



**Local Banking...
The Way It Should Be**

1017 N. Turner - P.O. Box 400 - Hobbs, NM 88241 - 575-397-4511

Online Banking Agreement

This Agreement is also subject to applicable federal laws and the laws of the State of New Mexico. 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. The headings in this Agreement are for convenience or reference only and will not govern the interpretation of the provisions. Any waiver (express or implied) by either party of any default or breach of this Agreement must be in writing and shall not constitute a waiver of any other or subsequent default or breach. You may not assign this Agreement. This Agreement is binding upon your heirs and Lea County State Bank's successors and assigns. Certain of the obligations of the parties pursuant to this Agreement that by their nature would continue beyond the termination, cancellation or expiration of this Agreement shall survive termination, cancellation or expiration of this Agreement. This Agreement, together with the Enrollment Form, constitutes the entire agreement between you and LCSB with respect to the subject matter hereof and there are no understandings or agreements relative hereto which are not fully expressed herein.

DEFINITIONS - As used in this Agreement, the words we, our, and us, mean Lea County State Bank. You and your refer to the accountholder authorized by Lea County State Bank to use Internet Banking under this Agreement and anyone else authorized by that accountholder to exercise control over the accountholder's funds through Internet Banking. Account or accounts means your accounts at Lea County State Bank. Electronic funds transfers means ATM withdrawals, preauthorized transactions, point of sale transactions, transfers to and from your LCSB accounts using Internet Banking including bill payments. Internet Banking Services means the services provided pursuant to this Agreement, including the Internet Banking Bill Pay. Business days means Monday through Friday. Holidays are not included.

ACCESS TO USE INTERNET BANKING - In order to access your Internet Banking Service, you will need a computer (in this Agreement, your computer and the related equipment are referred to together as your "Computer") with a web browser that supports 256-bit encryption, a current version of a PDF reader or cell phone/mobile device (iPad) to access Internet Banking. You must have at least one eligible account at LCSB, access to Internet service, and an e-mail address. Once we have Processed your Enrollment Form, and verified your account information, we will send you, either by e-mail or by postal mail, confirmation of our acceptance of your enrollment, along with your assigned log-in ID and temporary password. Internet Banking can be used to access only the LCSB accounts which you have designated for access by Internet Banking in your Enrollment Form. You can add or delete any of your LCSB accounts from this Agreement by completing a new Enrollment Form. Access to your accounts through Internet Banking will be based upon the identification of users and authority levels specified by you in your Enrollment Form. We undertake no obligation to monitor transactions through Internet Banking to determine that they are made on behalf of the accountholder.

INTERNET BANKING SERVICES- You can use Internet Banking to check the balance of your LCSB accounts, view LCSB account histories, transfer funds between your LCSB accounts, make stop payment requests, view checks, and download information about your accounts to financial money management software. You may also pay bills from your LCSB accounts in the amounts and on the dates you specify if you have requested the Internet Banking Bill Pay service on your Enrollment Form.

HOURS OF ACCESS - You can use Internet Banking seven days a week, twenty-four hours a day, although some or all Internet Banking services may not be available occasionally due to emergency or scheduled Internet Banking maintenance. We agree to post notice of any extended periods of non-availability on the LCSB web site.

YOUR PASSWORD - For security purposes, you are required to change your password upon your initial login to Internet Banking. You determine what password you will use and the identity of your password is not communicated to us. You agree that we are authorized to act on instructions received under your password. You accept responsibility for the confidentiality and security of your password and agree to change your password regularly. Upon three unsuccessful attempts to use your password, your Internet Banking account will be locked. You must contact us to have your account unlocked.

You must create a password that is 8-24 characters in length and contains both upper and lower case letters and numbers for purposes of security. Your password should not be associated with any commonly known personal identification, such as social security numbers, address, date of birth, names of children, and should be memorized rather than written down.

SECURITY - You understand the importance of your role in preventing misuse of your accounts through Internet Banking and you agree to promptly examine your statement for each of your LCSB accounts as soon as you receive it. You agree to protect the confidentiality of your account and account number, and your personal identification information, such as your driver's license number and social security number. You understand that personal identification information by itself, or together with information related to your account, may allow unauthorized access to your account. Your login ID and password are intended to provide security against unauthorized entry and access to your accounts. If your account is compromised due to YOU sharing your ID or password with other individuals or entities, you agree that Lea County State Bank cannot be held legally responsible. Data transferred via Internet Banking is encrypted in an effort to provide transmission security and Internet Banking utilizes identification technology to verify that the sender and receiver of Internet Banking transmissions can be appropriately identified by each other. Notwithstanding our efforts to insure that Internet Banking is secure, you acknowledge that the Internet is inherently insecure and that all data transfers, including electronic mail, occur openly on the Internet and potentially can be monitored and read by others. We cannot and do not warrant that all data transfers utilizing Lea County State Bank Internet Banking, or e-mail transmitted to and from us, will not be monitored or read by others.

FEES AND CHARGES - You agree to pay the fees and charges for your use of Internet Banking services as set forth in the current fee schedule. You agree that all such fees and charges will be deducted from the LCSB checking account designated on your Enrollment Form. If you close this Checking Account, you must contact us immediately to designate another account as your Primary Checking Account. You agree to pay any additional reasonable charges for services you request which are not covered by this Agreement. You are also responsible for telephone and Internet service fees you incur in connection with your use of Internet Banking.

POSTING OF TRANSFERS - Transfers initiated through Internet Banking before 5:30 p.m. (Mountain Time) on a business day are posted to your account the same day. Transfers completed after 5:30 p.m. (Mountain Time) on a business day, Saturday, Sunday or LCSB banking holiday, may be posted on the next business day. Internet Banking identifies transfers based upon the login ID of the user who made the electronic transfer.

OVERDRAFTS - (Order of Payments, Transfers, and other Withdrawals) If your account has insufficient funds to perform all electronic fund transfers you have requested for a given business day, then:

- a. Electronic funds transfers involving currency disbursements, like ATM withdrawals and Point of Sale payments, will have priority;
- b. Electronic fund transfers initiated through Internet Banking which would result in an overdraft of your account may, at our discretion, be cancelled;
- c. In the event the electronic fund transfers initiated through Internet Banking which would result in an overdraft of your account are not cancelled, overdraft charges may be assessed pursuant to the terms of the deposit agreement for that account.

LIMITS ON AMOUNTS AND FREQUENCY OF INTERNET BANKING TRANSACTIONS - The number of transfers from LCSB accounts and the amounts which may be transferred are limited pursuant to the terms of the applicable deposit agreement and disclosure for those accounts. If a hold has been placed on deposits made to an account from which you wish to transfer funds, you cannot transfer the portion of the funds held until the hold expires.

INTERNET BANKING BILL PAY - You must set up payee accounts with the complete name of the payee, the account number, and the payee's remittance address, all exactly as shown on the billing statement or invoice; the amount of the payment; and the date you want the payment to be delivered. If the date you want the payment to be debited from your account is not a business day; your account will be debited the next business day before 3:00 p.m. (Mountain Time). By using the Internet Banking Bill Pay option, you agree that, based upon instructions received under your password, we can charge your designated account by electronic transfer, no signature required draft, or by debiting and remitting funds on your behalf. For Business account only, you also agree that your Internet Banking Bill Pay monthly fee will be charged to your Primary Checking Account.

SCHEDULING INTERNET BANKING BILL PAY PAYMENTS - If the payee is to be paid by paper check (as indicated on the Bill Pay list), you understand and agree that paper checks are mailed to the payee and the payee may not receive the payment until 7-10 business days from the time the payment request has been processed. If the payee is to be paid electronically (as indicated on the Bill Pay list), you understand and agree that the payee may not receive the payment until 3 days after the date the payment is debited from your account. You understand and agree that we are not responsible for the timely delivery of mail or the improper transmission or handling of payments by a third party such as the failure of the bill payment payee to properly post a payment to your account.

HOW TO CANCEL A BILL PAYMENT - To cancel a bill payment that you have scheduled through Internet Banking Bill Pay, you must cancel the payment online via Internet Banking Bill Pay or Mobile before the payment is scheduled to be processed.

STOP-PAYMENT REQUESTS - Stopping the payment of a check is different from the cancellation of a bill payment. Once the bill payment has been debited from your account, you CANNOT cancel or stop a bill payment which has been paid electronically. You may be able to stop an Internet Banking Bill Pay payment paid by paper draft by contacting us by telephone before the paper draft has cleared. (You will have to contact us by telephone so we may determine if the paper draft has cleared.) If the paper draft has not cleared, we will immediately process your stop-payment request. To be effective, this type of stop-payment request must precisely identify the name of the payee, the payee-assigned account number, the amount and scheduled date of the payment, and the confirmation number from the Bill Payment Screen.

You may initiate stop-payment requests online via Internet Banking only for paper checks you have written (non-electronic) on your LCSB accounts. To be effective, this type of stop-payment request must precisely identify the name of the payee, the check number, the amount, and the date of the check.

You will incur stop-payment charges as disclosed in the current fee schedule for the applicable account.

DISCLOSURE OF ACCOUNT INFORMATION AND TRANSFERS - You understand information about your accounts or the transfers you make may automatically be disclosed to others. For example, tax laws require disclosure to the government of the amount of interest you earn, and some transactions, such as large currency and foreign transactions, must be reported to the government. We may also provide information about your accounts to persons or companies we believe would use the information for reasonable purposes, such as when a prospective creditor seeks to verify information you may have given in a credit application or a merchant calls to verify a check you have written. In addition, we may inform credit bureaus when accounts are closed because they were not handled properly. We may also seek information about you from others, such as the credit bureau, in connection with the opening or maintaining of your account or in connection with approving your access to Internet Banking. You agree and hereby authorize all of these transfers of information.

PERIODIC STATEMENTS - You will not receive a separate Internet Banking statement. Transfers to and from your accounts using Internet Banking will appear on the respective periodic statements for your LCSB accounts.

CHANGE IN TERMS - We may change any term of this Agreement at any time. If the change would result in increased fees for any Internet Banking service, increased liability for you, fewer types of available electronic fund transfers, or stricter limitations on the frequency or dollar amount of transfers, we agree to give you notice at least 30 days before the effective date of any such change, unless an immediate change is necessary to maintain the security of an account or Internet Banking. We will post any required notice of the change in terms on the Lea County State Bank Web site or by postal mail. If advance notice of the change is not required, and disclosure does not jeopardize the security of the account or Internet Banking, we will notify you of the change in terms within 21 days after the change becomes effective. Your continued use of any or all of the subject Internet Banking services indicates your acceptance of the change in terms. We reserve the right to waive, reduce or reverse charges or fees in individual situations. You acknowledge and agree that changes to fees applicable to specific accounts are governed by the applicable deposit agreements and disclosures.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS, INCLUDING BILL PAYMENTS - Contact us as soon as you can, if you think your paper statement is wrong, or if you need more information about a transfer listed on your paper statement. We must hear from you no later than 60 days after we sent the FIRST paper statement upon which the problem or error appeared. When you contact us:

- (1) Tell us your name and account number.
- (2) Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe it is an error, or why you need more information.
- (3) Tell us the dollar amount of the suspected error and date.
- (4) If the suspected error relates to a bill payment made via the Internet Banking Bill Pay, tell us the account number used to pay the bill, payee name, the date the payment was sent, payment amount, Confirmation number, and the payee account number for the payment in question. (This information appears on the Bill Payment History Screen.

OUR LIABILITY FOR FAILURE TO MAKE A TRANSFER - If we do not complete a transfer to or from your account, including a bill payment, on time or in the correct amount, according to our agreement with you when you have properly instructed us to do so, we will be liable to you for your losses or damages caused as a result. However, there are some exceptions. We will NOT be liable, for instance:

- (1) If, through no fault of ours, you do not have enough money in your account to make a transfer.

- (2) If a legal order directs us to prohibit withdrawals from the account.
- (3) If your account is closed, or if it has been frozen.
- (4) If the transfer would cause your balance to go over the credit limit of an established line of credit or the credit limit for any credit arrangement set up to cover overdrafts.
- (5) If you, or anyone authorized by you, commits any fraud or violates any law or regulation.
- (6) If any electronic terminal, telecommunication device, or any part of the Internet Banking electronic funds transfer is not working properly and you knew about the problem when you started the transfer.
- (7) If you did not enter complete and correct payment information for the Bill Payment Service, including, without limitation, the name, address, your payee-assigned account number, payment date, and payment amount for the payee on a bill payment.
- (8) If you have not properly followed the on-screen instructions for using Internet Banking.
- (9) If circumstances beyond our control (such as fire, flood, interruption in telephone service or other communication lines) prevent the transfer, despite reasonable precautions that we have taken.

DISCLAIMER OF WARRANTY AND LIMITATION OF LIABILITY - We make no warranty of any kind, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, in connection with the Internet Banking services provided to you under this Agreement. We do not and cannot warrant that Internet Banking will operate without errors, or that any or all Internet Banking services will be available and operational at all times. Except as specifically provided in this Agreement, or otherwise required by law, you agree that our officers, directors, employees, agents or contractors are not liable for any indirect, incidental, special or consequential damages under or by reason of any services or products provided under this Agreement or by reason of your use of or access to Internet Banking, including loss of profits, revenue, data or use by you or any third party, whether in an action in contract or tort or based on a warranty. Further, in no event shall the liability of Lea County State Bank and its affiliates exceed the amounts paid by you for the services provided to you through Internet Banking.

YOUR RIGHT TO TERMINATE - You may cancel your Internet Banking service at any time by providing us with written notice by postal mail or fax. Your access to Internet Banking will be suspended within 3 business days of our receipt of your instructions to cancel the service. You will remain responsible for all outstanding fees and charges incurred prior to the date of cancellation.

OUR RIGHT TO TERMINATE - You agree that we can terminate or limit your access to Internet Banking services for any of the following reasons:

1. Without prior notice, if you have insufficient funds in any one of your LCSB accounts. Internet Banking service may be reinstated, in our sole discretion, once sufficient funds are available to cover any fees, pending transfers, and debits.
2. Upon reasonable notice, for any other reason in our sole discretion.

Communications between LCSB and You Unless this Agreement provides otherwise, you can communicate with us in any one of the following ways:

E-MAIL - You can contact us when using your Internet Banking account by adding a message under the 'Contact Us' button.

TELEPHONE - You can contact us by telephone at 575-397-4511

FACSIMILE - You can contact us by fax at 575-397-6618

POSTAL MAIL - You can write to us at:
Lea County State Bank
1017 N Turner ST / PO Box 400
Hobbs, NM 88241

IN PERSON - You may visit us in person at any one of our locations:

Main Office - 1017 N Turner St, Hobbs, NM 88240
North Grimes Office - 3927 N Grimes St, Hobbs, NM 88240
Lovington Office - 320 S. Main, Lovington, NM 88260

CONSENT TO ELECTRONIC DELIVERY OF NOTICES - You agree that any notice or other type of communication provided to you pursuant to the terms of this Agreement, and any future disclosures required by law, including electronic fund transfer disclosures, may be made electronically by posting the notice on the Lea County State Bank Web site or by e-mail. You agree to notify us immediately of any change in your e-mail address. If you do not agree to the online access agreement you will need to e-mail us by clicking on the contact us.

