



## ONLINE BANKING AGREEMENT

This Agreement and Disclosure provides information about the **Online Banking** service and contains the disclosures required by the Electronic Funds Transfer Act.

For the purpose of this document, "I," "me," "my," and "mine" shall refer to each Depositor who signs up for **Online Banking**. "You," "your," or "Bank" shall refer to Patriot Bank, which is the financial institution at which the Customer has the accounts accessed through **Online Banking**. All references to time of day in this Agreement and Disclosure refer to Central Time unless stated otherwise.

### A. Online Banking Service

**Online Banking** is a consumer electronic banking service. I may access **Online Banking** using a personal computer (PC) and browser through the Bank's web page.

### B. To Use Online Banking

I understand that in order to use **Online Banking**, I must have a checking, money market, savings, CD, or Loan account and a User ID number with the Bank. To use Bill Payment services, I must have at least one checking account and I can pay bills from multiple checking accounts.

### C. Technical Requirements:

Software requirements are as follows:

1. 28800 Internet connection or faster;
2. 128 bit encrypted browser;
3. Microsoft Internet Explorer 7.0 – 8.0\* (recommended);
4. Firefox (version 3 and higher);
5. Safari (version 1.0 and higher);

\* IE includes a compatibility view feature that displays websites that were created for older browsers as they were designed to appear. Current testing of IE 8.0 with this feature enabled has provided acceptable results. IE 8.0 is a supported browser when this feature is enabled.

Each customer will be assigned an ID number and password to access **Online Banking**.

### D. Business Day

Business days for the purposes of Online Banking are every day except Saturdays, Sundays and federal holidays.

### E. Service Available through Online Banking

The **Online Banking** service allows me to:

1. Access as many Patriot Bank accounts of all types as I may have;
2. Make the following transfers of funds electronically (Transfers) between my Patriot Bank accounts:
  - a. Transfers between one checking or savings (deposit) account and another;
  - b. Transfers from checking or savings (deposit) accounts to loan accounts (Loan

Payments);

- c. Transfers from cash reserve checking accounts to other deposit accounts; and
- d. Transfers from certain loan lines of credit to deposit accounts, where permitted by the loan agreement (Loan Advances).

3. View Statement information on all deposit accounts;
4. Retrieve electronic images of statements and front and back images on all cancelled checks, deposit tickets, and deposited items;
5. Obtain account information on my Checking, Savings, CD's, Loan, and Safe Deposit Accounts;
6. Stop check payments myself (subject to the applicable stop payment fee);
7. Download "real time" transactions from any accounts to commonly available money management software;
8. Pay bills from multiple checking accounts (Bill Payments);

Collectively, these are referred to as the "**Online Banking** service".

#### **F. General Information About Online Banking:**

I may use **Online Banking** virtually any time, day or night, 7 days a week. However, **Online Banking** may be temporarily unavailable due to record updating, or technical difficulties. In addition, access to **Online Banking** is made available pursuant to a license agreement by and between the Bank and Jack Henry & Associates Inc. Any interruption of service or access caused by Jack Henry & Associates Inc. will also prevent my use of the service. To utilize the services, I will need to enter my ID and password and otherwise satisfy the system's security procedures.

#### **G. Transaction Procedures**

Bill Payments and Transfers (including Loan Payments) may be made by Online Banking. The Scheduled Initiation Date is the date you will initiate the payment or transfer.

1. **Bill Payments.** The Scheduled Initiation Date of any Bill Payment will be the date I select as the "Payment Date", whether as a "One Time" or as a "Weekly", "Monthly" or other recurring payment date, subject to the following limitations:

(a) Only Bill Payments which are submitted via Online Banking before 12:00 p.m. (noon) Central Time on a Business Day will be processed on that day. Bill Payments which are submitted after 11:59 a.m. Central Time on a Business Day or at any time on a Saturday, Sunday or holiday will not be processed until the next Business Day. If the Payment Date selected is the same date that the Bill Payment is submitted and the submission is made after 11:59 a.m. on a Business Day or at any time on a Saturday, Sunday or holiday, the Scheduled Initiation Date will be the next Business Day rather than the Payment Date selected.

(b) If the Payment Date selected is a Saturday, Sunday or holiday, then the Scheduled Initiation Date will be the last Business Day before the Payment Date selected, unless the Bill Payment is submitted later than 11:59 a.m. Central Time on the last Business Day before the Payment Date. If a Bill Payment is submitted after 11:59 a.m. Central Time on the last Business Day before the selected Payment Date which is a Saturday, Sunday or holiday, then the Scheduled Initiation Date will be the next Business Day after the selected Payment Date.

(c) If any recurring interval (weekly, monthly, etc.) is selected for a Bill Payment, I may select any Payment Date that recurs on the specified basis as a recurring Scheduled Initiation Date for the Bill Payment, subject to the limitations above.

(d) Funds will be deducted from the account I selected on the Scheduled Initiation Date for any Bill Payment that is transmitted electronically. Bill Payments that are made by check will be charged against my checking account when the check is paid from the account in the same manner as for other checks drawn on the account. Funds must be available in my account to pay these items and electronic transfers when required.

(e) A Bill Payment submitted via Online Banking before the Scheduled Initiation Date may be edited or deleted through Online Banking at any time before 2:00 a.m. Central Time on the Scheduled Initiation Date. A Bill Payment submitted after 2:00 a.m. but before 12:00 p.m. (noon) Central Time on the Scheduled Initiation Date may be edited or deleted until 11:59 a.m. Central Time on that date.

2. **Transfers.** The Scheduled Initiation Date for any transfers (including Loan Payments or Loan Advances) will be the date I select as the "Date" for the transfer to be made, whether as a "One-Time" or as a "Weekly", "Monthly" or other recurring transfer date, subject to the following limitations:

(a) Transfers must be submitted via **Online Banking** before 5:00PM Central Time on a Business Day to be processed on that day. If the Date selected for the Transfer to be made is the same date that the Transfer is submitted and the submission is made after 4:59PM Central Time on a Business Day or at any time on a Saturday, Sunday, or holiday, the Scheduled Initiation Date will be the next Business Day, rather than the Date selected.

(b) If the Date selected for the Transfer to be made is a Saturday, Sunday or holiday, then the Scheduled Initiation Date will be the next Business Day after the Date selected.

(c) If I designate a Transfer as "Weekly", "Bi-Weekly", "Semi-Monthly", "Monthly" transaction, I may select as the "Date" for the transfer any date that reoccurs on a specified regular basis (*i.e.* weekly, bi-weekly, semi-monthly, monthly, etc) as a Scheduled Initiation Date, subject to the limitations above. I will designate a day of the week/month and an expiration date.

(d) Funds will be deducted from the account from which a Transfer is made on the Scheduled Initiation Date. Sufficient funds must be available on the Scheduled Initiation Date in the account from which any transfer of funds is to be made.

(e) Transfers submitted via Online Banking may be edited or deleted at any time before 9:00 p.m. Central Time on the last Business Day before the Scheduled Initiation Date.

#### **H. Bill Payments:**

1. Account Designation and Payees. All Bill Payments I make through **Online Banking** will be transacted through your third party service providers. All Bill Payments will be deducted from the account I have designated. Any payee I wish to pay through **Online Banking** must be payable in U.S. Dollars and located in the United States. Each payee must appear on the payee list in your database or I will create a new payee.
2. Processing. Some Bill Payments are electronically delivered to the payee. These payments should be received by the payee within four business days after the Scheduled Initiation Date. However, some payees are not set up to accept electronic payment. In these cases, a check will be issued which may take longer to be delivered by mail.

I must allow sufficient time (up to 4 business days for electronic or 10 business days for check) for **Online Banking** to receive my request and process the Bill Payments in order for funds to be delivered to the payee before the payment due date. If I do not allow sufficient time, I will be responsible for all late fees, finance charges, or other actions taken by the payee. If I schedule my payment within sufficient time, and the payment was not received by the payee, or was received late, **Online Banking** will assume responsibility for any late charges or finance charges incurred as a result of any failure on your part.

The Bank is responsible only for exercising ordinary care in making payments upon my authorization and for mailing or sending a payment to the designated payee. The Bank is not liable in any way for damages I incur if I do not have sufficient funds in my account to make the payment on the processing date, if the estimate of time to allow for delivery to the payee is inaccurate, or due to delays in mail delivery, changes of merchant address or account number, the failure of any merchant to account correctly for or credit the payment in a timely manner, or for any other circumstances beyond the control of the Bank.

## I. Transfers

1. **InterBank Transfers.** Transfers between my account with the Bank and account(s) held at other financial institutions is not a function offered by **Online Banking**.
2. **IntraBank Transfers.** The Transfers between my accounts described in Section E may be made through Online Banking as provided in this Agreement.

(a) Account Designation. I may transfer between all my designated deposit or loan accounts I have at the Bank. Some accounts may be excluded from transfer capability due to regulatory requirements, bank policy, or loan agreement between the customer and the Bank. For the purposes of this Agreement, my "deposit accounts" or "safe deposit accounts" include any accounts of which I am the sole owner or one of the multiple or joint owners and my "loans accounts" include any loans on which I am personally obligated as a borrower, whether or not anyone else is obligated.

(b) Funds Availability. Although I receive immediate provisional credit upon completion of transfers on the Schedule Initiation Date, I must submit transfers before 5:00PM Central Time on the Schedule Initiation Date for those funds to be posted on an account that day and to be available for non-**Online Banking** transactions. Transfers designated as "One-Time" transactions submitted after 9:00 PM Central Time on the Scheduled Initiation Date, or if the Scheduled Initiation Date is a Saturday or Sunday or holiday, will be available for the payment of non-**Online Banking** transactions on the following Business Day. "Weekly, Bi-Weekly, Semi-Monthly, Monthly," etc. transfers will be processed between 9:30 and 11:30 P.M. of the Scheduled Initiation Date for provisional credit (i.e. for **Online Banking** Bill Payments, and cash withdrawals at ATMs or bank locations), and will post and be available after nightly processing on the Scheduled Initiation Date for payment of non-**Online Banking** transactions. If the Scheduled Initiation Date is a Saturday, Sunday or holiday, the transfer will occur on the next business day. Future-dated and recurring transfers may be changed or canceled up until 5:00PM the previous business day before the Scheduled Initiation date.

## J. Limitations on Services

1. Transfer Limitations. Except as provided herein, all Bill Payments and Transfers to and from an account are subject to the terms and conditions applicable to such account as set forth in the account agreement governing such account. With respect to non-transaction accounts including money market accounts, and savings accounts, I may not make more than six transfers or withdrawals per month or statement period to another account of mine or to third parties, when these transfers are made by means of a pre-authorized or automatic transfer, or telephonic

agreement, order or instruction, including Online Banking.

2. Available Funds Required. All Bill Payments and Transfers initiated through **Online Banking** are subject to there being sufficient funds available in the affected account to cover the Bill Payment or Transfer on the Scheduled Initiation Date or earlier.

#### **K. Stopping or Modifying Online Banking Authorized Payments:**

In order to stop or modify a bill payment or transfer submitted via Online Banking, I must use Online Banking and follow the instructions provided to me. A bill payment submitted via Online Banking before the Scheduled Initiation Date may be edited or deleted through Online Banking at any time before 2:00 a.m. Central Time on the Scheduled Initiation Date. A bill payment submitted after 2:00 a.m. but before 12:00 p.m. (noon) Central Time on the Scheduled Initiation Date may be edited or deleted until 11:59 a.m. Central Time on that date. A transfer (including a loan payment) submitted via Online Banking may be edited or deleted at any time before 9:00 p.m. on the last Business day before the Scheduled Initiation Date. If a bill payment has been made by check, you may also stop payment of the check in the same manner as payment may be stopped on any other check drawn on your account by complying with the requirements of your account agreement and applicable law. Payments made electronically cannot be stopped.

#### **L. Authorization To Charge Accounts.**

I authorize you to charge my designated account(s) for any transactions accomplished through the use of **Online Banking**, including the amount of any Bill Payment or Transfer made through the use of Online Banking, and any charges for the **Service** and/or **Stop check payment requests**. I authorize you to process Bill Payments and to transfer funds according to the instructions you receive through **Online Banking**. I authorize you to initiate any reversing entry or reversing file, and to debit my accounts at the Bank, in order to correct any mistaken credit entry. I understand that if a Bill Payment or Transfer submitted describes the beneficiary inconsistently by name and account number, execution of the request may occur on the basis of the account number, even if it identifies a person different from the named beneficiary. My obligation to pay the amount of the Bill Payment or Transfer to the Bank is not excused in such circumstances.

You will have no liability for the execution or failure to execute a Bill Payment or Transfer request which includes a discrepancy between the name of a person and an account number or which is to be made from an account with insufficient available funds. Payments that can be processed by check are handled in the same manner as a check written out of your checkbook against an insufficient balance. Payments that can be made electronically are verified for funds availability during processing. If the funds are available, the account that you selected for the payment will be debited for processing. If the funds are not available, the payment will not be processed and you will receive a message to inform you that the payment could not be sent due to insufficient funds. Attempts will continue to be made to process the payment(s) until the payment is either deleted by me or sufficient funds become available to process the payment.

#### **M. Account Information; Electronic Notice**

I may check the balance(s) of my deposit or loan accounts through Online Banking. (NOTE: the balance figure should reflect recent transactions, and may include funds which are not subject to immediate withdrawal.)

#### **N. Fees**

##### **1. Other Service Fees**

###### **a) Monthly Service Fee**

You may charge me a monthly service fee for use of **Online Banking**. The amount of the fees are set forth under the "Schedule of Service Charges" at the end of this Agreement and Disclosure.

You will automatically deduct the monthly service fee from my checking account beginning 30 days from the date of application, unless a different date is agreed to. You will continue to charge my account monthly on the same day (or the next banking day if the due date falls on a weekend or holiday), until the service is discontinued. Currently there is no charge for Online Banking or Online Bill payment service.

**b). Stop Check Payment Fees**

When placing a Stop Check Payment for a check written on the Bank, you will automatically deduct a service fee from the account on which the stop payment was placed. This charge will be incurred each time a stop payment is made.

When placing a Stop Check Payment for a Bill Payment, you will automatically deduct a service fee from the account on which the stop payment was placed. This charge will be incurred each time a stop payment is made.

**c). Transaction Fees**

If the deposit account from which the payment or transfer is made is a Money Market Account or a Savings account it is charged a per-item fee for excessive debit transactions. The amount of this fee, and specific types of accounts that are excluded from this fee, are set forth in the bank deposit Consumer Products & Services Brochure.

**2. Applicable To All Fees and Charges**

If I do not have sufficient funds in my account on the date the fee or charge is payable, I authorize you to automatically deduct the payment from my account as soon as funds are available. You may be charged insufficient funds fees as set forth in the bank deposit Consumer Products & Services brochure.

**O. Security Procedures.**

A User ID and Password will be issued to me for security purposes. The User ID and Password is confidential and should not be disclosed to third parties. I am responsible for the safekeeping of the User ID and Password. I agree not to disclose or otherwise make the User ID and Password available to anyone not authorized to sign on my accounts.

I represent that I have considered the security procedures of the **Online Banking** services and find that the security procedures are commercially reasonable for verifying that a Bill Payment, Transfer or other communication purporting to have been issued by me is, in fact, mine. In reaching this determination, I have considered the size, type and frequency of Bill Payments, Transfers or other communications that I anticipate issuing to the Bank.

If the **Online Banking** security procedures are not, in my judgment, commercially reasonable, I must inform you within 30 days. If the size, type and frequency of my Bill Payments and Transfers change, and the result is that the **Online Banking** security procedures cease to be commercially reasonable, I must also inform you of this within 30 days.

**P. Liability for Unauthorized Use:**

I will notify you and change my password immediately if I believe that my User ID and/or Password has become known to an unauthorized person. If I suggest that an unauthorized transfer or payment may have occurred, you may require me to sign an affidavit.

I could lose all the money in my deposit account(s) accessed through **Online Banking** (plus my maximum overdraft line of credit, if any) if I don't inform you that my User ID and Password have become known to an unauthorized person. If I tell you within two business days after I learn of the loss or theft, I can lose no more than \$50.00 if an unauthorized person used my User ID and Password to access **Online Banking** without my permission.

If I do not tell you within two banking days after I have learned that the User ID and Password have become known to an unauthorized person, and you can prove that I could have stopped someone from using my User ID and Password without my permission if I had told you, I could be liable for as much as \$500.00.

Also, if my statement shows electronic funds transfers that I did not make, I will notify you immediately. You may require me to provide my complaint in the form of an affidavit. If I do not tell you within 60 days after the statement was mailed to me, I may not get back any money I lost after the 60 days if you can prove that you could have stopped someone from taking the money if I had told you in time.

If a good reason (such as a long trip or a hospital stay) kept me from telling you, you may extend the time periods.

#### **Q. Notification of unauthorized transaction or a lost or stolen access device**

If I believe my User ID and Password have become known by an unauthorized person, or that someone has transferred money or made payments without my permission, I will call the **Online Banking** Customer Service at (713) 400-7100 or (888)400-7175 or write us at 7500 San Felipe Ste 125, Houston, TX 77063, Attn: Deposit Operations.

#### **R. Liability for Failure To Make Payments:**

If you do not send a payment or make a transfer on time, or in the correct amount according to my instructions given in accordance with this Agreement and Disclosure, you will be liable for damages caused. However, there are some exceptions. You will not be liable, for instance, if:

1. through no fault of yours, my account does not contain sufficient funds to make the payment or transfer.
2. the payment or transfer would go over the credit limit on my overdraft line of credit.
3. the equipment, phone lines, or computer systems were not working properly or were temporarily unavailable.
4. circumstances beyond your scope of control, such as fire or flood, prevented the payment or transfer, despite reasonable precautions that you have taken.
5. a court order or legal process prevents you from making a transfer or payment.
6. If you have a reasonable basis for believing that unauthorized use of my User ID and Password, or designated accounts have occurred or may be occurring or if I default under any agreement with you or if you or I terminate this Agreement.
7. the payee does not process a payment correctly, or in a timely manner.

There may be other exceptions stated in your agreement with me.

If any of the circumstances listed in subparagraph 3) or 4) shall occur, you shall assist me with reasonable efforts in taking appropriate corrective action to reprocess the transactions that may not have been completed or to correct transactions that have incorrectly been processed.

#### **S. Errors or Questions:**

I will telephone you at (713)-400-7100 or (888)400-7175 or write Patriot Bank 7500 San Felipe Ste 125, Houston, TX 77063, Attn: Deposit Operations as soon as I can, if I think my statement or receipt is wrong or I need more information about a Bill Payment or a Transfer. You must hear from me no later than 60 days after you send the statement on which the problem or error appeared. A statement is considered to have been sent when it is first made available. I must:

1. Tell you my name and account number
2. Describe the error or payment I am unsure about, and explain as clearly as I can why I believe it is an error or why I need information.

3. Tell you the dollar amount of the suspected error.

If I tell you orally, you may require that I send my complaint or question in writing. You may require me to provide my complaint in the form of an affidavit.

You will inform me of the results of your investigation within ten business days (twenty business days if it involved a new account) after you hear from me and will correct any error promptly. If you need more time, however, you may take up to forty-five days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign initiated transfer) to investigate my complaint or question. If you decide to do this, you will recredit my account within ten business days (20 business days if the transfer involved a new account) for the amount I think is in error, so that I will have use of my money during the time it takes you to complete your investigation. If you ask me to put my complaint or question in writing and you do not receive it within ten business days, you may not recredit my account.

If you determine that there is no error, you will send me a written explanation within three business days after you finish your investigation. I may ask for copies of the documents that you used in your investigation.

#### **Other Problems**

If I believe an error other than an electronic funds transfer problem has occurred concerning a deposit account or if I have a problem regarding a credit account accessed by an ATM Card, I will refer to my monthly statement for instructions regarding how to have you resolve my question or correct an error.

#### **T. Account Information Disclosure:**

You will disclose information to third parties about my account and the payments or transfers I make:

- 1) when it is necessary for verifying or completing payments or transfers, or resolving a problem relating to a payment or transfer;
- 2) in order to verify the existence and the condition of my account for a third party, such as a credit bureau or merchant;
- 3) in order to comply with government agency or court orders;
- 4) if I give you my written permission; or
- 5) as otherwise permitted in the Bank's Deposit Agreement and Disclosures, by law, or as required by government regulations.

#### **U. Documentation And Verification of Payments and Transfers:**

1. **Confirmation Numbers**

Upon completion of a transaction using **Online Banking**, a confirmation number will be given. I should record this number, along with the payee, scheduled date and transaction amount in my checkbook register (or other permanent record), because this will help in resolving any problems that may occur. No printed receipts are issued through **Online Banking**.

2. **Periodic Statements**

Information concerning **Online Banking** transactions will be shown on my normal statement for the account to and from which transfers or payments are made. I will get a statement monthly, unless there are no electronic funds transfers in a particular month. In

any case, if my account is a checking, savings, or money market, I will get a statement at least quarterly.

**3. Recurring Deposits**

If I have arranged to have deposits made to a deposit account at least once every 60 days from the same person or company, I can find out whether or not the deposit has been made through **Online Banking**. Or, I can call the Customer Service at (713)-400-7100 or (888)400-7175 to find out whether or not the deposit has been made.

**V. Other Conditions:**

I am responsible for complying with all terms of this Agreement and Disclosure and the regulations governing the deposit accounts which I access using **Online Banking**. You can terminate my **Online Banking** privileges without notice to me if I do not pay any fee required in this Agreement and Disclosure when due or if I do not comply with those agreements. The regulations governing my deposit account are set forth in your Deposit Agreement and Disclosures, a copy of which is available from any branch location.

**W. Change In Terms**

We will mail or deliver a written notice to you at least 30 days before the effective date of any change in a term or condition disclosed in this Agreement and Disclosure, if the change would result in increased fees or charges, increased liability for me, fewer types of available electronic fund transfers or stricter limitations on the frequency or dollar amounts of transfers, unless prior notice is excused by law.

**X. Schedule of Service Charges\***

**Online Banking**

<b>One Time Set Up Charge</b>	<b>Monthly Fee</b>
Online Banking without Bill Payment	No Charge
Online Banking with Bill Payment	No Charge
Stop Check Payment	\$34.95 / (per stop payment)

**Online Banking** accounts will be closed/deleted after 90 consecutive days of non-use.

- Per item transaction fees may be charged for excess debit transactions on selected checking and savings account(s). Please refer to the Bank's Consumer Products & Services for per-item fees on selected checking or savings accounts.

**Y. Agreement**

My signature on the Online Banking Application will evidence my agreement to all of the terms and conditions of this Agreement.

Additional disclosures will be provided in the **Other Information About Your Account** brochure.

**Z. Online Banking Start-up Information**

Online Banking # \_\_\_\_\_

***For the Start-up Only***

Your **Online Banking PIN#** will be **the last 4 digits** of your **social security number**. Once you enter that number you will be prompted to change your PIN# to your own personal number. The new number will be your Online Banking PIN # for future visits to [www.patriotbankusa.com](http://www.patriotbankusa.com).

#### ***Other Tips***

Ensure you are on the right website by verifying your personal Watermark Image.

Be "password smart". Use a mix of letters and numbers for added safety. Avoid easy to guess passwords like names, birthdays, anniversaries or Social Security numbers.

It is important to exit the website by clicking the "EXIT" button immediately after completing your banking.