

The following terms and conditions apply to the Customer's use of the External Transfer Service.

## 1. External Transfers

- a. Within the Online Banking System, you have the option to participate in the External Transfer Service, which allows you to transfer funds between your eligible accounts at the Bank (checking, savings, and money market) and checking or savings accounts owned by you at other United States Financial Institutions, assuming that the transfer is permitted by your other financial institution and by law. Accounts at the Bank you select for this Service are referred to as "Internal Accounts," and accounts you select from among accounts you own at other financial institutions are referred to as "External Accounts." You may only transfer funds between accounts where you are an owner of both accounts and the terms and conditions of the accounts allow deposits and/or withdrawals of the type you are initiating. Transfers from an Internal Account to an External Account are referred to as "Outgoing Transfers" and Transfers from an External Account to an Internal Account are referred to as "Incoming Transfers."
- b. In order to use the External Transfer Service, you will need to register the External Accounts that you wish to access and provide certain identifying information about each of those accounts. For Incoming Transfers, you agree that you will only attempt to register External Accounts that you own or for which you have the authority to transfer funds. You acknowledge and agree that each External Account you seek to register will be subject to a two-deposit validation process, a fraud mitigation feature that requires you to confirm account ownership by validating the amounts of two small deposits made to an External Account before Transfers can be made to or from the account.
- c. The External Transfer Service is only available for domestic (U.S.) transfers. International transfers cannot be performed through the External Transfer service. International funds transfers may be processed through a wire transfer request.
- d. **Outgoing Transfers:** For Outgoing Transfers, funds will be debited from your Internal Account on the Business Day for which you request the Transfer to be made (the "Scheduled Date"), and typically will be credited to the External Account on the second to third Business Day after the Transfer's Scheduled Date.
- e. **Incoming transfers:** For Incoming transfers, the funds typically will be debited from your External Account at your other financial institution on the Business Day or next Business Day after its Scheduled Date and will be credited to your Internal Account with the Bank on the second to third Business Day after the Transfer's Scheduled Date.
- f. The Bank is not responsible for any failure of another financial institution to act in a timely manner as described above. As a result, the Bank cannot guarantee the timely delivery or return of funds as a result of the failure of another financial institution to act in a timely manner.
- g. You agree to have sufficient available funds in your designated Internal Account(s) at the Bank to cover all Outgoing Transfers on the Scheduled Date. If the applicable Internal Account does not have sufficient available funds on the Scheduled Date, the Bank may elect not to initiate one or more of the Transfers. If we do elect to initiate the Transfer, it may cause an overdraft in your Internal Account, in which case you will be liable for the overdraft and any overdraft fees and interest thereon, as set forth in your Other Agreements, and you agree to pay all related applicable fees.

h. You acknowledge and agree that Transfers made through the Automated Clearing House (“ACH”) processor selected by us or directly to another financial institution, and you agree that you will be subject to the National Automated Clearing House Association (“NACHA”) rules or our agreement with the other financial institution, as applicable.

i. It is your responsibility to ensure the accuracy of any information that you enter into the System, and for informing us as soon as possible if you become aware that this information is inaccurate. You may not use a P.O. Box as a postal address. We will make a reasonable effort to stop or recover a Transfer made to the wrong Account once informed, but we do not guarantee such recovery and will bear no responsibility or liability for damages resulting from incorrect information you enter in the System. It is your sole responsibility and you agree to ensure that your contact information in the System is current and accurate. We are not responsible for any Transfer processing errors or fees incurred if you fail to accurately provide information required for this Service.

## 2. Initiating and Scheduling Transfers

a. Cut-Off Time: The “Cut-Off Time” for initiating Transfers is 5:00 p.m. Pacific Time, subject to change by the Bank. Any Transfer initiated after the applicable Cut-Off Time will be considered as being initiated on the next Business Day.

b. Transfers can be scheduled on either a one-time or on a recurring basis. The processing of one-time Transfers may be initiated immediately or scheduled for initiation on a future date. Recurring Transfers may be scheduled for up to one year in advance. The Recurring Transfer feature may be used when a set amount is transferred at regular intervals. For example, you could schedule a \$200 transfer from an account you own at another financial institution to your Bank checking account every two weeks.

c. Immediate, one-time future-dated Transfers and Recurring Transfers are available for both Incoming and Outgoing Transfers. In addition to choosing the delivery time, as described above, you will be asked to pick the date that you want us to initiate the Transfer. For example, if you direct us to initiate processing an Outgoing Transfer immediately, the funds will be debited from your Bank Internal Account on the Business Day you schedule the Transfer (as long as the Transfer is initiated prior to the Cut-Off Time for that Business Day), and typically will be credited to the External Account on the second or third business day after the Transfer is initiated.

d. One-time future-dated or Recurring Transfers scheduled for a weekend or a non-Business Day will be processed on the next Business Day.

## 3. Cancelling Transfers

a. Subject to the limitations in Section 7 below, you can cancel one-time future-dated Transfers and Recurring Transfers up until the Cut-Off Time on the Scheduled Date. After you cancel a future-dated Transfer, the status changes to Canceled.

b. If you direct us to begin processing a Transfer immediately or a Transfer's status is in process or has been completed, you no longer have the right to cancel it. However, the Bank, at its option, may attempt to cancel the Transfer, subject to the limitations in Section 7 below.

c. The easiest and most convenient way to cancel a Transfer is through our Online Banking System. However, you also may request to cancel a one-time future-dated Transfer or Recurring Transfer by calling us at 1-800-595-5856 (only during regular business hours). If you call, we may

also require you to put your request in writing and get it to us within 14 days after you call. You may not call and cancel a Transfer whose status is In Process or Processed.

d. If you attempt to cancel a Transfer using one of the methods cited above and we do not do so, we will be liable for your losses or damages, subject to the limitations in Section 7 below.

#### **4. External Transfer Fees**

- a. There is no fee for making Transfers from or into your Internal Accounts at the Bank.
- b. Fees may be charged for each rejected or reversed Transfer, as disclosed in the System or in your Other Agreements. You agree to pay such charges and authorize us to deduct the calculated amounts from the applicable Internal Account you hold with us for these amounts and any additional charges that may be incurred by you. Any financial fees associated with your standard deposit accounts will continue to apply.

#### **5. Dollar Limits**

- a. Transfers will generally be limited to the lesser of (i) available funds in the Internal Account or External Account from which you have requested the Transfer, or (ii) such different limits as may be set by the Bank and are indicated for you within the Service; the Bank may change these limits at any time, subject to any notice of any decreases if required by law, but you agree that we may reduce your limits below the amounts stated above without prior notice upon occurrence of a "Disqualifying Event," as defined below. In addition, all Transfers are subject to internal review by the Bank. This review will be based on the particular accounts to and from which the Transfer is requested, the amount of the Transfer, your relationship with the Bank, a successful fraud screening and such other factors that Bank may determine to apply from time to time. In the event we determine that there are risks associated with the Transfer request or if we determine you are subject to a Disqualifying Event, we may delay or cancel the Transfer and notify you, or direct you to contact us to provide additional details on the Transfer before it is initiated or funds are released.
- b. Any Transfer initiated on a day that is not a business day begins processing on the following business day and counts toward the applicable dollar limit for the next business day.

#### **6. Processing Transfers and Disqualifying Events**

- a. A Transfer remains in process until the close of business on the applicable Scheduled Date.
- b. A 2 to 3 Business Day delivery time is available to Customers participating in the External Transfer Service. However, you agree we may cancel a Transfer, without prior notice, upon the occurrence of a Disqualifying Event.
- c. Each of the following is a "Disqualifying Event":
  - Any of your deposit or loan accounts with Bank are not current or are not in good standing.
  - You have had an overdraft, an over-limit item, or an item returned for insufficient funds with respect to any Bank account during the current or 3 prior calendar months.

- You have had any prior Transfer canceled, revoked, or uncompleted due to insufficient funds, revoked authorization, stopped payments, frozen accounts, past due loans or, charged off balances with the Bank, or any similar reason.

d. The Bank will use its best efforts to provide oral, written or electronic notice to you of rejection of a Transfer on its Scheduled Date; provided, however, that the Bank will not be liable to you for interest for its failure to give such notice.

## 7. Liability for All Outgoing Transfers

a. By using the External Transfer Service, you acknowledge and agree that this Agreement sets forth security procedures for Transfers initiated through this Service that are commercially reasonable. You agree to be bound by instructions, whether authorized or unauthorized, which we implement in compliance with these procedures, unless you have given us prior notice of possible unauthorized use of your Access ID and Password and we had a reasonable opportunity to act on such notice.

b. If we fail or delay in making a Transfer pursuant to your instructions, or if we make a Transfer in an erroneous amount that is less than the amount per your instructions, unless otherwise required by law or as otherwise provided in this Agreement, our liability will be limited to interest on the amount that we failed to timely pay or transfer, calculated from the date on which the Transfer was to be made until the date it was actually made or you canceled the instructions. We may pay such interest either to you or the intended recipient of the Transfer, but in no event will we be liable to both parties, and our payment to either party will fully discharge any obligation to the other. If we make a Transfer in an erroneous amount that exceeds the amount of your instructions, or if we permit an unauthorized Transfer after we have had a reasonable time to act on a notice from you of possible unauthorized use of your Access ID or Password as described in this Section, unless otherwise required by law or as otherwise provided in this Agreement, our liability will be limited to a refund of the amount erroneously paid or transferred, plus interest thereon from the date of the Transfer to the date of the refund, but in no event to exceed 60 days' interest. If we become liable to you for interest under this Agreement or applicable law, such interest will be calculated based on the interest rate in effect for the account from which the funds were withdrawn. Unless otherwise required by law in no event will the Bank be liable to you for special, indirect or consequential damages including, without limitation, loss or damage from subsequent wrongful dishonor resulting from our acts or omissions or lost profits, even if we are advised in advance of the possibility of such damages. We will not be liable for your attorney's fees, except as required by law.

c. You expressly agree that the Bank will be liable to you only for our negligent performance or nonperformance of the services provided pursuant to the External Transfer Service, and that our responsibility will be limited to the exercise of reasonable and ordinary care. Unless otherwise required by law, the Bank will not be liable for any error or delay on the part of any third party or for any other act or omission of any third party, including without limitation third parties used by the Bank in executing any payment order relating to a Transfer or performing a related act, and no such third party shall be deemed to be our agent. Further, we will not be liable to you or any third party for failure to execute any Transfer or perform a related act if such a failure is due to causes or conditions beyond our reasonable control, including without limitation strikes, riots, insurrection, war, military, or national emergencies, acts of God, natural disasters, fire, outages of computers or associated equipment, or failure of transportation or communication methods or

power supplies. Except as may be limited by applicable law, you agree to indemnify and hold the Bank and its officers, directors, employees and representatives harmless (including payment of reasonable attorney's fees) against any and all liability to third parties arising out of, or in connection with, this Agreement, the External Transfer Service or any actions taken by the Bank pursuant to your instructions.

d. Please examine your account statements carefully. The Bank will not be liable for interest except as otherwise set forth in this Agreement, unless the Bank is notified of the discrepancy within 30 days from the date of your account statement that reflects the Transfer.

e. You acknowledge and agree that if a payment order relating to a Transfer describes a beneficiary inconsistently by name and account number, payment might be made by the beneficiary's bank on the basis of the account number, even if it identifies a person different from the named beneficiary, and that your obligation to pay the Transfer issued by you to us shall not be excused by such payment.

f. The Bank may at its option accept your cancellations or amendments to a Transfer. You acknowledge that if the Bank attempts to cancel or amend a Transfer, then the reversal request or amendment must be agreed to by each financial institution which has accepted a payment order related to the Transfer at issue before it will be acted upon and you further agree that the Bank will have no liability if a cancellation or amendment is not effected. You agree that you will indemnify and hold the Bank and its officers, directors, employees, and representatives harmless from and against any and all claims, demands, losses, liabilities, and expenses, including attorney's fees and costs, resulting directly or indirectly from our compliance with your cancellation or amendment request.

## 8. Service Cancellation by You

In the event you wish to cancel the Service, you may telephone us at 800-595-5856 during business hours; and/or write us at:

Silvergate Bank  
Attention: Central Operations  
4250 Executive Square, Suite 300  
La Jolla, CA 92037