

# STATE BANK

In style since 1868

This **BillPay** Agreement and Disclosure (the "Agreement") is between STATE BANK and each consumer who has applied for, been approved for and enrolled in **BillPay**, STATE BANK's **NetTeller** bill paying service via the Internet, and any person authorized by such consumer to use his **BillPay** service. This Agreement sets forth the terms and conditions, under which you may use **BillPay** to pay or transfer funds from your STATE BANK personal checking account to designated payees, based on your instruction to us via electronic means (i.e., personal computer, Web TV).

By completing a **NetTeller Internet Banking Application** application form and signing and returning to us the acknowledgment of **BillPay** Terms and Conditions, you have agreed to be bound by the terms and conditions of this Agreement, as it may be amended from time to time. This Agreement describes your and our rights, responsibilities and obligations with respect to **BillPay** services and supplements the electronic funds transfer agreement(s) and disclosure(s) that you received previously when opening your STATE BANK deposit account(s) and/or contracting for other types of electronic funds transfer access to those accounts. **BillPay** "help" is available on our web site at [www.statebanktx.com](http://www.statebanktx.com) or on the help menu in **BillPay**.

In this Agreement, the words "you," "your" and "user" mean those who sign as applicants, are authorized user(s) of your designated checking account or have an interest therein; and each and every person who now or hereafter subscribes to or uses **BillPay**. The words "we," "us" and "our" mean STATE BANK and any agent, independent contractor, designee, or assignee that STATE BANK may, in its sole discretion, involve in the provision of online banking services, including but not limited to Jack Henry & Associates, Incorporated, and Metavante. The word "Payee" means an individual or business that you select in advance to receive one or more **BillPay** payments. **"Payment Date" means the scheduled date on which a BillPay payment is initiated. Once payment is initiated the funds are deducted from your designated account within 1 to 2 business days.** Other definitions appear within the text of this Agreement.

## **Eligibility**

To access our **BillPay** service, you must have a qualified personal checking account with us that you designate on your **BillPay** application form (your "designated account") and be enrolled in our **NetTeller** banking service. If in the future you wish to designate a different personal checking account for use with **BillPay**, you must provide us with ten (10) days advance written notice. **BillPay** is not available to business checking account holders, non-profit organizations, or sole proprietors.

## **Access**

We will assign to you a **BillPay** customer identification (ID) number and personal identification number ("PIN"), which you must use to access **BillPay**. We may require you to change your PIN from time to time for security purposes. **You should keep your customer ID number and PIN in a secure location. Anyone with access to your BillPay customer ID number and PIN will be able to access BillPay and perform all transactions, including making transfers or payments to other persons.**

**BillPay** is generally available via the Internet 24 hours a day, 7 days a week, except during maintenance periods. **BillPay payments can only be changed Monday**

**through Friday before 10 p.m. Central Time.** We are not liable under this Agreement for failure to provide access due to a system failure or other unforeseen acts. We may modify, suspend or terminate access to **BillPay** services at any time and for any reason without prior notice, unless notice is required by law.

#### **Equipment**

You are responsible for obtaining, installing, maintaining and operating all computer hardware and software necessary for **BillPay**. We will not be responsible to you for any loss or damages that you suffer as a result of the failure of systems and hardware that you use to interface with our systems, or systems and software that you use to initiate or process banking transactions, whether such transactions are initiated or processed directly with our systems or through a third party service provider. You are solely responsible for the adequacy of the systems and software that you utilize to process banking transactions and the ability of such systems and software to do so accurately.

#### **Disclaimer of Liability**

Neither we nor any of our subsidiaries or information providers are liable to you for any computer virus that may be attributable to the services provided in connection with **BillPay**.

#### **BillPay Payments**

Using your **BillPay** customer ID number and PIN, you can access **BillPay** and use the system to instruct us to make payments from your designated personal checking account to your Payees. You must provide us with information that sufficiently identifies each of your Payees to enable us to properly direct your payment to the Payee and enable the Payee to identify you as the source of the payment he receives.

You may also use **BillPay** to review past or scheduled **BillPay** payments from your designated personal checking account.

When you schedule a bill payment using **BillPay**, you authorize us to withdraw the necessary funds from your designated personal checking account to fund that payment. Payments are deducted from your designated personal checking account within 1 to 2 business days once payment is initiated. We may refuse to act on your instructions if sufficient funds (including funds available under any overdraft privilege amount) are not available in your designated account on the date you want us to initiate your payment. However, if we, in our sole discretion, elect to honor your instructions for a payment that exceeds the available balance in your designated account, that account will be charged our then current fee for processing checks drawn against insufficient funds. *If your payment request is not honored because of insufficient funds in your designated account, no additional **BillPay** payments will be initiated until your designated account is properly funded and all dishonored items have been cleared.*

**BillPay payments can be in any amount up to \$9,999.00**, subject to the availability of sufficient funds in your designated personal checking account. However, we reserve the right to change the dollar amount of this limit. If we make a change that reduces this limit, we will provide you with written notice of the change.

**BillPay payments may only be made to a Payee with a United States address.**

Furthermore, you may not use **BillPay** to make a payment of alimony, child support, taxes or other government fees, court-directed payments, fines or penalties.

#### **Scheduling BillPay Payments**

Generally, unless otherwise specified for a particular Payee, you must schedule any **BillPay** check payment to be initiated at least five (5) business days, or any **BillPay electronic payment** to be initiated at least three (3) business days before the payment's actual due date (not including any grace period). This will usually give us time to get your payment to the Payee on a timely basis.

## **Types of BillPay Payments**

You may schedule **BillPay** payments to be initiated on the day you enter the payment information, on a future date or on the same date each month, subject to the restrictions in this Agreement.

a. *One Time Payment:*

You may schedule a one-time payment to a Payee. Your Payment Date for that payment may be up to 90 days in the future or you may schedule payment for the same day you enter the payment information on PlusPay. A One Time Payment must be scheduled by 10 p.m. Central Time Monday through Friday in order to be initiated on that same day. If One Time Payment instructions are entered on Saturday, that payment will be initiated on Monday. However, a One Time Payment scheduled in the future to occur on a Saturday will be initiated on the prior Friday.

b. *Recurring Payments:*

You may schedule a recurring payment Monday through Friday up until 10:00 p.m. Central Time the day before the scheduled Payment Date. You may schedule automatic fixed amount payments to be initiated on the same day of every month (a "Recurring Payment"). If your Recurring Payment Date does not exist in a particular month, the payment will be initiated on the last business day of the month. (For example, if your Payment Date is the 30<sup>th</sup> of every month, your February payment will be initiated on February 28<sup>th</sup>.) If a Recurring Payment Date falls on Saturday, your payment will be initiated on the previous Friday.

**NOTE:** The Payment Guarantee described below does not apply to a Recurring Payment if, for that specific payment, the Payment Date for a payment by check does not fall **at least five (5) business days** before the payment's actual due date; or **at least three (3) business days** before the payment's actual due date for an electronic payment.

c. *Multiple Payments/Same Payee:*

You may schedule multiple payments to the same Payee to be initiated on the same Payment Date, provided that the amounts of these payments are different. For your protection, **BillPay** will not duplicate payment amounts to the same Payee on the same Payment Date.

## **Delivering Your Payments**

After your payment is initiated, we will remit your payment by electronic funds transfer or by mailing your Payee a check drawn on an account we maintain for this purpose. The determination regarding whether your **BillPay** payment is remitted electronically or by check depends on your Payee. If your Payee is equipped to receive electronic funds transfers, your payment will be remitted in that format; if not, your payment will be in the form of a check. **BillPay** provides a mechanism by which you can determine which payment mechanism will be used for each of your Payees. **BillPay payments made by check will be sent by U.S. Mail from a location outside Texas.**

Because of the time needed to transmit your **BillPay** payment to your Payee, your Payee will **not** receive payment on the Payment Date. To allow sufficient time for a payment to reach your Payee, you should schedule your Payment Date for payments by check, at least five (5) business days before your payment's actual due date, and at

least three (3) business days before your payment's actual due date for electronic payments. We will not be responsible for any loss that you may incur as a result of late payment if your scheduled Payment Date did not precede the payment's actual due date by five (5) or three (3) business days, as applicable.

### **Payment Guarantee**

We will reimburse you for any late payment fees or penalties you are required to pay, up to a maximum of \$50 per scheduled payment, as a result of the failure of a Payee to receive a payment made through **BillPay** by the actual due date if you meet each of the following conditions:

- a. You must properly schedule the Payment Date for check payments *at least five (5) business days* and for electronic payments, *at least three (3) business days* before the payment's actual due date. This means that you must schedule the Payment Date for a One Time Payment on a business day that is *at least three (3) or five (5) business days, as applicable*, before the payment's actual due date. For Recurring Payments, this means that you must allow additional time for months in which weekends and/or holidays reduce the number of business days between the scheduled Recurring Payment Date and the payment's actual due date.
- b. You must provide the Payee's correct name, address, confirmation number, phone number, account information, and payment amount.
- c. On the scheduled Payment Date, your designated account must have sufficient available funds to complete the payment.
- d. The Payee must be a business, merchant or professional that generates a printed bill or invoice for products or services provided to you or on your behalf, and that has an address we can verify.
- e. The late payment fee or penalty, or the method of its calculation, must be published by the Payee prior to the payment's actual due date (for example, on the payment invoice or coupon).

You agree to be bound by all applicable limitations.

### **Changing or Canceling Payments**

- a. *One Time Payments:*

If a *one-time payment* falls on Monday thru Friday, the payment should not be modified or changed from 10:00pm (CT) the day before the scheduled pay date or on the pay date itself. Example: if the one-time payment is scheduled for Monday, it should not be modified or changed from 10:00 pm (CT) Sunday or all day on Monday. The payment may be changed starting at 12:01 am (CT) on Tuesday.

*One-time payments* falling on Saturday or Sunday should not be modified or changed from 10:00 pm (CT) on Friday, all day Saturday or all day Sunday. The payment may be modified or changed starting at 12:01 am (CT) on Monday.

*One-time payments* falling on a holiday should not be modified or changed from 10:00pm (CT) **3 days prior** to the scheduled payment date. The payment will be processed on the business day before the holiday and the customer's account will be debited the next business day after the holiday. The account may be modified or changed starting at 12:01am (CT) the day after the holiday. You will

receive a **BillPay** confirmation screen when your payment has been changed or deleted. However, your original Payee payment confirmation number will remain the same. Please make record of it, as it will help us resolve any questions you may have about your **BillPay**.

b. *Recurring Payments:*

If a recurring payment falls on Monday thru Friday, the payment should not be modified or changed from 10:00 pm (CT) the day before the scheduled pay date or on the pay date itself. Example: if the recurring payment is scheduled for Monday, it should not be modified or changed from 10:00 pm (CT) Sunday or all day on Monday. The payment may be changed starting at 12:01 am (CT) on Tuesday.

*Recurring payments* falling on Saturday or Sunday should not be modified or changed from 10:00 pm (CT) on Friday, all day Saturday or all day Sunday. The payment may be modified or changed starting at 12:01 am (CT) on Monday.

*Recurring payments* falling on a holiday should not be modified or changed from 10:00 pm (CT) **3 days prior** to the scheduled payment date. The payment will be processed on the business day before the holiday and the customer's account will be debited the next business day after the holiday. The account may be modified or changed starting at 12:01 am (CT) the day after the holiday. You will receive a **BillPay** confirmation screen when your payment has been changed or deleted. However, your original Payee payment confirmation number will remain the same. Please make a record of it, as it will help us resolve any questions you may have about your **BillPay** transactions.

Alternatively, you can prevent a *Recurring Payment* from occurring by calling or writing to us at the phone number or address shown in the paragraph titled "Errors or Questions" in time for us to receive your request by at least three (3) business days before the Payment Date. If you call to prevent a *Recurring Payment*, you must furnish us with the Payment Date, Payee's correct name, **confirmation number**, and the amount of the *Recurring Payment*, as well as the account number for your designated account. If you call, we will also require you to put your request in writing and get it to us within fourteen (14) days after you call. If we require you to provide written confirmation and you fail to get this written confirmation to us within fourteen (14) days after your call, we may not honor your request to prevent any Recurring Payment whose Payment Date occurs after that fourteen (14) day period.

c. *Right to Stop Payment and Procedure for Doing So.*

If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how: call us at (800) 879-0489 or write us at State Bank, P.O. Box B, La Grange, Texas 78945, in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within fourteen (14) days after you call. We will charge you \$25.00 for each stop payment order you give.

d. *"Liability for Failure to Stop Payment of Pre-authorized Transfer."*

If you order us to stop 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."

**Documentation of Moneyline Express Payments**

a. *Confirmation Number:*

A confirmation number will be assigned to each **BillPay** payment at the time you submit your request. A confirmation number will also be assigned each time you instruct us to amend, delete or skip a previously scheduled **BillPay** payment. **Please record these confirmation numbers for future reference.** They will help us resolve any questions, and expedite any request you may have about your **BillPay** transactions. **BillPay** Confirmation Numbers for scheduled payments are found in the menu option for "View Payment Schedule."

b. *Periodic Statement:*

You will get a monthly statement for your designated account (unless there are no transactions in a particular month; in any event, you will receive a statement at least quarterly). All **BillPay** payments will appear on your account statement.

**Our Liability for Failure to Make Transfers**

If we do not complete a transfer 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 (and any Payment Guarantee provided in this Agreement will not be applicable) for instance:

- If, through no fault of ours, you do not have enough money available in your designated account to fund the requested payment.
- If you have not provided us with the Payee's correct name, address, account information or payment amount.
- If the Payee mishandles or delays the processing or crediting of a payment we send.
- If the money in your designated account is subject to legal process or other claims restricting such transfer.
- If the transfer/payment would go over the limit of your overdraft privileges.
- If the software, firmware, magnetic storage device (i.e., tape, disk, etc.), electronic device (telephone, computer, modem, or other) or communication line, circuit, network or service used to connect and/or provide payment instructions to us was NOT working properly and you knew about the malfunction or breakdown when you started the payment request.
- If circumstances beyond our control (such as fire, flood, an Act of God, delay in the U.S. Mail, malfunction in computer, or communications equipment, or malfunction or disruption of telephone line service) prevent the completion of the

transaction despite reasonable precautions that we have taken to avoid these circumstances.

- If we believe in good faith that a breach of security has occurred, or is occurring, involving your designated account or any aspect of your utilization of our electronic funds transfer services, and we take immediate steps to notify you.
- If there are any other exceptions available to us, either by contract, by this Agreement, by statute, or any other agreements between you and us, with respect to your account(s).
- If you did not receive a **BillPay** confirmation number for a payment requested.

There may be other exceptions stated throughout this agreement. In no event will our liability for failure to properly complete a transfer exceed your actual losses and damages.

#### **Liability for Unauthorized Transactions**

Tell us AT ONCE if you believe your **BillPay** customer ID number or PIN has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your accounts (plus your maximum overdraft privilege amount). If you tell us within two (2) business days, you can lose no more than \$50.00 if someone used your customer ID or PIN without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your customer ID or PIN, and we can prove that we could have stopped someone from using your customer ID or PIN without your permission if you had told us, you could lose as much as \$500.00. Also, if your statement shows transfers that you did not make, tell us AT ONCE. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods. If you believe that your customer ID or PIN has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, **call us at (800) 879-0489, or write to us at Online Customer Service, STATE BANK, P. O. Box B, La Grange, TX 78945 or call BillPay Service (Metavante) at (866) 211-1502.**

#### **Business Days**

For purposes of these electronic funds transfer disclosures, our business days are Monday through Friday. Holidays are not included.

#### **In Case of Errors or Questions About Your Electronic Transfers:**

**Telephone** us at (800) 879-0489, or call BillPay Service (Metavante) at (866) 211-1502 or write to us at:

#### **STATE BANK**

P. O. Box B

La Grange, TX 78945

as soon as you can, if you think your statement is wrong or if you need more information about a transfer listed on the statement.

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, we may require that you send us your complaint or question in writing 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 recredit 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 put your complaint or question in writing and we do not receive it within ten (10) business days, we may not recredit your account. If a notice of error involves an electronic funds transfer that was initiated in a foreign location, the applicable time periods for action shall be twenty (20) business days in place of ten (10) business days, and ninety (90) calendar days in place of forty-five (45) calendar days.

We will tell you the results, three (3) business days after we finish our investigation. If we decide 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.

### **Confidentiality**

We will disclose information to third parties about your designated account or the transfers you make:

- To complete **BillPay** transfers as necessary;
- To verify the existence and condition of your account upon the request of a third party, such as a credit bureau, or merchant;
- To comply with government agencies or court orders;
- If you give us your written permission; or
- As is otherwise provided in other agreements you have with us regarding your account(s).

From time to time we may share information about you with our affiliates, unless you instruct us not to in writing.

### **Enforcement/Governing Law**

You agree to pay our reasonable attorneys' fees and costs, including fees on any appeal, subject to any limits under applicable law in the event, we refer your account to an attorney. This Agreement will be governed by and construed in accordance with the laws of the State of Texas.

### **Termination of Moneyline Express Service**

You may terminate your use of **BillPay** at any time by calling or writing to us at Customer Service, STATE BANK, P. O. Box B, La Grange, TX 78945. You must notify us at least ten (10) business days prior to the date on which you wish to have **BillPay** terminated. We may require that you put your request in writing. If you have scheduled payments to occur within this ten (10) day period and do not want them to clear your account, you must also separately cancel those payments. If we have not completed processing your termination request and you have not otherwise canceled a payment, you will be responsible for payments initiated before termination.

We may terminate your use of **BillPay** in whole or in part, at any time without prior notice, except as otherwise required by law. Termination will not affect your liability for obligations under this Agreement accruing prior to the date of termination. The



occurrence of any one of the following events may result in termination of your **BillPay** access:

- You or any authorized user of your **BillPay** services breach this or any other agreement with us;
- We have reason to believe that there has been an unauthorized use of your **BillPay** services PIN; or
- If on two (2) or more occasions during a twelve (12) month period your designated personal checking account and any overdraft privileges account has insufficient available funds to cover a **BillPay** payment you have instructed us to make.

Other reasons may apply, which are not limited to the above statements.

#### **Fees**

You agree to pay us a fee of \$6.95 per month for using **BillPay**. You also agree to pay us for other fees, per occurrence, that may apply to this account: additional user kit (new PIN), \$1.00; **BillPay** canceled check copy, \$2.50. Other fees are associated with your designated personal checking account; please refer to your deposit agreement and disclosure.

You authorize us to deduct the monthly fee, any transaction fee, and other fees that may apply from your designated personal checking account. This automatic payment deduction will occur on the twentieth business day of each month or within three (3) business days of the twentieth.

#### **Other Provisions**

There may be a delay between the time a deposit is made and when it will be available to fund a **BillPay** payment. You should review our Funds Availability Policy to determine the availability of funds you deposit. We reserve the right to refuse to honor any **BillPay** payment request that would draw upon insufficient funds, exceed a credit limit or lower an account balance below a required balance.

#### **Miscellaneous**

In addition to this Agreement, you agree to comply with all applicable account agreements and State and Federal laws and regulations.

You agree that we may, as permitted by law, provide all applicable disclosures to you electronically. You are responsible for downloading or printing the disclosures or providing us with a non-electronic address to which the disclosures may be mailed.

All notices from us will be effective when we have mailed them or delivered them to your last known address on our records. Notices from you will be effective when received by us at the address specified in this Agreement. We reserve the right to change the terms and conditions upon which the service is offered. We will mail notice to you at least thirty (30) days before the effective date of any change, when required by law. Use of **BillPay** is subject to existing regulations covering your account and any future changes to those regulations.

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