calls and messages may incur access fees from your cellular provider.

CHANGE OF ADDRESS

You agree to notify us by telephone, in writing or in person in the event you change your physical or mailing address.

CHECK PRINTING

If you arrange for the printing of your own checks, the form, encoding and format of the checks must follow our check specification requirements and be approved by us in advance.

If you print any special limitations on your checks such as "void over \$100" or "paid in full" or "void after 90 days," you agree that we are not bound by such limitations and you authorize us to pay such items without regard to the limitation(s).

CHECK 21

Check processing is getting faster as banks begin to process checks "electronically." We are required by law to provide the notice in the following section "Substitute Checks and Your Rights", which explains the differences between your original check (which might not be returned) and a substitute check, and your rights in the event the substitute check causes a loss that would have been avoided if the original check was still available.

SUBSTITUTE CHECKS AND YOUR RIGHTS

What is a substitute check?

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of the substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use the substitute check as proof of payment just like the original check.

Some or all of the checks that are returned to you from us may be substitute checks. This notice describes your rights when you receive substitute checks from us. The rights in this notice do not apply to original checks, photocopies of original checks, or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What are my rights regarding substitute checks? (Applies to consumer accounts only)

In certain cases, Federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, overdraft or NSF fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You are also entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest, if your account earns interest) within ten (10) business days after we received your claim and the remainder of your refund (plus interest, if your account earns interest) not later than forty-five (45) calendar days after we received your claim.

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We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How do I make a claim for a refund? (Applies to consumer accounts only)

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please call 800-348-0146 or write to us at Montecito Bank & Trust, P.O. Box 2460, Santa Barbara, CA 93120-2460. You must contact us within forty (40) calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

- a description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- an estimate of the amount of your loss;
- an explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- a copy of the substitute check or information to help us identify the substitute check;
- information might include the check number, the name of the person to whom you wrote the check and the amount of the check.

CHECKING SUB-ACCOUNTS

We may from time to time choose to reclassify your account for internal banking purposes. This change would be strictly for internal bank purposes and would not affect the operation of your account in any way. Your periodic account statement will not be affected. This change would allow us to modify our reserve requirements under Regulation D through the use of sub-accounts and internal transfers between these accounts. The maintenance of the sub-accounts is for the purpose of improving our efficiency and will not affect your account and your ability to use it and, if it earns interest, the amount of interest you earn will not be affected. We will maintain separate information on each sub-account for regulatory reporting purposes, but all information reported to you will be consolidated. The reclassification of your account would be at our sole discretion.

COPIES OF DOCUMENTS

Paper documents (such as deposit slips) associated with your account are typically kept for short periods of time. Microfilm or electronic copies of most documents are stored in lieu of the originals, which are destroyed after a set retention period. You agree that such copies will be sufficient for all purposes.

See the section above titled "Check 21." To facilitate check imaging and electronic check collection, it is important that you take care with the transactions you create on paper.

When completing a check, you must:

- write clearly;
- use black or dark blue ink in the date, pay to, amount, and signature fields; and
- use only the space provided for your part of a transaction (i.e., endorse only in the endorsement area).

You agree to reimburse us for any losses and costs we incur as a result of a poor check image caused by a deficiency in the written check, whether due to your failure to follow these guidelines or otherwise. You also agree to reimburse us for any losses and costs we incur as a result of a poor check image caused by a deficiency in the written check that you accepted and deposited as the payee.

CLOSING, FREEZING, INTERPLEADING, OR SUSPENDING ACCOUNTS

We may honor any authorized signer's request to close or suspend an account. At our discretion, we may require the signatures of all account holders and/or authorized signers before permitting the withdrawal of funds or the closing or suspension of an account. We may return checks

or other items, marked "Refer to Maker" (or similar language), in the event there is a dispute over the ownership or control of an account. However, we may, without liability to you, continue to honor checks and other instructions given to us by the individuals who appear as authorized signers according to our records.

As part of the Bank's loss prevention program, when the Bank suspects that irregular, unauthorized, or unlawful activities may be involved with your account, the Bank may "freeze" (or place a hold on) the balance in your account pending an investigation of such suspected activities. If the Bank freezes your account, the Bank will give any notice required by laws governing your account.

We may also "interplead" account funds in the event of a dispute over the authority to control the proceeds of an account. ("Interpleader" is a court proceeding by which an entity compels other parties asserting the same claim against it to litigate the matter between themselves.) This right is in addition to any statutory rights to interplead under California Code of Civil Procedure Section 386. Accordingly, you authorize interpleader even when, for example, one of the claimants does not have an interest in the account and the "adverse claim" procedures of California Financial Code section 952, 1650 or 6661 might apply. You agree that our decision to interplead account funds subject to dispute will not subject us to liability to you for damages resulting from our decision to interplead (including attorney's fees and costs), regardless of whether the interpleader action is successful in placing the account funds within control of a court of competent jurisdiction.

We may close your account at any time, with or without cause, and remit the balance to you at the last address we have on file for you. You may close your account at any time upon notice to us, subject to any applicable early withdrawal penalty. However, you will remain liable for the payment of accrued fees on the account and for checks in the process of collection.

We may dishonor any check, withdrawal order, item, or transaction presented for payment after an account is closed by you or by us. At our option, we may honor checks, withdrawal orders, items, or transactions after an account is closed if the transaction was part of an electronic fund transfer system or if you fail to place a stop payment order for any outstanding checks or other items. You shall remain responsible and liable for such checks, items and transactions. If an interest-bearing account is closed for any reason before accrued interest is actually paid, interest may not be paid for the last interest period.

DEATH OR INCOMPETENCY

You agree to immediately notify us regarding the death or court-declared incompetence of any owner or authorized signer on your account. Until we receive such notice in writing, we may continue to honor items drawn on your account by the authorized signer(s). We may suspend, refuse and reverse any transactions or deposits (for example, automatic federal direct deposits of benefit payments belonging to the decedent) if any owner or authorized signer dies or is declared by a court to be incompetent. (Refer to the section titled *Direct Deposits*.)

DEPOSITS

When you make a noncash deposit to your account, we give you credit for that deposit, but that credit is provisional (temporary). We will give only provisional credit until collection is final for any items, other than cash, that we accept for deposit (including items drawn "on us"). If the deposit needs to be collected from another financial institution, we must be paid before the credit becomes final. After a credit is final, it may still be reversed. (Refer to the sections titled *Returned Deposits and Cashed Items and Availability of Funds*.)

We may accept deposits to your account from any source and need not question the authority of the person to make the deposit. We reserve the right to decline any deposit from any person or may limit the deposit amount. All deposits are subject to later verification, adjustment and collection by us. Deposit receipts do not necessarily indicate the correct balance in the account or the amount being deposited.

Foreign Currency: If you make a deposit in the form of, or payable in, a foreign currency, that deposit has to be converted (exchanged) into U.S.

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dollars. The "collection" process may take a longer period of time to process and your final credit will be adjusted to reflect the final exchange rate less any fees imposed by the Bank and the entity conducting the conversion.

Deposits by Mail: If you make a deposit by mail, we have to receive it and have time to record it before it becomes effective. (Refer to the section titled *Availability of Funds*.)

Cutoff Time: A deposit made after our daily cutoff time on a business day, or on a day we are not open for all forms of business, will be considered deposited on the next full business day. (Refer to the section titled *Availability of Funds*.) The cutoff time applies to all accounts, not just checking accounts.

Endorsement, Third Party Checks: We reserve the right to refuse items that bear more than one endorsement or the endorsements of individuals who are not known to us. If you wish to deposit or cash an item which has been previously endorsed by one or more individuals, we reserve the right to require all endorsers to be present before we accept the item or that their endorsements be guaranteed by their financial institutions. You warrant that all endorsements on items deposited to your account are genuine. In the event you make a deposit to an account and you fail to endorse the item, you agree that we may add an endorsement of the account holders and you will be responsible for the item as if you endorsed it yourself. You agree to reimburse us for any loss, cost or expense we incur as a result of your failure to endorse an item exactly as drawn. If we receive an affidavit stating that one or more endorsements on a check or other item deposited into your account is forged, we may freeze the amount or charge back the amount of the item to your account, without prior notice to you, even though you have already used the funds.

We can refuse to accept any item for deposit for any reason, or no reason whatsoever, or impose conditions on a deposit as we think appropriate. For example, we can treat a deposit as an "inquiry" or take an item for "collection" instead of deposit.

We are obligated only to use ordinary care in collecting items on your behalf. We shall not be liable for the negligence of other banks in the collection of checks and other items.

DIRECT DEPOSITS

If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the federal or state government for any reason, you authorize us to deduct the amount of our (or your) liability to the government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

DISPUTE RESOLUTION – MEDIATION AND JUDICIAL REFERENCE

The parties shall attempt to resolve any disputes between them, or claims against the other, through mediation. Any and all disputes between the parties or claims that are not resolved through mediation, or if a party refuses to participate in mediation, or if the matter cannot be resolved in Small Claims Court, shall be heard by a referee and resolved by judicial reference pursuant to California Code of Civil Procedure Sections 638 et seq.

The referee shall be a retired California state court judge. The parties shall not seek to appoint a referee that may be disqualified pursuant to California Code of Civil Procedure Section 641 or 641.2 without the prior written consent of all parties. If the Parties are unable to agree upon a referee within ten (10) calendar days after one party serves a written notice of intent for judicial reference upon the other party, then the referee will be selected by the court in accordance with California Code of Civil Procedure Section 640(b).

The referee shall conduct the proceedings in accordance with the California Code of Civil Procedure, the Rules of Court, and California Evidence Code, except as otherwise specifically agreed by the parties and approved by the referee. The decision of the referee shall be entered as a judgment in the court in accordance with the provisions of California

Code of Civil Procedure Sections 644 and 645. The decision of the referee shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the superior court.

Notwithstanding the foregoing, each party acknowledges that its violation of this Agreement may cause irreparable injury to the other party, and agrees that the other party shall be entitled to seek temporary and preliminary injunctive relief in a court of competent jurisdiction located within Santa Barbara, California, without the necessity of proving actual damages or posting a bond, to prevent such violation.

This clause shall not preclude parties from seeking provisional remedies in aid of judicial reference from a court of appropriate jurisdiction. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; obtaining a writ of attachment or imposition of a receiver; or the Bank exercising its right of setoff or its security interest in any of your accounts.

Nothing in this Agreement shall preclude any party from seeking injunctive relief, but no equitable relief other than injunctive relief shall be sought from such court. The statute of limitations, estoppel, waiver, laches, and similar doctrines, which would otherwise be applicable in an action brought by a party, shall be applicable in any judicial reference proceeding.

During the pendency of any dispute which is submitted to mediation or judicial reference in accordance with this Agreement, each of the parties to such dispute shall bear equal shares of the fees charged and costs incurred by the mediator or referee in performing the services described in this Agreement, unless prohibited by law or the referee orders otherwise. The compensation of the mediator or referee shall not exceed the prevailing rate for like services.

For consumer accounts, each party shall bear their respective fees and expenses, including, but not limited to, attorney's fees, expert's fees, witness fees, and other related expenses. For business accounts, the prevailing party shall be awarded fees and costs including, but not limited to, fees and expenses of any referee, court costs, attorney's fees and expenses, expert witness fees, etc., all as determined by the referee or court.

DISPUTED CONSUMER REPORTING AGENCY INFORMATION: NOTICE REGARDING INACCURATE INFORMATION

If your account is maintained in an unsatisfactory manner, we may report information about you and any joint account holders or authorized signers on the account to a Consumer Reporting Agency. These consumer reports allow us to make credit and other opportunities available to you.

If you disagree with the accuracy of the information that we submit to a Consumer Reporting Agency, please notify us at the following address and specify the specific information that is inaccurate.

Montecito Bank & Trust
P.O. Box 2460
Santa Barbara, CA 93120-2460

We will review our files and respond to you in writing.

WE MAY REPORT INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

DORMANT AND INACTIVE ACCOUNTS

Checking accounts, Money Market accounts and Savings accounts with no deposit or withdrawal transactions for twenty-four (24) consecutive months, are considered "dormant" unless you contact us within that period. A time deposit is classified as dormant if you do not withdraw the deposit after it matures or, if it is automatically renewable, you do not contact us within three (3) years after the first automatic renewal. We will try to contact you before we classify the account as dormant. We will hold all statements on your account if we cannot contact you. The account will continue to be assessed the normal service charges (e.g. monthly

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maintenance fee, etc.) while it is in dormant status. As required by law, we will remit the funds in the dormant account to the State of California (less a charge for mailing a Notice of Escheat to you) at the end of three (3) years. (See our *Schedule of Fees & Charges*.) You may reclaim any funds we have remitted by contacting the State Controller's Office and producing evidence of ownership.

An account is classified as "inactive" if there is no customer-initiated activity within a twelve (12) month period. The account will continue to be assessed the normal service charges (e.g. monthly maintenance fee, etc.) while it is in inactive status. If your account is classified as inactive, you will continue to receive your statements on your regular schedule (monthly for checking and money market accounts and quarterly for savings accounts).

ELECTRONIC STATEMENTS (eStatements)

If you choose to enroll to receive eStatements, you must do so pursuant to and in a manner consistent with the provisions of the Electronic Signatures in Global and National Commerce Act (ESIGN). You must provide us with a valid email address at the time you open your account and must maintain a valid email address in order to receive eStatement notifications.

FACSIMILE OR ELECTRONIC INSTRUCTIONS

You agree that we may accept or decline, at our sole discretion, any instructions from you by facsimile or other electronic means.

FICTITIOUS BUSINESS NAME ACCOUNTS

If the name in which the account is held is fictitious, each account holder represents that one or more of the account holders have the right to use that name and have fulfilled all legal requirements for using and/or doing business under that name.

GOVERNING LAW

Except as provided by conflicting federal law or regulation, accounts will be governed by the laws of the State of California.

LEGAL PROCESS

We may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant, or other legal process which we believe (correctly or otherwise) to be valid. We may honor a legal process which is served by mail or facsimile transmission, or at any one of our offices, even if the law requires personal delivery at each office where you maintain an account. Unless restricted to a specific account, we may use funds in any account on which you are an owner, in any order, at our option. We will not pay interest on any funds we hold or set aside in response to legal process. We may notify you of such process by telephone, electronically or in writing. A fee for processing may be assessed (See our *Schedule of Fees & Charges*). NOTE: If we are not fully reimbursed for our record research, photocopying, and handling costs by the party which served the process, we may charge such costs to your account in addition to the minimum legal process fee, even if the legal process is later quashed or abandoned.

You agree to indemnify, defend, and hold us harmless from all actions, claims, liabilities, losses, costs, and damages associated with our compliance with any process that we believe to be valid. This includes instances where we may remit funds demanded under an alias (where identification is verified) if we believe the debt is owed to the judgment creditor or levying party. Accounts opened with trust or fiduciary designations (e.g. "XYZ, Inc. Client Trust Account") may be subject to levies and other legal process against your property unless our records clearly reflect the existence of an express written trust or court order.

Any garnishment or levy against your account is subject to the "SETOFF CONSENT" provision of this Agreement. In the event a garnishment or levy reduces the account balance to a level insufficient to pay items presented for payment against the account, we are not liable for dishonoring the items.

LIABILITY FOR OVERDRAFTS AND CHARGES

The account holder(s) is responsible to us to repay any overdrafts and any fees charged to an account, no matter which owner or signer

caused it or why. That repayment is due immediately, and we may take it from your next deposit or whenever funds become available in your account. If there is more than one owner, each owner is separately, and all owners are jointly, responsible for an overdraft and any account fees. (This means we can collect the total from any owner, but we won't collect it more than once.) An overdraft occurs if you take more money out of your account than is available to you for withdrawal or if it is available to you, but is later reversed. This can happen for example:

- by writing a check without enough money in the account to pay the check, and we decide to pay it;
- by making a deposit, withdrawing money based on that deposit, and having that deposit reversed because the deposited item is later returned to us unpaid; or
- when money is deposited in your account by mistake, and you withdraw money based on that deposit and the deposit is reversed.

When a minor is a co-signer on a joint account, the adult co-signer will be held jointly and severally (individually) liable for all activity on the account (including but not limited to payment of overdrafts, charges and fees) and shall be bound by the terms and conditions of the account, without limitation.

We are not obligated to continue paying items which create an overdraft even if we have done so in the past and we may refuse to do so in the future without any notice to you. Refer to our *Schedule of Fees & Charges* for a list of charges that you may incur on your account.

LIMITATION OF LIABILITY - INDEMNIFICATION

WHETHER IN CONNECTION WITH YOUR ACCOUNT OR A SERVICE WE PROVIDE, IN NO EVENT WILL EITHER YOU OR US, OR OUR AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, OR AGENTS BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES, WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT OR WHETHER THE LIKELIHOOD OF SUCH DAMAGES WAS KNOWN TO EITHER PARTY. The foregoing limitation of liability will not apply where expressly prohibited by the laws governing your account. Except to the extent that we fail to exercise "ordinary care" or breach this Agreement, you agree to indemnify and hold us and our affiliates, officers, directors, employees, shareholders, and agents harmless from all claims, demands, losses, liabilities, judgments, and expenses arising out of or in any way connected with performance under this Agreement. You agree that this indemnification will survive termination of this Agreement.

LOST ITEMS AND DELAYED RETURNS

We act only as a collection agent for you when we receive a check for deposit or which we cash for you. If that check or other item is lost, stolen or destroyed in the process of collection, we may reverse the credit for any deposit or charge your account for the cashed check or item.

You are responsible for the condition of a check or item when you issue it, or present it for deposit to your account. If a check or item is returned or payment is delayed as a result of any writing or marking that you or a third party placed on the front or back of the check or item, you will be responsible for any costs or liabilities incurred as a result.

MONITORING AND RECORDING TELEPHONE CALLS

We may, but are not obligated to, record electronically any telephone calls relating to transactions involving your account, and may keep these recordings for as long as we wish. You must obtain the consent of any of your authorized agents to such recordings. You agree that these recordings, and any other messages (including telecopier or facsimile messages) received by us, will be treated as writings signed by the account holder, and will control in the event of any differences with your records.

MULTIPLE SIGNATURES

Notwithstanding any provisions to the contrary on any signature card or other documentation you may have provided to us, if you have: (a) specified that some or all checks must be signed by more than one

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person; (b) specified that the authorized signers for checks in one category are different than those for another check category; or (c) utilize checks that purport to require multiple signatures, you acknowledge that those restrictions are for your convenience, internal use and control purposes only and do not bind us even if you have made us aware of them. We reserve the right to refuse to allow any customer the opportunity to open or maintain accounts with these types of restrictions notwithstanding the fact that such customer has acknowledged that we have no obligation to honor such restrictions. You agree not to assert any lack of authorized signers on any check and hereby waive any claims against us or right to seek reimbursement for losses arising there from as long as any check honored by us contains the signature of at least one individual who is an authorized signer for your account.

NOTICES REGARDING AN ACCOUNT

We may send statements and notices to any party to an account by mailing or delivering a notice to the last address we have on file for the account. Notice to any account holder or authorized representative shall be deemed to be notice to all account holders.

If we hold statements or notices relating to the account at your request, or because you fail to give us a current address for the account, the notices are deemed delivered to you upon their receipt or preparation by the office of account. Any notice or statement returned to us as undeliverable shall be deemed delivered to you as of the date it is deposited by us in the mail.

You must mail, or deliver during normal banking hours, all notices that are requested by this Agreement or by law to us at the office that holds your account and any other address we specify. If you have multiple accounts or services, you may have to send notices to more than one address.

ORDER IN WHICH WE PAY ITEMS

The law permits us to pay items drawn on your account in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we intend to process items presented against your account. The order in which items are paid is important if, at the time an item is presented, the available balance in your account is not sufficient to pay all of the items that are presented. The following represents our intended order of posting, but the actual order may be altered due to system errors or other intervening causes.

On each business day, items are processed by the type of item in dollar amount order (lowest to highest), with the exception of checks (that include check numbers), which are subsequently processed in check number order (lowest to highest). Below is the order of item types:

- Items drawn on us that have been cashed at one of our branch locations
- Outgoing wires
- Items drawn on us that have been deposited at one of our branch locations, at one of our ATMs, or through mobile channels
- ATM or debit card transactions
- Transfers
- ACH debits and bill payments

If available funds remain after processing these transactions, we pay your remaining checks (checks negotiated at other financial institutions) in the order of lowest to highest check number. Please note that if a check is converted to an ACH debit, it will be posted before other checks.

If an item is presented for payment without sufficient funds in your account, we may, at our discretion, pay the item (creating an overdraft) or return the item due to non-sufficient funds ("NSF"). The amount of the overdraft paid fee is disclosed in our Schedule of Fees & Charges. We do not currently charge a fee for NSF items returned.

A financial institution where you deposit a check, your payee, or other entity that submitted an item for payment against your account may resubmit an item against your account even if we have already refused payment of that item for NSF. If a resubmitted item again exceeds the funds available in your account, we may, at our discretion, pay the item (creating an overdraft) resulting in an overdraft paid fee or return the item again. We encourage you to keep careful records and practice good

account management. This will help you avoid writing checks or drafts without sufficient funds and incurring the resulting fees.

FEES ARE CHARGED FOR NON-SUFFICIENT FUNDS ITEMS BEING PAID(Refer to our *Schedule of Fees & Charges.*)

The Bank offers several ways to help avoid accidental overdrafts in your account. You may qualify for a line of credit called Ready Cash Reserve (RCR), which will cover items, up to your established credit limit, presented against insufficient cleared balances in your account. Your Ready Cash Reserve would be automatically accessed to cover such items, which might otherwise be returned or rejected ("bounced") as NSF items. **You must separately apply for and be approved to receive a Ready Cash Reserve line of credit and fees will apply.** You may also choose to link another one of your accounts to cover overdrafts in your checking account. **You must request this service and fees will apply. A linked deposit account is not automatically established when you open and maintain other accounts with the Bank.** (Refer to the section titled *Overdraft Coverage from a Linked Deposit Account.*)

OTHER AGREEMENTS

You may have another agreement with us which, by its terms, supersedes this Agreement in whole or in part. For example, if you are a business customer, certain provisions of your other agreements (such as an account analysis agreement or night depository agreement) may supersede some of the terms of this Agreement, to the extent that they are inconsistent. If you are a consumer, your accounts may also be governed in part by one or more electronic fund transfer agreements.

OVERDRAFT COVERAGE FROM A LINKED DEPOSIT ACCOUNT

To avoid overdrafts and rejected items, you may elect to utilize the Bank's linked account feature. This service is available to checking account customers who have another deposit account (checking, savings or money market) with the Bank. This service allows automatic transfers from your linked deposit account to your checking account to avoid an overdraft. Transfer fees apply.

If a transfer is attempted from the linked deposit account and there are not sufficient funds to completely cover the overdraft in the checking account, a transfer of the remaining balance in the linked account will take place. However, the checking account will still be overdrawn and additional fees may apply.

OWNERSHIP OF PERSONAL ACCOUNTS AND BENEFICIARY DESIGNATIONS

These rules apply depending on the form of account ownership and beneficiary designation, if any, specified on account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds. As used in this Agreement, "party" means a person who, by the terms of the account, has a present right, subject to request, to payment from a multiple-party account other than as an agent.

For multi-party accounts, the primary account holder is considered the person or entity that has been assigned the tax responsibility for the account.

Ownership Types:

Individual Account – This is an account or certificate in the name of one person.

Joint Account – This account or certificate is owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s).

Joint Account of Husband and Wife or Domestic Partners with Right of Survivorship – This account or certificate is owned by the named parties, who are husband and wife or domestic partners, and presumed to be their community property. Upon the death of either of them, ownership passes to the survivor.

Community Property Account of Husband and Wife or Domestic Partners – This account or certificate is the community property of

the named parties who are husband and wife or domestic partners. The ownership during lifetime and after the death of a spouse or partner is determined by the law applicable to community property generally and may be affected by a will.

Tenancy in Common Account – This account or certificate is owned by the named parties as tenants in common. Upon the death of any party, the ownership interest of that party passes to the named pay-on-death payee(s) of that party or, if none, to the estate of that party.

Trust Account Subject to Separate Agreement – This account or certificate is established pursuant to the terms of a separate trust agreement. The trustee(s) has authority to act on the account and beneficiaries have no present right to control the account.

Beneficiary Designations:

Payable on Death (P.O.D.) Account with Single Party – This account or certificate is owned by the named party. Upon the death of that party, ownership passes to the named pay-on-death payee(s).

Payable on Death (P.O.D.) Account with Multiple Parties – This account or certificate is owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s). Upon the death of all of them, ownership passes to the named pay-on-death payee(s).

Totten Trust Account – If two or more of you create this account, you own the account jointly with rights of survivorship. Beneficiaries cannot withdraw unless, (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship.

The person(s) creating an account with either of the above beneficiary designations (P.O.D. or Totten Trust) reserves the right to: (1) change beneficiaries; (2) change account types; and (3) withdraw all or part of the account funds at any time.

PAYMENT OF PHOTOCOPIES

Checks and other items are sometimes lost during processing or while in transit to us. You agree that we may charge photocopies of items to your account without your prior approval if they appear to be drawn on your account and are accompanied by an indemnity agreement from another financial institution at least equal to the value of the items. We shall not be liable to you if the original items are thereafter presented and paid against your account.

PLACEMENT OF ENDORSEMENTS

Federal Reserve Board Regulation CC, which implements the Expedited Funds Availability Act, establishes specific requirements for the placement of endorsements on the back of checks. The back of a check must remain clear of any other material or writing that would make the endorsement of forward collecting banks illegible.

If you are the payee of a check, your endorsement and any other information placed on the back of the check by you or prior endorsers must be in the area reserved for the payee. You are responsible for the proper placement of all prior endorsements.

If you are the issuer of the check, you should not place any preprinted information such as contracts in the areas reserved for bank endorsements. Although carbon band checks are not prohibited by the regulation, the issuer may be liable if the carbon band obscures a bank's endorsement.

You shall be liable for all losses incurred by us resulting from any illegible bank endorsement caused by you. We may, but are not required to, refuse to accept a check when the back of the check is unreasonably obscured.

POSTDATED CHECKS

We may charge your account for an item that is otherwise properly payable from the account even though we pay the check before the date on it, unless you give us special "notice of postdated check." You can give this special notice to us orally, but it must be received by us in time to give us reasonable opportunity to act on it before final payment of the item. In placing your notice of postdated check, you must describe the check by giving the account number, check date, check number, exact amount of the check, and name of payee in order for us to return the item if it is presented for payment before the date on the check.

If you give us oral notice, we require that you put your notice of postdated check in writing to us within fourteen (14) days. If you do not put your notice in writing, then your notice of postdated check will expire at the end of the fourteen (14) day period. If you put your notice in writing to us, then your notice of postdated check will remain in effect for a total of six (6) months. If you want to continue your notice of postdated check for additional six (6) month periods, then you must renew your notice before the current notice of postdated check expires. We impose a fee for each notice of postdated check and each renewal. (Refer to our *Schedule of Fees & Charges*.)

We may pay the item as of its date, even if you have given us a notice of postdated check. If you do not want the item to be payable as of its date, you must give us a stop payment order in time for us to act on it before the date of the item.

PREAUTHORIZED DRAFTS

If you use or authorize another to issue a demand draft against your account, or voluntarily give information about your account (such as your routing number and your account number) to a party who is seeking to sell you goods or services, and you do not deliver the check physically signed by you to the party, any demand draft or other debit to your account initiated by the party to whom you gave the information is deemed authorized even if it differs in amount, frequency or timing from your intentions or agreement with that party. You agree that you will not hold us responsible for any loss, damage or other problems resulting from your having used or authorized another to create a demand draft.

RELEASING ACCOUNT INFORMATION

Subject to the requirements set forth in the financial privacy laws and any other laws or statutes regarding the sharing of customer information, we may provide information regarding the current status and history of your account to others. We may release information: (1) where it is necessary or helpful to complete a transaction; (2) to verify the existence and condition of your account for a third party, such as a merchant or another financial institution; (3) to comply with the law or a court order; (4) when an inquiry is made regarding whether your account has sufficient funds to cover a check drawn on your account; (5) with your authorization; (6) if you are a business, pursuant to the principles established by Robert Morris Associates; and (7) for other legitimate business purposes.

The Bank, from time to time, enters into agreements with third parties to provide bank-related services for the Bank. The services provided by the third parties may include check processing services, data processing services or bank-related services. You authorize us to release information regarding your account to such third-party service providers in connection with their services for the Bank.

RESTRICTIONS ON USE OF ELECTRONIC MESSAGES

Any messages or instructions transmitted by you over the Internet or over any other electronic communications system will not bind the Bank, and the Bank will be under no obligation to respond to or act upon the same. You will bear the risk of any losses that may result from the particular telecommunications system that you choose, including any losses that result from breach of security or from the Bank's not responding to or acting on the message. If the Bank, in its sole discretion, chooses to respond to or act upon a message or instruction received in this manner, then the following apply:

- If the message or instruction is authentic or validated by you, then you will be bound by the message of instruction;

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- The Bank will not be deemed to have received the message or instruction until it has actually received it and had a reasonable time to act on the message or instruction;
- The Bank will not be bound to act on or accept any future message or instruction;
- The Bank may use the account number you provide us even if the account number identifies an account or beneficiary different from the one named by you; and
- You agree to indemnify the Bank and hold it harmless against any losses, damages or other expenses (including attorney's fees and expenses) arising out of the Bank's actions or inactions in response to your message or instruction.

RETURNED DEPOSITS AND CASHED ITEMS

If a check or other item (or image) that we cash for you or which you deposit to your account is returned to us as unpaid for any reason, we may charge your account for the amount of the check or other item plus a handling fee. This may include, among other circumstances, checks that are returned because the maker of the check had insufficient funds in its account or checks that were paid originally and later are returned to us accompanied by an affidavit which states that the endorsement is forged or unauthorized or that the item has been altered. We may charge your account for the amount without questioning the truth of such an affidavit. The funds you deposit to your account are subject to normal collection processes even after we make the funds available to you for withdrawal (i.e., the check has "cleared"). If we do not collect the funds, or we need to return the funds, your deposit will be reversed and become your responsibility. For example:

- The deposit amount of the check is recorded incorrectly to your account. The person who wrote the check reports the error to their bank, who in turn reports it to us. We would reverse the incorrect portion of the deposit and correct the mistake.
- A check you deposit has a forged endorsement. The person who wrote the check reports the forgery to their bank, who reports it to us. We would reverse the deposit and collection of the check would become your responsibility.
- This also applies to checks we might cash for you that you don't deposit. For example, if you bring a check to us and take cash back from a deposit, or we simply cash the check and if that check "bounces" (is returned to us unpaid), we can take the money from your account to reimburse us for the check and you will have to collect it through other channels. There may also be a fee for such a transaction.

If any check or other item deposited in your account is returned to us through the Federal Reserve, a clearinghouse or one of the other normal check return channels, we may accept that return and charge the check or other item back against your account without regard to whether the institution on which the check or other item is drawn returned the check within the required timeframe.

We may, at our option, notify you by telephone if an item has been returned unpaid. If you authorize us to redeposit the item on your behalf, you waive any right to receive a written notice of the returned item and you authorize us to charge back the item to your account if it is returned unpaid again for any reason, plus charge a handling fee. (Refer to our *Schedule of Fees & Charges*.)

SETOFF CONSENT AND SECURITY INTEREST

You agree that we may (without prior notice and when permitted by law) set off the funds in this account (debit the account) against any due and payable debt you owe us now or in the future, by any of you having the right of withdrawal on the account, to the extent of such person's or legal entity's right to withdraw. The amount of the setoff may be further limited by applicable law. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance we properly accelerate under the note.

The right of setoff does not apply to this account if: (a) it is an IRA or other tax-deferred retirement account; (b) the debt is created by a

consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest); or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

You also grant us a security interest in each of your accounts (excluding IRA or other tax-deferred retirement accounts) to secure payment of any debt you may owe us (except consumer credit card debt or real estate-secured debt).

SEVERABILITY

If any of the provisions of this Agreement are determined to be void or unenforceable, the remainder of this Agreement shall remain in full force and effect.

STALE-DATED CHECKS

Upon presentment of an item for payment more than six (6) months after its date, we may, at our sole discretion and without notice to you, charge your account for the item, however, we are not obligated to do so. You agree that our obligation of good faith does not require us to make any inquiry of you or require us to give you notice prior to the payment of an item more than six (6) months after its date. If you want to ensure that we do not pay a stale-dated item, you should place a stop payment order on the item.

If a stop payment order has expired and the stale-dated item is subsequently presented for payment, we may pay the item without liability to you.

STATEMENTS

You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and if not, whether we contributed to the loss). The loss could be not only items on the statement, but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the reasonable time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of thirty (30) days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, forgeries, or any other errors in your account within sixty (60) days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This sixty (60) day limitation is without regard to whether we used ordinary care.

STOP PAYMENTS

You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. A release of the stop payment request may be made only by the person who initiated the stop payment order.

Our stop payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (for example, we paid the item in cash or we certified the item).

Checks: You can give us a notice to stop payment on a check orally or in writing. In placing your stop payment order, you must describe the check by giving the account number, check date, check number, exact amount of the check, and name of payee in order for us to not pay the item. If you give us oral notice, we may require that you put your notice in writing to us within fourteen (14) days. We have a special form for this purpose. If we

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require that you put your notice in writing and you do not put your notice in writing, then your notice will expire at the end of the fourteen (14) day period. If you put your notice in writing to us, then your stop payment will remain in effect for a total of six (6) months. If you want to continue your stop payment notice for additional six (6) month periods, then you must renew your notice before the current notice expires. We impose a fee for each notice and each renewal whether given verbally or in writing. (Refer to our *Schedule of Fees & Charges*.)

Right to Stop Payment of Preauthorized Transfers: Pre-authorized electronic fund transfers are agreements between the customer and the originator. The customer is responsible for notifying the originator of any dispute according to the terms of their agreement. Payment of Automatic Clearing House ("ACH") transactions can only be stopped or returned for the following reasons:

- Payment stopped
- You did not authorize the debit to your account.
- You revoked the ACH authorization on a specific date by notifying the company in the manner specified in the authorization.
- The ACH amount exceeds the authorized amount.
- The amount was debited on a date earlier than the date it was authorized to occur.

All ACH stop payment requests must be made verbally or in writing three (3) business days or more before the transfer is scheduled. If you give us oral notice, we may require that you put your notice in writing to us within fourteen (14) days. We have a special form for this purpose. In placing your ACH stop payment, you must describe the ACH transaction by giving the account number, transaction date, transaction amount, and the name of the company processing the transaction.

If you instruct us to stop payment on one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages. If you instruct us to stop payment on one of these payments less than three (3) business days before the day the transfer is scheduled, we may attempt to stop payment, but we shall not be liable to you should we fail to do so.

If your pre-authorized electronic funds transfers may vary in amount, the person you are going to pay will tell you, at least 10 days before each payment, when it will be made and how much it will be. You may contact the person you are going to pay, and they may offer you the ability to 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 with your payee.

You have no right to stop payment on any other type of electronic banking transaction. You may not stop payment on an ATM, POS, or MasterMoney Debit card transaction.

Unless you tell us otherwise, we may treat your stop payment order as a request to stop payment on only one particular payment. If you intend for all future payments to a particular party to be stopped, you must specifically advise us of that intention.

Consumer ACH stop payments will remain in effect for the life of the account or until the item is returned, in the case of a one-time ACH stop payment. A release of the ACH stop payment may be made only by the person who initiated the ACH stop payment order and the request must be made in writing.

Non-consumer ACH stop payments will remain in effect for six (6) months. If you want to continue your ACH stop payment for additional six (6) month periods, then you must renew your notice before the current notice expires. We may impose a fee for each notice and each renewal. (Refer to our *Schedule of Fees & Charges*.)

E-Checks: An E-Check is a transaction that starts as a paper check that you give to a merchant. The merchant converts the check, using the information on the paper, to send an electronic message to a bank to immediately take the money from your account. The merchant is required to post a notice about E-Checks in a prominent and conspicuous location at the time of the transaction. You **cannot** stop payment of an E-Check transaction, because it is already completed.

TAXPAYER IDENTIFICATION NUMBERS; BACKUP WITHHOLDING

Federal law and regulations require us to obtain a taxpayer identification number for the account holder of each account, with certain limited exceptions. You are required to provide us with your taxpayer identification number under Section 6109 of the Internal Revenue Code. The taxpayer identification number for an individual is usually a Social Security Number. The number is included on reports filed with the IRS concerning interest paid to you by the Bank.

You are required to certify under penalty of perjury (1) that the taxpayer identification number given to us is correct, and (2) whether you are exempt from backup withholding. We will furnish you with the form on which you make this certification.

If you fail to provide your taxpayer identification number and certify that it is correct, or if you fail to certify that you are not subject to backup withholding or if the IRS notifies us that you have furnished an incorrect taxpayer identification number, then federal tax rules require us to withhold 28% of interest paid to you. We forward amounts withheld to the IRS.

Pursuant to IRS regulations, interest paid on deposits made by individuals who are not citizens or residents of the United States will be reported to tax authorities. These interest payments will not be subject to backup withholding as long as a signed W8-BEN has been properly completed. To establish that you are not a citizen or resident of the United States, you must provide a certification of your status on our certification form.

When an account earns \$10 or more of interest in a year, or if backup withholding is imposed, we will report the interest paid and the amount withheld to the IRS (and to the California Franchise Tax Board if your mailing address is in California). You will receive a copy of the information reported to the tax authorities.

UNLAWFUL INTERNET GAMBLING NOTICE

Pursuant to 12 CFR 233.1, et seq. entitled "Prohibition for Funding of Unlawful Internet Gambling" (Regulation GG), restricted transactions (as defined in the regulation) are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by another party in unlawful internet gambling.

WAIVERS

We may delay or waive enforcing our rights under this Agreement without losing them. Any waiver by us shall not be deemed a waiver of other rights or of the same right at another time. You waive diligence, demand, presentment, protest, and notice of every kind, except as otherwise set forth in this Agreement. For example, the payment of overdrafts on your account does not waive our right to return checks for insufficient funds.

WITHDRAWALS

Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person signing the signature card to endorse any item payable to you or your order for deposit to this account or any other transaction with us. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply transaction frequency limitations. The fact that we honor withdrawal requests that overdraw the available account balance does not obligate us to do so later.

We may require not less than seven (7) days notice in writing before each withdrawal from an interest-bearing account other than a time

DEPOSIT ACCOUNT TERMS AND DISCLOSURES



deposit. Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to a penalty.

SPECIFIC ACCOUNT PROVISIONS

ELECTRONIC BANKING

Electronic Banking refers to all transactions in which the transfer of money begins electronically, without paper. Included among these transactions are deposits, transfers, withdrawals, and payments you make at our Montecito Bank & Trust ATM locations; automatic transfers such as direct deposits of your Social Security checks; purchases you make with direct transfers of funds from your checking account; cash withdrawals and transfers you make at ATM network machines belonging to other financial institutions; transfers between your accounts via telephone; and transfers, withdrawals, and payments you make through Online Banking.

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 and pay bills. Federal regulations refer to these types of transactions as Electronic Fund Transfers.

This section does not apply to Fedwire or similar wire transfers; or certain automatic transfers between your accounts at Montecito Bank & Trust or your account and Montecito Bank & Trust (such as an automatic loan payment); and any other transactions excluded by Federal regulations.

We encourage you to read this section carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference. For further important information, please consult the "Lost or Stolen Montecito Bank & Trust Banking Cards and Unauthorized Electronic Transactions" section.

ELECTRONIC FUND TRANSFERS: RIGHTS AND RESPONSIBILITIES FOR CONSUMER CUSTOMERS

Except as expressly provided otherwise, this Electronic Fund Transfers disclosure does not apply to any accounts other than consumer accounts as defined by Regulation E, which implements the Electronic Fund Transfers Act.

If you have any questions regarding electronic banking transactions or believe that an unauthorized transaction has occurred, please call us at 805-963-7511 or 800-348-0146, visit a local Montecito Bank & Trust branch or write to:

Montecito Bank & Trust
P.O. Box 2460
Santa Barbara, CA 93120-2460

TYPES OF TRANSFERS

These are the types of Electronic Fund Transfers that you can accomplish with us (assuming you make arrangements to do so):

Preauthorized Credits: Direct Deposits: You can arrange for direct deposits to your checking and/or savings account(s).

Preauthorized Payments: You can arrange to pay certain recurring bills from your checking and/or savings account(s).

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 financial institution information. This information can be found on your check. Thus, you should only

provide your financial institution and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers.

Examples of these transfers include, but are not limited to:

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 fund transfer to collect a charge in the event a check is returned for insufficient funds.

Telephone Transfers: You may access your account(s) by telephone at 800-608-1995 using a touch tone phone. With your account number and personal identification number (PIN) you can:

- Transfer funds to or from your account(s).
- Make transfers from your Ready Cash Reserve or other line of credit account to your checking account.
- Make payments to your loan accounts, Ready Cash Reserve or other line of credit accounts with us from your checking account.
- Check the current balance of your linked checking, savings, Ready Cash Reserve, and other line of credit accounts.
- Change your telephone PIN.

Account Access at Automated Teller Machines: You can access up to three checking, three savings, and three money market accounts at Montecito Bank & Trust ATMs using your ATM card or MasterMoney Debit card held in the same name and your personal identification number. You may perform the following transactions at ATMs:

- Make cash withdrawals from your checking and savings accounts.
- Make transfers from your line of credit account using your Montecito Bank & Trust MasterMoney Debit or ATM card. (Refer to your line of credit agreement for any advance fees and finance charges that may apply.)
- Deposit funds to checking and savings accounts.
- Transfer funds to or from your account(s) associated with your card.
- Check the current balance of your linked checking, savings, and money market accounts.
- Purchase postage stamps from the primary account associated with your card.

Note: Some of these transactions are not available at all ATMs.

Purchases at Merchants: You may use your MasterMoney Debit card to make purchases at MasterCard® merchants that accept debit cards. Purchases made with your card will result in debits to your "primary" checking account. These transactions will be itemized on your monthly statement, including the merchant name, the date of purchase and the amount of the purchase.

You may use your Montecito Bank & Trust MasterMoney Debit card and, in some cases, your ATM card, to purchase goods or pay for services in person, by phone, or by computer, get cash from the merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept. You may make purchases by entering your PIN at participating merchants in many parts of the country where you see the Interlink® mark or other regional point-of-sale network marks. To determine if you can make a purchase with your card and PIN, check the back of the card for eligible networks. Purchases made with any of your Montecito Bank & Trust cards will be deducted from your "primary" checking account. This will reduce your available balance and will be

DEPOSIT ACCOUNT TERMS AND DISCLOSURES



processed like other items. We will itemize these transactions on your monthly statement.

Mobile Banking Transfers: You may access your account(s) by web-enabled cell phone by accessing <http://mobile.montecito.com> and using your one-time mobile password, online banking user code, and PIN to:

- Transfer funds to or from your account(s) associated with your mobile banking service.
- Make payments to your loan accounts, Ready Cash Reserve or other line of credit accounts with us from a deposit account associated with your mobile banking service.
- Check the current balance of your checking, savings, Ready Cash Reserve, and other line of credit accounts associated with your mobile banking service.
- Pay bills.

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

Other Electronic Transactions: In addition to transactions initiated by using your Montecito Bank & Trust card or web-enabled cell phone, there are other electronic banking transactions that you may arrange through your account. These include:

- Telephone/personal computer activated transfers of funds from your accounts with us to other accounts with us or to third parties.
- Automatic transfer of funds between checking and savings accounts.
- Automatic periodic payments to third parties or to us from checking or savings accounts (for example, monthly mortgage payments, installment loan payments, insurance payments, utility payments).
- Direct deposit to checking or savings accounts (for example, payroll checks, social security payments).
- Electronic check conversions from your checking account using a blank, partial or fully completed personal check at merchant locations.

If you have signed up for online or mobile banking, you may also refer to your *Online Agreement and Disclosure* for additional transfer options.

LIMITS ON TRANSFERS

The terms of your deposit account may restrict the number of withdrawals you may make from your account each month. Restrictions described in this Agreement and in other disclosures and agreements you received at the time your account was opened or when additional products or services were accessed, will also apply to your electronic withdrawals and electronic payments unless specified otherwise.

Montecito Bank & Trust MasterMoney Debit and ATM Card

Withdrawals: For security reasons, there are limitations on the amount and number of cash withdrawals you may perform with any of your Montecito Bank & Trust MasterMoney Debit or ATM cards per day at ATMs. You can use each of your Montecito Bank & Trust MasterMoney Debit or ATM cards to withdraw a maximum of \$500 in cash, per card, per 24-hour period from the time of your last transaction. These are per card limits and are not affected by the number of accounts linked to your card. The limit is reduced to \$300 during a 24-hour period from the time of your last transaction for customers aged 14-19. Additionally, there is a limit of 5 withdrawals in a 24-hour period from the time of your last transaction.

Montecito Bank & Trust MasterMoney Debit and ATM Card

Purchases: There also are limitations on the total number and dollar amount of purchases at merchants and or cash advances at

MasterCard member banks that you may perform per card during a 24-hour period from the time of your last transaction. You may use each of your Montecito Bank & Trust MasterMoney Debit cards to purchase goods or services up to a maximum of \$4,000 in transactions during a 24-hour period from the time of your last transaction. If your Montecito Bank & Trust ATM card is linked to a checking account, you may use your Montecito Bank & Trust ATM card to purchase goods or services up to a maximum of \$500 during a 24-hour period from the time of your last transaction. If your Montecito Bank & Trust ATM card is linked only to a savings account, you may not make purchases using your ATM card. The limit is reduced to \$300 during a 24-hour period from the time of your last transaction for customers aged 14-19. Additionally, there is a limit of twenty-five (25) transactions in a 24-hour period from the time of your last transaction.

We reserve the right to change these maximum daily limitations on the number of transactions and cash withdrawals, and purchases without notice, which we make based on periodic risk assessments. Except as described above, we will not reduce those limits below \$300 per 24-hour period for cash and \$500 per 24-hour period for purchases, without giving you prior notice. Please note that each withdrawal is limited by the amount available in your account. Some ATM network machines may impose lower limits on cash withdrawals.

FEES AND SURCHARGES

We will charge you fees for electronic fund transfers in accordance with the information found in our *Schedule of Fees & Charges*. The fees may be changed at any time, subject to our giving you any notice required by law.

Fees and Surcharges for using non-Montecito Bank & Trust ATMs:

The term "ATM transaction" shall mean and include, without limitation, the use of an ATM, cash-dispensing machine, point-of-sale terminal, or similar electronic access device for withdrawals, balance inquiries, or fund transfers. When you use an ATM that is not identified with the Montecito Bank & Trust name, you may be charged a fee or surcharge by us and by the ATM operator or any network used to complete the transaction (and you may be charged a fee or surcharge for a balance inquiry). Montecito Bank & Trust does not control how merchants, foreign ATMs and ATM or POS transactions are classified for this purpose. For example, if you use an ATM that is not identified with the Montecito Bank & Trust name and you withdraw \$100, and our surcharge fee is \$2.50 and the other bank's surcharge fee is \$3, you may receive as many as three debits to your account – one for the \$100 withdrawal and two separate debits for the two separate surcharges. A fee or surcharge may be charged for a balance inquiry, even if you do not make a withdrawal or complete another type of transaction. If you maintain a Cashback Checking, Access Checking, or Private Access Checking account with us, when you use a non-Montecito Bank & Trust ATM we will waive Montecito Bank & Trust's surcharges and the fees or surcharges if the owner/operator of the ATM identifies the fee or surcharge as a separate transaction.

MasterMoney Debit Card Transactions: When we receive an electronic notice that a MasterMoney Debit card (non-PIN) transaction has been authorized against your account, we will place a hold on your account for that amount. Some merchants (e.g., hotels, restaurants, gas stations, car rental agencies) estimate the amount of the anticipated purchase for the purpose of determining an authorization amount. As a result, the amount held against your account may be less or greater than the final transaction amount presented. Your available account balance will be reduced by the amount held for all pending debit card (non-PIN) purchases from the time we receive the notice until the item is presented, a completion message is received, or three (3) business days, whichever occurs first. If we release a hold due to the expiration of three (3) business days, your account may still be debited if and when the transaction is

DEPOSIT ACCOUNT TERMS AND DISCLOSURES



presented to us for processing. During that time, sufficient funds may not be available to pay checks or other electronic transactions, and you may be subject to an overdraft paid fees if those items are paid creating an overdraft.

If you maintain a Cashback Checking, Access Checking, or Private Access Checking account with us, we will waive POS fees or surcharges that are submitted by a merchant if the fee or surcharge is identified as a separate transaction.

ADVISORY AGAINST ILLEGAL USE

You agree not to use your card(s) for illegal gambling or any other illegal purpose. 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 you may be located; therefore, we reserve the right to decline all online (Internet) gambling transactions.

DOCUMENTATION

Terminal transfers: You can get a receipt at the time you make any transfer to or from your account using one of our automated teller machines.

Pre-authorized credits: If you have arranged to have direct deposits made to your account at least once every sixty (60) days from the same person or company, you can call Montecito Bank & Trust's Telephone Banking at 800-348-0146 or visit our Online Banker site at montecito.bank to find out whether or not the deposit has been made. If you have entered into an Online Banker Agreement with us, you may also communicate with us by e-message as described in the agreement.

Periodic statements: You will get a monthly account statement unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly for an account to or from which you have arranged for electronic access. In the event your account has become inactive, as defined in the section titled "Dormant and Inactive Accounts," and you have had no electronic activity, you will continue to receive your regularly scheduled statements (monthly for checking accounts and quarterly for savings accounts). If your account has become dormant and you have had no electronic activity, you will no longer receive a statement. (Refer to the section titled *Dormant and Inactive Accounts*.)

OUR 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:

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

There may be other rules/limitations stated in our agreement(s) with you that excuse our failure to make a requested transfer (for example, the monthly limit on certain transfers out of non-transaction savings accounts; refer to *Limits on Transfers: General Limitations* section for additional details).

Authorized Transactions: We assume that all transactions performed with your Montecito Bank & Trust ATM card or any of your Montecito Bank & Trust MasterMoney Debit cards and/or your personal identification number (PIN) are authorized unless you promptly notify us to the contrary. If you intentionally provide another person with the means to perform electronic banking transactions using your account, any resulting transactions will be treated as if they were performed and authorized by

you. Such treatment will continue until you notify Montecito Bank & Trust at 805-963-7511 or 800-348-0146 that the other person is no longer authorized to use your card and/or PIN (in which case the card and PIN will have to be deactivated).

LOST OR STOLEN MONTECITO BANK & TRUST BANKING CARDS AND UNAUTHORIZED ELECTRONIC TRANSACTIONS

An unauthorized transaction is one that another person conducts without your permission and from which you receive no benefit. In order to avoid unauthorized transactions, please observe the following basic precautions:

- Do not keep your Montecito Bank & Trust ATM card or Montecito Bank & Trust MasterMoney Debit card and personal identification number (PIN) together. Do not write your PIN on your card.
- Do not provide your card or reveal your PIN to another person. If you do so, you authorize that person to conduct transactions using your card or PIN. You are liable for that person's transactions until you notify Montecito Bank & Trust (see below) that the person is no longer authorized to use your card or PIN.
- Notify Montecito Bank & Trust if you believe your card and/or code has been lost or stolen.
- Notify Montecito Bank & Trust if you think an electronic banking transaction is incorrectly reported on a receipt or statement or if you believe a transfer has been made using the information from your check or card without your permission. Failure to promptly notify Montecito Bank & Trust or any Montecito Bank & Trust branch of the loss, theft, or unauthorized use of your card or PIN will result in inconvenience to you and will hinder the efficient operation of your account. Call us at 805-963-7511 or 800-348-0146 or write to us at:

Montecito Bank & Trust
P.O. Box 2460
Santa Barbara, CA 93120-2460

We reserve the right to cancel, block, and not renew your access device for any reason, with or without prior notice. Reasons for suspension of access may include, for example:

- detection of suspicious or fraudulent activity;
- lack of usage;
- misuse; or
- access device returned as undeliverable by postal service.

USING YOUR CARD FOR INTERNATIONAL TRANSACTIONS

You may use your Montecito Bank & Trust MasterMoney Debit card or ATM card (if your ATM card is linked to a checking account) for retail purchases with foreign merchants and for cash withdrawals from foreign ATMs that bear either the Cirrus System® or MasterCard® logo. If you plan to use your MasterMoney Debit card while travelling, please notify the Bank at the phone numbers or address above to reduce the chance of a declined transaction. Some merchant and ATM transactions, even if you and/or the merchant or ATM are located in the United States, are considered foreign transactions under the applicable rules, in which case we will add the foreign fees or surcharges in this section to those transactions. Montecito Bank & Trust does not control how these merchants, ATMs and transactions are classified for this purpose. The exchange rate in effect when the transaction is processed may differ from the rate in effect on the date of the transaction or the date of the posting of the transaction to your Account.

If you make a purchase overseas, for transactions processed through MasterCard, the foreign currency transaction will be converted to U.S. Dollars by multiplying the amount of the foreign currency times (a) a rate selected by MasterCard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard itself receives, or (b) the government-mandated rate in effect for the applicable central processing date. You will see the debit for the U.S. equivalent, a MasterCard currency conversion fee, and a MasterCard cross border fee.

DEPOSIT ACCOUNT TERMS AND DISCLOSURES



If you use your Montecito Bank & Trust MasterMoney Debit card or ATM card at an ATM that bears only the Cirrus System logo (and no MasterCard logo), the transaction will be processed through the Cirrus System and will be converted into U.S. Dollars at the exchange rate established, from time to time, by the operator of that ATM. Additional fees may apply.

If you use your Montecito Bank & Trust MasterMoney Debit card or ATM card at an ATM that bears both the MasterCard and Cirrus System logos, the ATM operator will determine whether to send your transaction over the MasterCard or Cirrus System network using such network's respective currency conversion rules then in effect (as explained above).

BALANCE REQUIREMENTS

Transactions using your Montecito Bank & Trust MasterMoney Debit or ATM card(s) will be completed only if sufficient funds are available in the applicable account balance, or linked Ready Cash Reserve (RCR) credit facility to fully perform the transaction.

CONSUMER LIABILITY FOR UNAUTHORIZED TRANSFERS

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 or card. 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 believe your card and/or code has been lost or stolen, and you tell us within two (2) 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. Also, if you do NOT tell us within two (2) business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

After Sixty (60) Days from Statement Notice: 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 fail to give us notice of an unauthorized electronic fund transfer within sixty (60) days of when we first deliver a statement to you that discloses that unauthorized transaction, you will be liable for all fund transfers that occur after that sixty (60) day period expires if we can prove we could have prevented such transaction had you reported it to us within the sixty (60) day period. This rule applies to all forms of electronic fund transfers (including but not limited to ATM transactions, preauthorized withdrawals, Internet transactions, and purchases with any of your Montecito Bank & Trust MasterMoney Debit or ATM cards, etc.) that occur after the sixty (60) day period following the first statement notice.

If a good reason (such as a long trip or hospital stay) kept you from telling us, we may extend this time period.

CONFIDENTIALITY

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

- where it is necessary 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 agency or court orders; or
- if you give us your written permission; or
- when investigating a loss involving us or another financial institution; or
- to local, state or Federal authorities if we believe a crime may have been committed involving your account; or
- according to our separate Privacy Policy, which generally permits us to share information with companies that perform marketing or other services on our behalf or financial institutions with which we have joint marketing arrangements.

ERROR RESOLUTION NOTICE

In case of errors or questions about your electronic transfers, call us at 805-963-7511 or 800-348-0146, visit any Montecito Bank & Trust branch or write us at the 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 have entered into an Online Agreement and Disclosure with us, you may also communicate with us by e-message as described in the agreement. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- Tell us your name and account number (if any).
- 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.
- Tell us the dollar amount of the suspected error.
- If you tell us orally or send us an e-message, we may require that you complete appropriate forms and return it/them to us within ten (10) business days.

We will determine whether an error occurred within ten (10) business days 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 to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days 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 complete our forms and we do not receive it/them within ten (10) business days, we might not provisionally credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) days to provisionally credit your account for the amount you think is in error.

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. Write to us at:

Montecito Bank & Trust
P.O. Box 2460
Santa Barbara, CA 93120-2460

Error resolution and contact information with respect to Online Banking services is provided in our Online Agreement and Disclosure. More detailed information is available on request.

TELEPHONE TRANSFERS

Telephone transfers may be performed by an authorized signer in the following situations:

- The "to" and "from" accounts have the same ownership (owner(s) and ownership structure (individual, joint, formal trust, sole proprietorship, LLC, corporation, etc.)).
- The "to" and "from" accounts have differing ownership (owners(s) and ownership structure (individual, joint, formal trust, sole proprietorship, LLC, corporation, etc.)) and the "from" account is a consumer account (individual, joint, or formal trust) or a sole proprietorship.

If we receive instructions by telephone from someone who claims to be an authorized signer on your account, we may, at our sole discretion, transfer funds from one account to another in your name. You agree to indemnify and hold us harmless from any loss, liability, cost and expense (including attorney's fees) which arises out of, or is in any way connected with, our decision and action. Our understanding of the instructions and our records shall be conclusive evidence of the actual instructions given.

NOTICE OF ATM / NIGHT DEPOSIT FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful:

- Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
- Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Do not leave them at the ATM or night deposit facility because they may contain important account information.
- Compare your records with the account statements you receive.
- Do not lend your ATM card to anyone.
- Remember, do not leave your card at the ATM. Do not leave any documents at a night deposit facility.
- Protect the secrecy of your personal identification number (PIN). Protect your ATM card as though it were cash. Do not tell anyone your PIN. Do not give anyone information regarding your ATM card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Do not write your PIN where it can be discovered. For example, do not keep a note of your PIN in your wallet or purse.
- Prevent others from seeing you enter your PIN by using your body to shield their view.
- If you lose your ATM card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.
- When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lit. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
- Do not accept assistance from anyone you do not know when using an ATM or night deposit facility.
- If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
- Do not display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
- At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.

We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and local law enforcement officials immediately.

SPECIFIC CONSUMER ACCOUNT OFFERINGS

Some of these are described below. More detailed information on fees can be found in the *Schedule of Fees & Charges* or in the Deposit Rate Summary provided for interest-bearing accounts.

Definition of Available Balance: An account's available balance is the balance at the beginning of the business day, minus funds that are not yet collected and available due to float, minus any holds.

EVERYDAY CHECKING

This account has no transactional limits. It entitles the account holder to the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card

- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$.01 minimum deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is a monthly maintenance fee on this account. If the primary account holder is a Formal Trust or an individual age 65 or greater, the monthly maintenance fee will be waived. Otherwise, the monthly maintenance fee can be waived by having electronic statements (eStatements). Refer to the *Schedule of Fees & Charges* for current fees associated with this account.

In order for the eStatements enrollment to qualify for a waiver of the monthly maintenance fee, you must maintain your online banking account in good standing, by logging in at least once every 180 days. Visit www.montecito.bank, and select "Enroll in Online Banking" in the Personal tab. During the online banking enrollment process, you will be prompted to also enroll in eStatements. If you do not enroll in eStatements during your online banking enrollment, you can enroll in eStatements at a later date by logging in to your online banking and navigating to Statements then Statement Options.

If you fail to enroll in eStatements your account will be assessed the monthly maintenance fee. The monthly maintenance fee will be waived for the first statement cycle. You will have up to your second statement cycle date to sign up for eStatements before you would be charged the monthly maintenance fee for the account.

Relationship Bonus

This account entitles the account holder to earn a Relationship Bonus, an interest rate and Annual Percentage Yield (APY) increase, on a Relationship Bonus Money Market account, as long as the checking account remains open and with the same primary Tax ID and owner as the account holder of the Relationship Bonus Money Market account. Please refer to the *Deposit Rate Summary* for specific rate and APY information.

CASHBACK CHECKING

This account is designed for consumers who enjoy the convenience of using a debit card and are a frequent user of electronic banking services. It entitles the account holder to earn cashback rewards based on qualifying bill pay, mobile deposit and Montecito Bank & Trust (MB&T) MasterMoney Debit Card POS transactions. The account also entitles the account holder to receive a waiver of ATM or POS fees or surcharges.

The account includes the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services
- Free ATM access: Montecito Bank & Trust does not charge fees for the use of any MB&T or non-MB&T ATMs. In addition, we reimburse you for ATM and point of sale (POS) fees charged by third parties if the third party identifies the fee or surcharge as a separate transaction.
- Cashback rewards based on qualifying bill pay, mobile deposit and Montecito Bank & Trust (MB&T) MasterMoney Debit Card POS transactions.

This account is also available for account holders 14-19 years of age who plan to solely use electronic banking and may wish to enjoy the added convenience of a debit card. Minors must have a parent or guardian as a co-owner on this account; the minor must be the Primary Account Holder and the minor's tax identification number must be used. When the account holder reaches the age of twenty (20), this account will be subject to the terms and conditions of the Cashback Checking account (See section below: *How to Avoid Monthly Maintenance Fee*)

Minimum Opening Deposit

A \$.01 minimum deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is a monthly maintenance fee on this account that can be waived by having electronic statements (eStatements) and a minimum of fifteen (15) MasterMoney Debit card point-of-sale ("POS") transactions posted to the account within a statement cycle. Refer to the *Schedule of Fees & Charges* for current fees associated with this account.

To count toward the minimum fifteen (15) POS transactions for waiver of the monthly maintenance fee, qualifying MasterMoney Debit card POS transactions must post and clear during the statement cycle. Debit card purchase means any PIN or signature based transaction performed at any location other than an ATM. Transactions may take more than three business days to post and clear from the transaction date.

You must maintain an online banking account in good standing (which may require periodic reacceptance of terms and conditions) and eStatements to qualify for a waiver of the monthly maintenance fee. To maintain your online banking account in good standing, you must log in at least once every one hundred-eighty (180) days. Visit www.montecito.bank, and select "Enroll in Online Banking" in the Personal tab. During the online banking enrollment process, you will be prompted to also enroll in eStatements. If you do not enroll in eStatements during your online banking enrollment, you can enroll in eStatements at a later date by logging in to your online banking and navigating to Statements then Statement Options.

If you fail to enroll in eStatements or you do not conduct the minimum number of POS transactions in a given statement cycle, your account will be assessed the monthly maintenance fee.

The monthly maintenance fee will be waived for the first statement cycle. You will have up to your second statement cycle date to sign up for eStatements and to perform a minimum of fifteen (15) POS transactions before you would be charged the monthly maintenance fee for the account.

If an account holder is 14-19 years of age and the primary account holder, the monthly maintenance fee will be waived.

Transaction Limitations for Account Holders Who Are Minors
Minors may not order paper checks on this account or exceed more than \$300 in ATM withdrawals or \$300 in point-of-sale purchases during a 24-hour period from the time of their last transaction.

Additional Terms

Montecito Bank & Trust will waive Montecito Bank & Trust's surcharges and the owner/operators ATM fees or surcharges for using any ATM if the owner/operator of the ATM identifies the surcharge as a separate transaction. The Bank will also waive POS surcharges when they are submitted by the merchant as a separate transaction.

Cashback Rewards

A Cashback Checking account entitles the account holder to earn cashback rewards based on qualifying POS debit card transactions using your Montecito Bank & Trust (MB&T) MasterMoney Debit Card, bill pay and mobile deposit transactions. The cashback reward earned during a statement cycle will be totaled and credited to you at the end of your statement cycle. The maximum cashback you earn is \$0.10 for each debit POS transaction, bill pay transaction and mobile deposit capped at \$20 per statement cycle. Cashback rewards earned beyond this cap will be forfeited and will not carry over to the next cycle.

Qualifying POS debit card, bill pay and mobile deposit transactions include:

- Point-of-sale transactions made with your MB&T MasterMoney debit card, including Digital Wallet purchases.
- Online transactions made with your MB&T MasterMoney debit card
- Transactions made through Online Bill Pay
- Mobile deposits made through Mobile Remote Deposit Capture (mRDC) within the Montecito Bank & Trust mobile app. In order to do an mRDC, you must be enrolled into Online Banking (OLB) and download the Montecito Bank & Trust mobile app on your smartphone. Please refer to the *Mobile Deposit Agreement* provided during OLB enrollment for more information regarding mRDC.

Rewards Adjustments and Termination

We may make adjustments to your cashback rewards based on your transaction activity. For example, we will decrease the balance in your cashback reward to correspond with the return of a qualifying transaction or the amount of a reward disbursed by us in error.

Upon periodic review, Cashback Checking accounts deemed to have an excessive or unusual number of debit card return transactions may be frozen, no longer eligible to participate in the cashback rewards or closed in accordance to the *CLOSING, FREEZING, INTERPLEADING, OR SUSPENDING ACCOUNTS* section of this Terms and Disclosures.

Relationship Bonus

This account entitles the accountholder to earn a Relationship Bonus, an interest rate and Annual Percentage Yield (APY) increase, on a Relationship Bonus Money Market account, as long as the checking account remains open and with the same primary Tax ID and owner as the accountholder of the Relationship Bonus Money Market account. Please refer to the *Deposit Rate Summary* for specific rate and APY information.

ACCESS CHECKING

This account is designed for consumers who are looking for a comprehensive package of banking services and who want to earn interest on their checking account balances. The account also entitles the account holder to receive a waiver of ATM or POS fees or surcharges. The account includes the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services
- Free checks (up to two (2) orders per year on specified styles)
- Free check images returned with statement (upon request)
- Free incoming wires
- Free notary services
- No fee Cashier's checks
- Free ATM access: Montecito Bank & Trust does not charge fees for the use of any MB&T or non-MB&T ATMs. In addition, we reimburse you for ATM and point of sale (POS) fees charged by third parties if the third party identifies the fee or surcharge as a separate transaction.
- Refunded Debit Card Cross Border Fee
- Refunded Debit Card Transaction Foreign Currency Conversion Fee. (Refunds will be credited to your account the same business day your account is charged for the Cross Border Fee or Foreign Currency Conversion Fee.)

Minimum Opening Deposit

A \$.01 minimum deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is a monthly maintenance fee on this account that can be waived by maintaining a minimum daily balance of at least \$10,000 or an average available balance of at least \$25,000. The average available balance is calculated by adding the principal in the account for each day of the cycle, minus funds that are not yet collected and

DEPOSIT ACCOUNT TERMS AND DISCLOSURES



available due to float, and dividing that figure by the number of days in the cycle. Refer to the *Schedule of Fees & Charges* for current fees associated with this account.

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Montecito Bank & Trust Deposit Rate Summary* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded monthly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

Relationship Bonus

This account entitles the accountholder to earn a Relationship Bonus, an interest rate and Annual Percentage Yield (APY) increase, on a Relationship Bonus Money Market account, as long as the checking account remains open and with the same primary Tax ID and owner as the accountholder of the Relationship Bonus Money Market account. Please refer to the *Deposit Rate Summary* for specific rate and APY information.

PRIVATE ACCESS CHECKING

This account is designed for clients of the bank's Wealth Management Division. It is an all-in-one account package with access to premier account services, and pays interest on account balances, with the added benefit of receiving a waiver of ATM or POS fees or surcharges.. It entitles the account holder to the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services
- Free checks (up to two (2) orders per year on specified styles)
- Free check images returned with statement (upon request)
- Free incoming wires
- Free notary services
- No fee Cashier's checks
- Free ATM access: Montecito Bank & Trust does not charge fees for the use of any MB&T or non-MB&T ATMs. In addition we reimburse you for ATM and point of sale (POS) fees charged by third parties if the third party identifies the fee or surcharge as a separate transaction.
- Refunded Debit Card Cross Border Fee
- Refunded Debit Card Foreign Currency Conversion Fee. (Refunds will be credited to your account the same business day your account is charged for the Cross Border Fee or Foreign Currency Conversion Fee.)
- Free 3x5 Safe Deposit Box *subject to availability.*
Note: If you close your Private Access Checking account and do not surrender the Safe Deposit Box, you will be charged the current rate for the 3x5 box. Please refer to the Schedule of Fees for the most current rate.

Minimum Opening Deposit

A \$.01 minimum deposit is required to open the account. A relationship with the Montecito Bank & Trust Wealth Management Division is also required.

How to Avoid Monthly Maintenance Fee

There is no monthly maintenance fee on this account provided you have a relationship with the Montecito Bank & Trust Wealth Management Division.

If the relationship with the Montecito Bank & Trust Wealth Management Division is terminated, you will be contacted to discuss an alternative account.

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Montecito Bank & Trust Deposit Rate Summary* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded monthly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

Relationship Bonus

This account entitles the accountholder to earn a Relationship Bonus, an interest rate and Annual Percentage Yield (APY) increase, on a Relationship Bonus Money Market account, as long as the checking account remains open and with the same primary Tax ID and owner as the accountholder of the Relationship Bonus Money Market account. Please refer to the *Deposit Rate Summary* for specific rate and APY information.

RELATIONSHIP BONUS MONEY MARKET ACCOUNT

This interest-bearing account is designed for consumers with an existing personal checking account. This account entitles the account holder to the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$100 minimum deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is a monthly maintenance fee on this account that can be waived by maintaining a minimum daily balance of at least \$2,500. Refer to the *Schedule of Fees & Charges* for current fees associated with this account.

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Montecito Bank & Trust Deposit Rate Summary* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded monthly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

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Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

Relationship Bonus

This account entitles the accountholder to an interest rate and Annual Percentage Yield (APY) higher than the Montecito Money Fund Account interest rate and APY as long as the accountholder maintains any of the following personal checking accounts for which the primary tax identification number and account holder are the same: Everyday Checking, Cashback Checking, Access Checking, Private Access Checking, Associate Checking, Gold Key Club Checking and Charter Checking. The Relationship Bonus varies based on the personal checking account the accountholder maintains. If you maintain multiple eligible checking accounts, you will receive the highest Relationship Bonus tier associated with the checking accounts you maintain. Please refer to the *Deposit Rate Summary* for the current rates associated with this account.

Note: If you no longer maintain an eligible personal checking account, this account will no longer be eligible for the interest rate and APY Relationship Bonus and will earn an interest rate and APY equivalent to the interest rate and APY of the Montecito Money Fund Account. Refer to the Deposit Rate Summary for the current rates associated with this account.

MONTECITO MONEY FUND ACCOUNT

This account is designed for consumers who wish to earn interest on their account balances. This account entitles the account holder to the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$.01 minimum deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is a monthly maintenance fee on this account that can be waived by maintaining a minimum daily balance of at least \$2,500. Refer to the *Schedule of Fees & Charges* for current fees associated with this account.

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Montecito Bank & Trust Deposit Rate Summary* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded monthly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

PRIVATE HIGH-YIELD PERSONAL MONEY MARKET ACCOUNT

This interest-bearing account is designed for clients of the bank's Wealth Management Division. This account does not allow debit cards; however, it does entitle the account holder to the following benefits:

- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$.01 minimum deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is a monthly maintenance fee on this account that can be waived by maintaining a minimum daily balance of at least \$250,000. Refer to the *Private High-Yield Money Market Accounts Disclosures* for current fees associated with this account.

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Private High-Yield Money Market Accounts Disclosures* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

Note: This account is restricted to one account per client. If the Wealth Management account is closed or terminated, this account will be converted to a Montecito Money Fund Account. When the account is converted, it will earn an interest rate and APY equivalent to the interest rate and APY of the Montecito Money Fund Account. Refer to the Deposit Rate Summary for current rates associated with this account.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded monthly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

PERSONAL SAVINGS AND FIRST STEP SAVINGS® ACCOUNT

These accounts are designed for consumers with basic savings needs. Minors up to eighteen (18) years of age will receive a First Step Savings and minors must have a parent or guardian as a co-owner on this account. These accounts entitle the account holder to the following benefits:

- Free Montecito Bank & Trust ATM Card
- Free Online Banking
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$5 minimum deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is a quarterly maintenance fee on this account that can be waived by maintaining a minimum daily balance of at least \$300. If this account is a First Steps Savings account for a minor, the minimum daily balance requirement and the maintenance fee are waived until the minor reaches eighteen (18) years of age at which time the waivers will be removed and the minimum balance and maintenance fee requirements will apply. Refer to the *Schedule of Fees & Charges* for current fees associated with this account.

Transaction Limitations

We reserve the right to require a seven (7) day written notice prior to the withdrawal of funds.

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Montecito Bank & Trust Deposit Rate Summary* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY

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disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded and paid quarterly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

HEALTH SAVINGS ACCOUNTS (INDIVIDUAL AND FAMILY)

We offer Health Savings Accounts (HSAs), a tax advantaged medical savings account for individuals with high-deductible health plans. Those with a high-deductible health plan that covers solely themselves as an individual will utilize the Individual account. Those with a high-deductible health plan that covers themselves and additional individuals will utilize the Family account.

It is in your best interest to seek the guidance of a tax professional with any questions regarding the tax implications of maintaining a HSA.

Refer to the additional disclosures included with the Health Savings Account application executed at account opening.

Minimum Opening Deposit

A \$100 minimum deposit is required to open the account.

Fees

There is a monthly maintenance fee on this account that can be waived by maintaining a minimum daily balance of at least \$100. A fee may be assessed to transfer funds from the account to a HSA at another institution. Refer to the *Schedule of Fees & Charges* for current fees associated with this account.

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Montecito Bank & Trust Deposit Rate Summary* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded monthly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

Transaction Limitations

Contribution Limitations: You may only make deposits into your HSA in accordance with IRS regulations governing HSAs; refer to IRS guidelines for current contribution limits. Deposits made into your HSA will be applied as Regular Current Year contributions unless you instruct us otherwise. We may require you to provide Contribution Instructions each time you make contributions to your HSA.

Distribution Limitations: Distributions made from your HSA will be applied as Normal distributions unless you instruct us otherwise. We may require you to provide a Distribution Form each time you elect to distribute funds from this account.

Auxiliary Signers

Any individuals covered by your high-deductible health plan may be added to the HSA Family account as a signer. These individuals may act on your behalf to with regards to this account. Upon your death these additional signers' authority on the account ceases.

INDIVIDUAL RETIREMENT ARRANGEMENTS (TRADITIONAL, ROLLOVER, SEP, AND ROTH)

We offer a variety of short and long-term individual retirement arrangements (IRAs), which are automatically renewable. We currently offer Traditional IRAs, Rollover IRAs, Simplified Employee Pension (SEP) IRAs, and Roth IRAs.

Minimum Opening Deposit

A \$1,000 minimum deposit is required to open the arrangement. The Minimum Opening Deposit to maintain your desired rate and Annual Percentage Yield (APY) will be determined and disclosed at the time the arrangement is opened. Refer to your Signature Card.

Fees

A fee may be assessed to transfer any arrangement balance to a rollover arrangement. Refer to the *Schedule of Fees & Charges* for current fees associated with this arrangement.

Interest Rate Information

Please refer to our *Deposit Rate Summary*. You will be paid the disclosed rate until maturity.

Accrual of Interest on Noncash Deposits

Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Interest Calculation

We use the daily-balance method to calculate the interest on your arrangement. This method applies a daily periodic rate to the principal in the arrangement each day and does not include unpaid, accrued interest. Interest will be credited to your arrangement monthly.

Transaction Limitations

Additions to Arrangement: You may only make deposits into your arrangement in accordance with IRS regulations governing IRAs. Subsequent deposits will mature on the maturity date for the arrangement.

Withdrawal Limitations: You may not withdraw principal or interest prior to maturity without penalty with the exception of a Required Minimum Distribution (RMD). We may impose an early withdrawal penalty on the amount withdrawn unless the withdrawal follows the death or court-declared incompetence of an owner of this arrangement. Other exceptions may apply. In addition, we reserve the right to require a seven (7) day written notice prior to the withdrawal of funds from the arrangement(s) at times other than the grace period or at maturity if the IRA is not renewed.

Early Withdrawal Penalties (A penalty may be imposed for withdrawals before maturity)

A penalty of seven (7) days simple interest will apply if any withdrawals are made within six (6) days of the initial deposit or within six (6) days of a partial withdrawal.

If your arrangement has an original maturity of thirty-one (31) days or less:

- The fee we may impose will be all interest on the amount withdrawn subject to penalty.

If your arrangement has an original maturity of thirty-two (32) days up to one (1) year:

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- The fee we may impose will equal ninety (90) days or three (3) months of interest on the amount withdrawn subject to penalty.

If your arrangement has an original maturity of one (1) year or more:

- The fee we may impose will equal one hundred eighty (180) days or six (6) months of interest on the amount withdrawn subject to penalty.

Withdrawal of Interest Prior to Maturity: The APY determined and disclosed on an IRA, where the interest is being credited to your arrangement, assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Effect of Closing an Arrangement: If you close your IRA arrangement, you will forfeit any accrued interest that has not yet been credited to your arrangement.

Automatically Renewable IRAs

This arrangement will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the arrangement at maturity (or within the grace period mentioned below, if any) or we receive written notice from you within the grace period mentioned below, if any. We can prevent renewal if we mail notice to you at least thirty (30) calendar days before maturity. If either you or we prevent renewal, interest will not accrue after final maturity. You will have a grace period of ten (10) calendar days, which allows you to change the term or balance of your account or to withdraw the funds without committing to another term. You may change the term or balance of your arrangement during the grace period as long as the arrangement meets the minimum balance required for the term and disclosed APY. The grace period begins the day after your maturity date. If you make a change during the grace period, the term of the IRA begins on the day the change was effective, the arrangement closed and a new IRA arrangement opened. Once a change is made, the grace period expires and no additional changes are allowed. If you make a change during the grace period, you will forfeit any interest accrued during the grace period.

If you have an automatically renewable IRA and if you elect to withdraw all principal and interest during the grace period, you will forfeit any interest that accrued during the grace period.

Each renewal term will be the same as the original term, beginning on the maturity date. The interest rate will be the same as we offer on new IRAs on the maturity date which have the same term, minimum balance (if any) and other features as the original IRA.

Additional Disclosures

We reserve the right to close your IRA on the original or any subsequent maturity date. We may also change the method of interest calculation or any other arrangement provision on any of these maturity dates after giving you written notice of our intention to do so. (See additional IRA Disclosures.)

TIME CERTIFICATES OF DEPOSIT

We offer a variety of short and long-term certificates of deposit (CDs) for both individuals and businesses, which are generally automatically renewable. The following terms apply to all CDs (except where specified for Access, You Choose, and MT Nonprofit CDs).

Minimum Opening Deposit

A \$1,000 minimum deposit is required to open the account (Access, You Choose, and MT Nonprofit CDs have different minimum Opening Deposit amounts). If your balance falls below this Minimum Opening Deposit, your account will be closed and funds will be distributed to the accountholder(s) on file. The Minimum Opening Deposit to maintain your desired rate and Annual Percentage Yield (APY) will be determined and disclosed at the time the account is opened. (Refer to your *Certificate of Deposit and/or Signature Card*.)

Interest Rate Information

Please refer to our *Deposit Rate Summary*. You will be paid the disclosed rate until first maturity.

Interest Calculation

We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the balance in the account each day, including unpaid, accrued interest. Interest is compounded daily starting on the business day when the account is opened. You have the option of interest being redeposited to your CD; or credited directly to another Montecito Bank & Trust checking, money market, or savings account; or paid to you by check which we mail to you on your payment date. Interest is computed on a 365-day basis for the actual number of days your money is on deposit. Interest may be computed using a 366-day basis for leap year.

If you elect to have your interest credited to a Montecito Bank & Trust checking, money market, or savings account, and that account is closed, future interest credits will be redeposited to the CD.

We offer the option of having your interest credited to your CD weekly, bi-weekly, monthly, quarterly, semi-annually, or annually on the anniversary of the account opening date. For terms less than one (1) year, we also offer you the option of having interest paid at maturity.

The interest rate and corresponding APY will be determined at the time the account is opened and will be dependent on the term, balance, and frequency of interest payments that you elect. Refer to your Certificate of Deposit Disclosure for the terms specific to your CD. You have the option of interest being redeposited to your CD. The APY disclosed assumes interest will be left on deposit until maturity.

Accrual of Interest on Noncash Deposits: The opening deposit begins to accrue interest on the day of account opening. For additional deposits during the grace period, interest begins to accrue on the day of deposit of noncash items (for example, checks).

Dormant Accounts: If your CD becomes dormant, we will change the Interest Payment method to automatically credit interest into your account. (Please see the information on dormant accounts titled Dormant Accounts.)

Transaction Limitations

You may not make any deposits into your account before maturity unless you have selected an Access CD (refer to section titled Access CDs for specific details).

You agree to keep the principal on deposit with us for the term of the CD. We reserve the right to refuse early withdrawals from a CD, with or without cause. If, at our discretion, we allow you to withdraw all or part of your funds at times other than the grace period, we may impose an early withdrawal penalty on the amount withdrawn unless the withdrawal follows the death or court-declared incompetence of an owner of this account. Other exceptions may apply, for example, if this is part of an IRA. It may be necessary to deduct all or a portion of the penalty from the account principal. (See below for Early Withdrawal Penalties.) In addition, we reserve the right to require a seven (7) day written notice prior to the withdrawal of funds from the account(s) at times other than the grace period or at maturity if the CD is not renewed.

You can only withdraw interest before maturity once it has been paid to your CD, or if you make arrangements with us for periodic payments of interest in lieu of crediting, either at the time you open the account or during the ten (10) day grace period at renewal. However, if your account renews automatically, after the grace period your interest is added to your principal balance and is no longer available for withdrawal without penalty.

Early Withdrawal Penalties (A penalty may be imposed for withdrawals before maturity)

A penalty of seven (7) days simple interest will apply if any withdrawals are made within six (6) days of the initial deposit (or last deposit) or within six (6) days of a partial withdrawal. All Early Withdrawal Penalties will be calculated using the current interest rate of the CD.

If your account has an original maturity of twenty-nine (29) days or less:

- The fee we may impose will be all interest on the amount withdrawn subject to penalty.

If your account has an original maturity of thirty (30) days up to and including eighty-nine (89) days:

- The fee we may impose will equal thirty (30) days or one (1) month of interest on the amount withdrawn subject to penalty.

If your account has an original maturity of ninety (90) days up to and including three hundred and sixty four (364) days:

- The fee we may impose will equal ninety (90) days or three (3) months of interest on the amount withdrawn subject to penalty.

If your account has an original maturity of twelve (12) months or more:

- The fee we may impose will equal one hundred eighty (180) days or six (6) months of interest on the amount withdrawn subject to penalty.

Withdrawal of Interest Prior to Maturity: The APY determined and disclosed on a CD assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Effect of Closing an Account: If you close your CD account, you will forfeit any accrued interest that has not yet been credited to your account.

Automatically Renewable CDs

This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below, if any) or we receive written notice from you within the grace period mentioned below, if any. We can prevent renewal if we mail notice to you at least thirty (30) calendar days before maturity. If either you or we prevent renewal, interest will not accrue after final maturity.

You will have a grace period of ten (10) calendar days following the maturity date, which allows you to change the term or balance of your account or to withdraw the funds without committing to another term. You may change the term or balance of your account during the grace period as long as the account meets the minimum balance required for the term and disclosed APY. The grace period begins the day after your maturity date. If you wish to change CD product types during the grace period, the account must be closed and a new CD account opened. The term of the CD begins on the day the new CD account is opened.

If you have an automatically renewable CD and if you elect to close your account during the grace period, you will forfeit any interest that accrued during the grace period.

Each renewal term will be the same as the original term, beginning on the maturity date. The interest rate will be the same as we offer on new CDs on the maturity date which have the same term, minimum balance (if any) and other features as the original CD. If you make a change to the term of your CD during the grace period, your new APY will begin on the day the change was effective. Once a change is made, the grace period expires and no additional changes are allowed.

Additional Disclosures

We reserve the right to close your CD on the original or any subsequent maturity date. We may also change the method of interest calculation or any other account provision on any of these maturity dates after giving you written notice of our intention to do so.

ACCESS CERTIFICATE OF DEPOSIT

The Access Certificate of Deposit (CD) offers an investment alternative that provides liquidity, flexibility and a higher rate of interest than a regular savings account. The term of the Access CD is seven (7) months.

Minimum Opening Deposit

A \$10,000 minimum deposit is required to open the account. If your balance falls below this Minimum Opening Deposit, your account will be closed and funds will be distributed to accountholder on file.

Transaction Limitations

The account allows unlimited additional deposits to be made throughout the term without extending the maturity date. Interest credited to the CD during the term or at maturity is not considered a deposit and will not extend the maturity date.

In addition, you may make one penalty-free withdrawal during the term of the account as long as the \$10,000 minimum balance requirement is maintained; however, a penalty of seven (7) days simple interest will apply if any withdrawals are made within six (6) days of the initial deposit (or last deposit) or within six (6) days of a partial withdrawal. We reserve the right to treat any withdrawal that would reduce the balance remaining in the account below the required minimum initial deposit or minimum balance as a withdrawal of the entire account balance and calculate the amount of the penalty accordingly. Other penalties for early withdrawal may apply after the first withdrawal in the term of the account. (*Refer to section titled Early Withdrawal Penalties*)

YOU CHOOSE CERTIFICATE OF DEPOSIT (SM)

The You Choose Certificate of Deposit (CD) offers an investment alternative that provides flexibility and a higher rate of interest than a regular savings account. The term of the You Choose CD is twenty-one (21) months. At one time during the 21 month term of the product, you may choose to execute an option to increase the interest rate to the prevailing You Choose CD rate.

Minimum Opening Deposit

A \$10,000 minimum deposit is required to open the account. If your balance falls below this Minimum Opening Deposit, your account will be closed and funds will be distributed to accountholder on file.

Transaction Limitations

You may not make any deposits into your account before maturity.

You agree to keep the principal on deposit with us for the term of the CD. We reserve the right to refuse early withdrawals from a CD, with or without cause. If, at our discretion, we allow you to withdraw all or part of your funds at times other than the grace period, we may impose an early withdrawal penalty on the amount withdrawn unless the withdrawal follows the death or court-declared incompetence of an owner of this account. Other exceptions may apply, for example, if this is part of an IRA. It may be necessary to deduct all or a portion of the penalty from the account principal. (*Refer to section titled Early Withdrawal Penalties.*) In addition, we reserve the right to require a seven (7) day written notice prior to the withdrawal of funds from the account(s) at times other than the grace period or at maturity if the CD is not renewed.

You can only withdraw interest before maturity once it has been credited to your account, or if you make arrangements with us for periodic payments of interest in lieu of crediting, either at the time you open the account or during the ten (10) day grace period at renewal. However, if your account renews automatically, after the grace period your interest is added to your principal balance and is no longer available for withdrawal without penalty.

MT NONPROFIT CD

This account is designed for nonprofits with 501(c)(3) designation from the IRS. The term of the MT Nonprofit CD is either eight (8) months or eighteen (18) months.

Minimum Opening Deposit

A \$25,000 minimum deposit is required to open the account. The opening deposit must be made with funds not already on deposit with the Bank. If your balance falls below this Minimum Opening Deposit, your account will be closed and funds will be distributed to account holder on file.

Maximum Balance

A \$250,000 combined maximum balance is allowed on all MT Nonprofit CDs. Nonprofit entities may open multiple MT Non-Profit CDs, but the combined balance of those accounts may not exceed \$250,000.

Transaction Limitations

You may not make any deposits into your account before maturity.

You agree to keep the principal on deposit with us for the term of the CD. We reserve the right to refuse early withdrawals from a CD, with or without cause. If, at our discretion, we allow you to withdraw all or part of your funds at times other than the grace period, we may impose an early withdrawal penalty on the amount withdrawn unless the withdrawal follows the death or court-declared incompetence of an owner of this account. Other exceptions may apply, for example, if this is part of an IRA. It may be necessary to deduct all or a portion of the penalty from the account principal (*refer to section titled Early Withdrawal Penalties*). In addition, we reserve the right to require a seven (7) day written notice prior to the withdrawal of funds from the account(s) at times other than the grace period or at maturity if the CD is not renewed.

You can only withdraw interest before maturity once it has been credited to your account, or if you make arrangements with us for periodic payments of interest in lieu of crediting, either at the time you open the account or during the ten (10) day grace period at renewal. However, if your account renews automatically, after the grace period your interest is added to your principal balance and is no longer available for withdrawal without penalty.

Other Requirements

This account requires the accountholder to maintain at least one Business Analysis Checking account or at least one Community Dividends Analysis Checking account. If the checking account is closed, your MT Nonprofit CD will be closed and funds will be distributed to account holder on file (*refer to section titled Early Withdrawal Penalties*).

SPECIFIC BUSINESS ACCOUNT PROVISIONS

All other sections of this agreement apply to consumer and business accounts alike, (except when a rule specifically says it will apply to consumers).

CANCELED CHECKS

Original canceled checks are not included with your statement. Check images can be included upon request. In order to sign up for this service or to request a copy of a canceled check, please call our Banking Services Department at 805-564-7338. Please refer to the *Schedule of Fees & Charges* for applicable fees.

DEPOSITS

Truncation, Substitute Checks, and Other Check Images: If you truncate an original check and create a substitute check or other replacement document, or other paper or electronic image of the original check, you

warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with the time requirements as outlined in your Remote Deposit Capture Agreement with us. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

Deposit Preparation, Sorting, and Endorsements: You agree to properly prepare, sort, and endorse all deposits according to requirements specified in any applicable user guides and Federal Regulation CC. You agree to indemnify us for any loss we incur that results from your failure to comply with these requirements.

DEPOSITS OF PRE-AUTHORIZED DRAFTS

A pre-authorized draft is an arrangement whereby you get authority from a person (a customer, usually) to access a deposit account owned by that person to pay a debt that person owes you. You deposit these "drafts" into a deposit account with us, and we collect them from your customers, who may have accounts with us or other banks. (These "drafts" are checks you create based on information your customer provides you, such as the customer's name and account number, and the express permission your customer gave you to draw on this account.)

When you deposit these pre-authorized drafts, you make the following agreements and warranties:

- You have express, verifiable and binding authorization from your customer to access his, her or its account for the amount you ask us to collect
- You will keep the proof of your authorization in retrievable form for not less than two years from the date of the authorization and provide us with such proof upon our request

We may reverse any credit given to you for any draft deposited to your account and returned to us regardless of when it is returned or the reason for the return. We may take funds in your account to pay the amount you owe us, and if there are insufficient funds in your account, you will still owe us the remaining balance.

EARNINGS CREDIT

Fees for services used by you may be assessed in full to your accounts or may be offset through account analysis by applying an earnings credit to your service charges to determine a single monthly net service charge. Your earnings credit rate is established by us and will change from time to time. Your net service charge could be zero if your earnings credit equals or exceeds your charges in a given month. Federal law prohibits us from paying excess earnings credit to you. If your earnings credit is not sufficient to offset the amount due, you agree to pay such amounts to us upon demand. Refer to the *Schedule of Fees and Charges for Analysis Account Fees*.

WAIVER OF NOTIFICATION OF REDEPOSITED CHECKS

When you deposit checks to your account, you have a right to be notified whenever a check you deposit is returned unpaid. We offer a plan (to businesses who elect it) whereby we will automatically redeposit checks returned unpaid due to insufficient funds. To simplify collection of these items, you give up this right to notification for those items we redeposit. If these items are returned unpaid a second time, you will receive standard notification. We may withhold the availability of funds represented by a redeposited check. We will notify you of such delay.

CAMPAIGN ACCOUNTS

The holder of a Campaign account must notify the Bank upon:

(i) termination of a candidate's candidacy, or (ii) cessation of a candidate's or committee's filing obligations with the California Secretary of State or applicable local agencies.

FACSIMILE SIGNATURES

The use of a facsimile signature or endorsement device may be authorized by designation on the signature card, a resolution or other separate written authorization in a form acceptable to us. If the use of a facsimile signature or endorsement device has been so authorized or such a device has otherwise been used, we may honor or accept for deposit any item or signed instruction which appears to bear the appropriate facsimile signature or endorsement even if it was made by an unauthorized person or with a counterfeit facsimile device. Therefore, you should maintain close control over any facsimile signature or endorsement device and statements and canceled items should be promptly reviewed for unauthorized use of any such device. You acknowledge the risks inherent in using such devices and hereby waive any claims against us or right to seek reimbursement for losses arising out of the unauthorized use of such devices or the use of a counterfeit facsimile device.

ELECTRONIC BANKING FOR BUSINESS CUSTOMERS

This section governs transactions initiated by you or your employees using a Montecito Bank & Trust Business MasterMoney® Debit Card ("Business Debit Card"). Your use of business debit card is subject to the fees and terms of your checking and savings accounts as set forth elsewhere in this Agreement and in related brochures and fee schedules, which are available at any Montecito Bank & Trust office. Some ATM networks impose an additional transaction fee unrelated to our fees and charges and may be assessed to your account. Other electronic transactions against your account, whether or not initiated or authorized by you, will be governed by the specific Agreement between us related to such transactions and/or all applicable rules and regulations governing such transactions, including without limitation, the rules of the National Automated Clearing House Association (NACHA) as may be amended from time to time.

Under NACHA rules we cannot return an unauthorized electronic transaction (ACH debit) unless you notify us no later than 3:00 p.m. Pacific Time on the business day following the settlement date of the transaction. Otherwise, your sole recourse is to the originator of the transaction.

ACCOUNT ACCESS

Any Montecito Bank & Trust Business Debit Card or ATM Card or personal identification number (PIN) issued to or selected by you, may access only related business checking or business savings accounts (for example, accounts with the same name or tax identification number). Access methods will differ depending on the Business Debit Card selected by you and approved by us. All Business Debit Card services may not be available depending on the access method selected.

ATM SURCHARGES

When you use an ATM that is not identified as ours with the Montecito Bank & Trust name, you may be charged a fee by us and by the ATM operator or any network used to complete the transfer (and you may be charged a fee for a balance inquiry).

LIMITS ON TRANSFERS

The terms of your deposit account may restrict the number of withdrawals you may make from your account each month. Restrictions described by product later in this Agreement and in other disclosures and agreements you received at the time your account was opened or when additional products or services were accessed, will also apply to your electronic withdrawals and electronics payments unless specified otherwise.

SECURITY

For security reasons, there are limitations on the amount and number of cash withdrawals you may perform with any of your Montecito Bank ATM or Business Debit Cards per day at ATMs. There are also limitations on the total number and dollar amount of purchases at merchants and or cash advances at MasterCard member banks you may perform per card during a 24-hour period from the time of your last transaction.

We reserve the right to change these maximum daily limitations on cash withdrawals and purchases without notice, which we make based on periodic risk assessments. We will not reduce those limits below \$300 per day for cash and \$500 per day for purchases without giving you prior notice.

CHECK CARD TRANSACTIONS

When we receive an electronic notice that a Montecito Bank & Trust Business Debit Card (non-PIN) transaction has been authorized against your account, we will place a hold on your account for that amount. Some merchants (e.g., hotels, restaurants, gas stations, car rental agencies) estimate the amount of the anticipated purchase for the purpose of determining an authorization amount. As a result, the amount held against your account may be less or greater than the final transaction amount presented. Your available account balance will be reduced by the amount held for all pending check card (non-PIN) purchases from the time we receive the notice until the item is presented or three business days, whichever occurs first. If we release a hold due to the expiration of three business days, your account may still be debited if and when the transaction is presented to us for processing. During that time, sufficient funds may not be available to pay checks or other electronic transactions, and you may be subject to an overdraft paid fees if those items are paid creating an overdraft..

PURCHASES AT MERCHANTS

You may use any of your Montecito Bank & Trust Business Debit Cards to make purchases at MasterCard merchants that accept debit cards. Purchases made with your card will result in debits to the "primary" checking account linked to the card. This will reduce your available balance and will be processed like other items. These transactions will be itemized on your monthly statement, including the merchant name, the date of purchase and the amount of the purchase. You may use your Montecito Bank & Trust Business Debit Card and, if your ATM card is linked to a checking account, any of your Montecito Bank & Trust Business ATM Cards, to make purchases by entering your PIN at participating merchants in many parts of the country where you see the STAR, Cirrus system, MasterCard logo or other regional point-of-sale network marks. To determine if you can make a purchase with your card and PIN, check the back of the card for eligible networks.

OTHER ELECTRONIC TRANSACTIONS

In addition to transactions initiated by using your Montecito Bank & Trust Business Debit Card, there are other electronic banking transactions that you may arrange through your account. These include:

- Telephone/personal computer activated transfers of funds from your accounts with us to other accounts with us or to third parties.
- Automatic transfer of funds between checking and savings accounts.
- Automatic periodic payments to third parties or us from checking or savings accounts (for example, monthly mortgage payments, installment loan payments, insurance payments, utility payments).
- Direct deposit to checking or savings accounts (for example, payroll checks, social security payments).
- Electronic check conversions from your checking account using a blank, partial or fully completed personal check at merchant locations.

FEES

We will charge you fees for electronic funds transfers in accordance with the information found in our *Schedule of Fees & Charges*. The fees

DEPOSIT ACCOUNT TERMS AND DISCLOSURES



may be changed at any time, subject to our giving you any notice required by law.

USING YOUR CARD FOR INTERNATIONAL TRANSACTIONS

You may use your Montecito Bank & Trust Business Debit Card or ATM card (if it is linked to a checking account) for retail purchases with foreign merchants and for cash withdrawals from foreign ATMs that bear either the Cirrus System or MasterCard logo. Some merchant and ATM transactions, even if you and/or the merchant or ATM are located in the United States, are considered foreign transactions under the applicable rules, in which case we will add the foreign fees in this section to those transactions. Montecito Bank & Trust does not control how these merchants, ATMs and transactions are classified for this purpose. The exchange rate in effect when the transaction is processed may differ from the rate in effect on the date of the transaction or the date of the posting of the transaction to your account.

If you make a purchase overseas, for transactions processed through MasterCard, the foreign currency transaction will be converted to U.S. Dollars by multiplying the amount of the foreign currency times (a) a rate selected by MasterCard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard itself receives, or (b) the government-mandated rate in effect for the applicable central processing date. You will see the debit for the U.S. equivalent, a MasterCard currency conversion fee, and a MasterCard cross border fee. We pass through these charges from MasterCard with no additional fees or surcharges from us.

If you use your Montecito Bank & Trust Business Debit Card or ATM card at an ATM that bears only the Cirrus System logo (and no MasterCard logo), the transaction will be processed through the Cirrus System and will be converted into U.S. Dollars at the exchange rate established, from time to time, by the operator of that ATM. Additional fees may apply.

If you use your Montecito Bank & Trust Business Debit Card or ATM card at an ATM that bears both the MasterCard and Cirrus System logos, the ATM operator will determine whether to send your transaction over the MasterCard or Cirrus System network using such network's respective currency conversion rules then in effect (as explained above).

BALANCE REQUIREMENTS

Transactions using your Business Debit Card(s) will be completed only if sufficient funds are available in the applicable account balance, or linked Ready Cash Reserve (RCR) credit facility to fully perform the transaction.

UNAUTHORIZED TRANSACTIONS, LOST OR STOLEN CARDS AND SECURITY

You are solely responsible for maintaining the security of your Montecito Bank & Trust Business Debit Card and PINs and their use by you and your employees and other agents. You shall be liable for the acts of your employees and agents related to your business debit card(s), including business debit card applications and other service requests. If you provide another person with the means to perform transactions related to your accounts using your business debit card or PIN, any resulting transactions will be treated as if they were performed and authorized by you.

MasterCard® offers Zero Liability for transactions with your card, and this policy applies to the use of your business debit card. However, this policy does not extend to transactions where a personal identification number (PIN) is used or any transaction which is not processed by the MasterCard network.

The MasterCard Zero Liability policy is subject to certain conditions. If we reasonably determine that the unauthorized transaction was caused by your gross negligence or fraud, the MasterCard Zero Liability policy will not apply.

In any case, you must report an unauthorized transaction to us within a reasonable time, not to exceed sixty (60) days, from the day we send or make your account statement available to you on which an unauthorized transaction is first reported. Failure to report an unauthorized transaction

within such sixty (60) days will conclusively mean the transaction is authorized. If you believe that an erroneous or unauthorized transaction has occurred using your business debit card(s), or if your business debit card has been lost or stolen, or if you want to cancel a business debit card issued to you or your employee/agent, or if you want to change your PIN, you must immediately telephone us at:

MONTECITO BANK & TRUST BUSINESS SOLUTIONS:

If you need to contact us about your card while outside of the United States, call (805) 963-7511.

SPECIFIC BUSINESS ACCOUNT OFFERINGS

Some of these are described below. More detailed information on fees can be found in the *Schedule of Fees & Charges* or in the Deposit Rate Summary provided for interest-bearing accounts. The following business accounts are not consumer accounts to which Truth in Savings applies.

BASIC BUSINESS CHECKING

This account is designed for businesses with low transaction activity. It also entitles the accountholder to the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$50 Minimum Opening Deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is a monthly maintenance fee on this account. The monthly maintenance fee can be waived by having electronic statements (eStatements). Refer to the *Schedule of Fees & Charges* for current fees associated with this account.

Transaction Limitations

This account allows up to one hundred-fifty (150) items per month. Items in excess of the allowable limit will be assessed a per item fee.

Items include: regular deposits, deposited items, ATM deposits and withdrawals, transfers (in-person, online, automatic and telephone), manual loan payments, cashed checks, deposits received by mail, ACH debits, Cashier's check debits, officer approved checks, and POS transactions (one-time and recurring).

Relationship Reward

This account entitles the accountholder to a Business Relationship Money Market account, as long as the account remains open and with the same primary Tax ID and owner as the accountholder of the Business Relationship Money Market account.

COMMUNITY DIVIDENDS® CHECKING (for nonprofits with 501(c)(3) designation)

This account is designed for nonprofits with 501(c)(3) designation from the IRS with low transaction activity. It also entitles the accountholder to the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$50 Minimum Opening Deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is no monthly maintenance fee.

Transaction Limitations

This account allows up to one hundred-fifty (150) items per month. Items in excess of the allowable limit will be assessed a per item fee.

DEPOSIT ACCOUNT TERMS AND DISCLOSURES



Items include: regular deposits, deposited items, ATM deposits and withdrawals, transfers (in-person, online, automatic and telephone), manual loan payments, cashed checks, deposits received by mail, ACH debits, Cashier's check debits, officer approved checks, and POS transactions (one-time and recurring).

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Montecito Bank & Trust Deposit Rate Summary* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded monthly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited you will not receive the accrued interest.

Relationship Reward

This account entitles the accountholder to a Business Relationship Money Market account, as long as the account remains open and with the same primary Tax ID and owner as the accountholder of the Business Relationship Money Market account.

BUSINESS INTEREST CHECKING

This account is designed for businesses with moderate monthly transaction activity and moderate to high balances. It also entitles the accountholder to the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$50 Minimum Opening Deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is a monthly maintenance fee on this account that can be waived by having electronic statements (eStatements) and maintaining an average balance of at least \$10,000.00. The average balance is calculated by adding the principal in the account for each day of the cycle and dividing that figure by the number of days in the cycle. Refer to the *Schedule of Fees & Charges* for current fees associated with this account.

Transaction Limitations

This account allows up to 250 items per month. Items in excess of the allowable limit will be assessed a per item fee.

Items include: regular deposits, deposited items, ATM deposits and withdrawals, transfers (in-person, online, automatic and telephone), manual loan payments, cashed checks, deposits received by mail, ACH debits, Cashier's check debits, officer approved checks, and POS transactions (one-time and recurring).

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Montecito Bank & Trust Deposit Rate Summary* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded monthly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

Relationship Reward

This account entitles the accountholder to a Business Relationship Money Market account, as long as the account remains open and with the same primary Tax ID and owner as the accountholder of the Business Relationship Money Market account.

BUSINESS ANALYSIS CHECKING

This account is designed for businesses with high levels of account activity and/or use of bank services who maintain high balances. In addition to the regular account features, an analyzed account calculates an Earnings Allowance Credit based on the balances in your analyzed business checking account(s) which can be used to offset some or all of your monthly maintenance and/or service charges and fees for the current month only. If your Earnings Allowance Credit is not sufficient to offset all of your charges and fees during the month, we will automatically charge your account for the service and maintenance charges due. This account also entitles the accountholder to the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$50 Minimum Opening Deposit is required to open the account.

Relationship Reward

This account entitles the accountholder to a Business Relationship Money Market account, as long as the account remains open and with the same primary Tax ID and owner as the accountholder of the Business Relationship Money Market account.

COMMUNITY DIVIDENDS ANALYSIS CHECKING

This account is designed for nonprofits with 501(c)(3) designation from the IRS with high levels of account activity and/or use of bank services who maintain high balances. In addition to the regular account features, an analyzed account calculates an Earnings Allowance Credit based on the balances in your analyzed business checking account(s) which can be used to offset some or all of your monthly maintenance and/or service charges and fees for the current month only. If your Earnings Allowance Credit is not sufficient to offset all of your charges and fees during the month, we will automatically charge your account for the service and maintenance charges due. This account also entitles the accountholder to the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$50 Minimum Opening Deposit is required to open the account.

Relationship Reward

This account entitles the accountholder to a Business Relationship Money Market account, as long as the account remains open and with the same primary Tax ID and owner as the accountholder of the Business Relationship Money Market account.

BUSINESS SWEEP CHECKING

This account is designed for businesses with high balances who want to earn interest on their excess deposits. The account consists of a linked analyzed checking account (as described above) and a money

DEPOSIT ACCOUNT TERMS AND DISCLOSURES



market account. At the end of each business day, checking balances in excess of accountholder defined limit are automatically transferred (swept) from the checking account to the money market account. If the checking account reaches a zero balance, balances in the money market account are swept back into the checking account in accountholder defined increments to cover presentments.

Note: Balances in the money market that fall below the accountholder defined increment will not be swept back into the checking account to cover presentments. Fees may result.

This account also entitles the accountholder to the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$50 Minimum Opening Deposit is required to open the account.

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Montecito Bank & Trust Deposit Rate Summary* will be applied to the entire daily available balance of the money market portion of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the money market portion of the account for each day of the statement cycle.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the money market portion of the account each day. Interest is compounded monthly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

RELATIONSHIP BUSINESS CHECKING ACCOUNTS

For the purposes of this Deposit Account Terms and Disclosures, Relationship Business Checking Accounts are defined as the following accounts: Basic Business Checking, Business Interest Checking, Business Analysis Checking, Business Charter Checking, Community Dividends Checking and Community Dividends Analysis Checking.

BUSINESS RELATIONSHIP MONEY MARKET ACCOUNT

This account is designed for businesses with a Relationship Business Checking Account and moderate to high balances. This account entitles the accountholder to the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$50 Minimum Opening Deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is a monthly maintenance fee on this account that can be waived by maintaining a Relationship Business Checking Account for which the primary tax identification number and account holder are the same.

Note: If all of the Relationship Business Checking Accounts (mentioned above) are closed, the account will be converted to a Business Money Market. Until the account is converted, a monthly maintenance fee will be assessed if the minimum daily balance falls

below \$10,000. Refer to the Schedule of Fees & Charges for current fees associated with this account.

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Montecito Bank & Trust Deposit Rate Summary* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded monthly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

Relationship Reward

This account entitles the accountholder to an interest rate and APY higher than the Business Money Market interest rate and APY as long as the accountholder maintains a Relationship Business Checking Account with the same primary Tax ID and ownership as the accountholder.

Note: If all of the Relationship Business Checking Accounts with the same Tax ID as the accountholder are closed, this account will be converted to a Business Money Market. Until the account is converted it will earn an interest rate and APY equivalent to the interest rate and APY of the Business Money Market. Refer to the Deposit Rate Summary for current rates associated with this account.

BUSINESS MONEY MARKET

This account is designed for businesses with moderate to high balances. This account entitles the accountholder to the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$50 Minimum Opening Deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is a monthly maintenance fee on this account that can be waived by maintaining a daily minimum balance of at least \$10,000. Refer to the *Schedule of Fees & Charges* for current fees associated with this account.

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Montecito Bank & Trust Deposit Rate Summary* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded monthly

DEPOSIT ACCOUNT TERMS AND DISCLOSURES



and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

PRIVATE HIGH-YIELD BUSINESS MONEY MARKET ACCOUNT

This account is designed for clients of the bank's Wealth Management Division or Commercial Loan Group who wish to earn interest on their account balances. This account does not allow debit cards; however, it does entitle the account holder to the following benefits:

- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$.01 minimum deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is a monthly maintenance fee on this account that can be waived by maintaining a minimum daily balance of at least \$250,000. Refer to the *Private High-Yield Money Market Accounts Disclosures* for current fees associated with this account.

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Private High-Yield Money Market Accounts Disclosures* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

This account requires the accountholder to maintain a Wealth Management account or a good standing status with an assigned Commercial Loan Group Relationship Manager and the business entity's primary operating account at Montecito Bank & Trust (Collectively known as a CLG relationship).

Note: This account is restricted to one account per business entity. If the Wealth Management account or the CLG relationship is closed or terminated, this account will be converted to a Business Money Market Account. When the account is converted, it will earn an interest rate and APY equivalent to the interest rate and APY of the Business Money Market Account. Refer to the Deposit Rate Summary for current rates associated with this account.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded monthly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

BUSINESS SAVINGS

This account is designed for businesses with basic savings needs. This account entitles the accountholder to the following benefits:

- Free Montecito Bank & Trust ATM Card
- Free Online Banking
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$50 Minimum Opening Deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is a monthly maintenance fee on this account that can be waived by maintaining a daily minimum balance of at least \$300. Refer to the *Schedule of Fees & Charges* for current fees associated with this account.

Transaction Limitations

We reserve the right to require a seven (7) day written notice prior to the withdrawal of funds.

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Montecito Bank & Trust Deposit Rate Summary* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded and paid quarterly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

PREMIER PUBLIC FUNDS

This account is designed for public entities with a Business Analysis Checking Account, high balances, and cash management services. This account entitles the accountholder to the following benefits:

- Free Montecito Bank & Trust MasterMoney Debit Card
- Free Online Banking and Bill Pay
- Free 24-hour Telephone Banking Services

Minimum Opening Deposit

A \$0.01 Minimum Opening Deposit is required to open the account.

How to Avoid Monthly Maintenance Fee

There is no monthly maintenance fee.

Interest Rate Information

Your interest rate and Annual Percentage Yield (APY) may change. The interest rate and APY disclosed on the *Montecito Bank & Trust Deposit Rate Summary* will be applied to the entire daily available balance of the account. The applicable interest is determined at the Bank's discretion and may change at any time. To obtain the APY disclosed, you must maintain a minimum available balance of \$.01 in the account for each day of the statement cycle.

Interest Calculation

We use the daily balance method to calculate interest. This method applies a daily periodic rate to the full amount of the collected principal in the account each day. Interest is compounded monthly and will be credited to your account on the last day of each statement cycle. Interest begins to accrue on the business day we receive credit for the deposit of noncash items (for example, checks).

Effect of Closing an Account: If you close your account before interest is credited, you will not receive the accrued interest.

Relationship Reward

This account entitles the accountholder to an interest rate and APY higher than the Public Funds Money Market interest rate and APY as long as the accountholder maintains a Business Analysis Checking Account with the same primary Tax ID and ownership as the accountholder.

Note: If all of the Business Analysis Checking Accounts with the same Tax ID as the accountholder are closed, this account will earn an interest rate and APY equivalent to the interest rate and APY of the Public Funds Money Market. Refer to the Deposit Rate Summary for current rates associated with this account.

Other Requirements

This account requires the accountholder to maintain at least one (1) Cash Management Service offered by the Bank. If the accountholder does not maintain at least one Cash Management Service, this account will be converted to a Business Money Market account. Cash Management Services include ACH, Wire Transfer, Lockbox, Night Depository Service, Remote Deposit Capture, Positive Pay, and Merchant Services. Fees apply.

This account has a maximum balance of \$5,000,000. Funds in excess of that maximum balance will be automatically swept into an account designated at account opening.