



## Online Banking Agreement and Disclosure

*To enroll in Online Banking, please read the full disclosure and then click the "I agree" button at the bottom of the page*

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

### **Access to Service**

You will gain access to your Online Accounts through the use of your Internet enabled device, your Internet Service Provider, your Password and your User ID.

### **Hours of Operation**

The Services are available 24 hours a day, seven days a week, except during special maintenance periods. For purposes of transactions, the Bank's business days are Monday through Friday, excluding holidays and weekends. All Online Banking transaction requests received after 5:00 p.m. on business days and all transactions which are requested on Saturdays, Sundays, or holidays on which the Bank chooses to remain closed, will be processed on the Bank's next business day.

### **Use of your Security Password**

You agree not to allow anyone to gain access to the Services or to let anyone know your Password used with the Services.

### **If your Password has been lost or stolen**

If you believe your password has been lost or stolen, or if you suspect any fraudulent activity on your account, call the Bank immediately at 620-257-2313 or toll free 800-656-2313 between the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, and 8:00 a.m. to 12:00 p.m. on Saturday. Advising the Bank as soon as possible is the best way of minimizing your losses and liability.

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

### **Banking Transactions with Online Banking**

In addition to viewing account information, you may use Online Banking to conduct the following transactions:

(1) Transfer funds among your checking accounts, savings accounts and money market accounts. Make loan or line of credit payments. If there are not sufficient funds in the account, we cannot complete this transfer. However, future recurring transfers will not be impacted. NOTE: Because regulations require

the Bank to limit pre-authorized transfers (including Online Banking transfers), the following limitations apply:

Savings and Money Market Account. You can make no more than six (6) transfers per statement period by pre-authorized or automatic transfer or by telephone or online services.

(2) New services may be introduced for online services from time to time. By using these services when they become available, you agree to be bound by the rules that will be made available to you concerning these services.

You must use Online Banking at least once every 6 months to keep the service. This restriction also applies to Bill Pay users.

### **Schedule of Fees**

There are no fees to use the Online Banking or Bill Pay Service. However, the following charges apply to Bill Pay:

- \$20.00 Stop Payment and Reissue Fee
- \$28.00 Internet Bill Payment Returned Fee

### **Statements**

You will continue to receive your regular account statement either monthly or quarterly, depending on the type of account.

### **Electronic Mail**

If you send the Bank an electronic mail message, the Bank will be deemed to have received it on the following business day. The Bank will have reasonable time to act on your e-mail.

You should not rely on electronic mail if you need to communicate with the Bank immediately – for example, if you need to report an unauthorized transaction from one of your accounts or if you need to stop a payment that is scheduled to occur.

You agree that the Bank may respond to you by electronic mail with regard to any matter related to the Service, including responding to any claim of unauthorized electronic funds transfer that you make. Any such electronic mail sent to you by the Bank shall be considered received within three (3) days of the date sent by the Bank, regardless of whether or not you sign on to the Service within that time frame.

### **Bill Payment Service**

The Bill Payment Service permits you to use your Internet-enabled device to direct payments from your designated online Bill Payment Account to third parties you wish to pay. Your Bill Payment Account must be a checking or savings account. Through the Bill Payment Service, you can pay bills from your Bill Payment Account to businesses or individuals.

All payments you make will be deducted from the checking account that you designate as your Bill Payment Account for the Bill Payment Service. Any payments you wish to make through this Service must be payable in U.S. dollars to a payee located in the continental United States. We reserve the right to restrict types of payees to whom payments may be made using the Service from time to time. You should not use the Bill Payment Service to make payments to settle securities purchases, payments to interest bearing accounts, tax payments, or court ordered payments. Payments for these payees will be your sole responsibility if delayed or improperly processed or credited.

Funds must be available in your Bill Pay Account on the scheduled payment date. If the date you schedule a payment to be initiated falls on a non-business day (Saturday, Sunday, or holiday), funds must be available in your Bill Pay Account the following business day (e.g., Monday). After funds are withdrawn from your Bill Pay Account to make a payment, we may make the payment either by transferring funds electronically to the payee or by mailing the payee a check.

You may choose to schedule payments to recur in the same amount at regular weekly, bi-weekly or monthly intervals (a "recurring payment"). If a recurring payment is chosen, the bill will be paid automatically each billing period. If the payment is not a recurring payment, it will be a "one-time payment." One-time payments do not recur and are not made until you enter the payee and amount of the current bill and submit the payment. You may change payments that are recurring payments; however, you must allow at least three (3) business days after we receive any change to information you have given us about a payee to reflect the change in our records.

When you create a new payee in the Bill Payment service, it has a temporary status until we have had sufficient time to set up the account, and for your business payees, verify information about your account. You should schedule a payment to a new payee at least ten (10) business days before any payment due date, to allow us time to set up the payee and verify information about your account with the payee.

For all subsequent payments, you agree to allow at least five (5) business days between the date you schedule a payment to be initiated and the payment due date (that is, the due date shown on your invoice or provided in your agreement with the payee, not taking into account any applicable grace period). If you do not, you will be fully responsible for all late fees, finance charges or other action taken by the payee. If you schedule your payment and follow all instructions provided, and the payment is not received by the payee in a timely manner, a representative of the Bank and/or the Bill Payment provider will work with the payee on your behalf to have any late fees or charges reversed.

The Bank is only responsible for exercising ordinary care in processing and sending payments upon your authorization in accordance with this Agreement. The Bank will not be liable in any way for damages you incur if you do not have sufficient funds in your Bill Pay Account to make the payment on the processing date, for delays in mail delivery, for changes to the payee's address or account number unless you have advised us of the change sufficiently in advance, for the failure of any payee to correctly account for or credit the payment in a timely manner, or for any other circumstances beyond the control of the Bank.

If the session during which you schedule a payment or transfer ends by 3:00 p.m., the Bank will be considered to have received it on that day. Otherwise, it will be considered received on the following business day. For all entries made using the service, the time recorded by the Online Banking service will be considered the official time of the transaction.

If your Bill Pay Account does not have sufficient funds to make a payment as of the date the transfer or payment is attempted or schedules to be made, the transfer or payments will be canceled and no further attempt will be made by the Bank to make the transfer or payment. The Bank shall have no obligation or liability if it does not complete a transfer or payment because there are insufficient funds in your account to process a transaction. In all cases, you are responsible for either making alternate arrangements for the payment or rescheduling the payment through the Service. In the case of recurring payments, only the payment currently scheduled will be canceled. Recurring payments scheduled for future dates will not be affected.

The way to cancel or change a check payment is to use the Service. Payments must be changed or canceled using the Service prior to 3:00 p.m. on the business day prior to the date that the transaction is scheduled to be initiated. If you ask us to cancel a payment after it is issued and we agree to do so, we

may charge you a stop payment fee. Stop payment orders, whether written or electronic, will be in effect for a period of six months. If requested by the Bank, you will confirm any stop payment order in writing. After six months, any stop payment will terminate and must be renewed in order to continue in effect. ACH payments require customer signature and are in effect until customer cancels stop pay. The Bank may pay any item that is presented following the lapse of any stop payment order.

### **Business Accounts**

If you are a business, any authorized user of your business is authorized on such terms, conditions, and agreements as we may require to:

- enter into this Agreement, as amended from time to time;
- access each account of yours in any manner and for any purpose available through the Service, whether now available or available at some time in the future; and
- use any Online banking service in any manner and for any purpose available through the Service, whether now available or available at some time in the future.

### **Term and Termination**

This Agreement will become effective on the Effective Date and shall remain in full force and effect until termination in accordance with the following provisions.

We may immediately terminate your electronic banking privileges (including the Bill Payment Service) without notice to you under the following circumstances:

- you do not pay any fee required by this Agreement when due or
- you do not comply with the agreement governing your deposit or loan accounts or your accounts are not maintained in good standing.

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

To terminate this Agreement, you must notify the Bank and provide your name, address, the Service(s) you are discontinuing, and the termination date of the Service(s). When Bill Payment is terminated, any prescheduled bill payments made through Online Banking will also be terminated. You may notify the Bank by one of the following methods:

- By sending an e-mail to the Bank
- By calling the Bank at 620-257-2313 or 800-656-2313
- By writing a letter and either bringing it in person or sending to the following address:  
The Lyons State Bank  
Attn: Customer Service  
PO Box 289  
Lyons KS 67554

### **Electronic Fund Transfer Provisions For Consumers**

These provisions are only applicable to online electronic fund transfers that credit or debit a consumer's checking, savings or other asset account and are subject to the Federal Reserve Board's Regulation E (an "EFT"). When applicable, the Bank may rely on any exceptions to these provisions that are contained in

Regulation E. All terms that are not defined in this Agreement but which are defined in Regulation E shall have the same meaning when used in this section.

The following determines your liability for any unauthorized EFT or any series of related unauthorized EFTs:

- If you notify the Bank within two (2) business days after your password was lost or stolen, your liability will not exceed \$50.00 or the amount of the unauthorized EFTs that occur before notification, whichever is less
- If you fail to notify the Bank within two (2) business days after your password was lost or stolen, your liability will not exceed the lesser of \$500.00 or the total of:
  - \$50.00 or the amount of unauthorized EFTs that occur within the two (2) business days; and
  - The total of authorized EFTs which occur during the two (2) days before notification to the Bank, provided the Bank establishes that these EFTs would not have occurred had the Bank been notified within that two-day period.
- You must report an unauthorized EFT that appears on your periodic statement, no later than 60 days of transmittal of the statement to avoid liability for subsequent transfers. Your liability will not exceed the amount of the unauthorized EFTs that occurred with the 60-day period. You may also be liable for the amounts as described in sections above.
- If the report is made orally, we will require that you send the complaint or question in writing within ten (10) business days. We will notify you with the results of the investigation within ten (10) business days and will correct any error promptly. If more time is needed, however, we may take up to 45 days to investigate a complaint or question. If this occurs, we will credit your account within ten (10) business days, we may not credit your account until the investigation is completed. If a notice of error involves an electronic fund transfer that occurred within thirty (30) days after the first deposit to the account was made, the error involves a new account. If an alleged error involves a new account or an electronic fund transfer outside a state or territory or possession of the United States, the applicable time periods for action by us are 20 business days (instead of 10) and 90 calendar days (instead of 45). If we determine that no error occurred, we will send you a written explanation within three (3) business days after the investigation is complete. You may request copies of the documents that were used in the investigation.
- You may notify the Bank by telephone, writing, or by email.

In case of errors or questions regarding an Online Banking or Bill Payment transaction, call 620-257-2313 or toll free 800-656-2313. You may also write us at: The Lyons State Bank, PO Box 289, Lyons KS 67554.

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

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

## **Liability**

This section explains our liability to you only to the extent that any other agreements, notices, or disclosures have not separately disclosed our liability. In no event shall we be liable to you for failure to provide access to your Online Banking or Bill payment services accounts. Unless otherwise required by applicable law, we are only responsible for performing the Online Banking and Bill Payment services as delineated in this Agreement. We will be liable for the amount of any material losses or damages incurred by you and resulting directly from our gross negligence.

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

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

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

You agree to indemnify, defend and hold us, our affiliate companies, directors, officers, employees and agents harmless against any third party claim, demand, suit, action or other proceeding and any expenses related to an Online Banking or Bill Payment account.

We are not liable for any loss or liability resulting from any failure of your equipment or software, or that of an internet browser provider such as Netscape (Netscape Navigator browser) or Microsoft (Microsoft Explorer browser), by an internet access provider, or by an online service provider, nor will we be liable for any direct, indirect, special or consequential damages resulting from your access to or failure to access an Online Banking or Bill Payment account.

The Bank is not responsible for any electronic virus or viruses that you may encounter. We suggest that you routinely scan your PC using a virus protection product. An undetected virus may corrupt and destroy your programs, files, and your hardware.

### **General Terms and Conditions**

In addition to this Agreement, you and the Bank agree to be bound by and comply with the requirements of the agreements applicable to each of your Online Accounts. Your use of the Online Banking Service or the Bill Payment Service is your acknowledgment that you have received these

agreements and intend to be bound by them. You should review other disclosures including the charges that may be imposed for electronic funds transfers or the right to make transfers listed in the fee schedules accompanying those disclosures and the fee schedule contained in this Agreement. We will automatically deduct the fees related to this Service from your Bill Payment Account each month.

The Bank may modify the terms and conditions applicable to the Services from time to time. We may send any notice to you via e-mail and you will be deemed to have received it three days after it is sent. The revised terms and conditions shall be effective at the earliest date allowed by applicable law. We reserve the right to terminate this Agreement and your use of the Services in whole or in part at any time without prior notice.

We may assign this Agreement to an affiliate of the Bank or any successor in interest in the event of a merger, reorganization, change of control, acquisition or sale of all or substantially all assets of the business to which this Agreement is related without the other party's prior written consent.

Unless otherwise required by applicable law, any notice or written communication given pursuant to this Agreement may be sent to you electronically.

We will only disclose information to third parties about your account or transfers you make under the following circumstances:

- where it is necessary for the provision of Online Banking and for completing transfers;
- in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
- in order to comply with government or court orders, or other reporting requirements;
- if you give us your permission;
- to the Bank affiliated companies.

### **Governing Law**

This Agreement is governed by the laws of the State of Kansas and applicable federal law (or applicable provisions of U.S. law).