

ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURES

This Agreement and Disclosure is made in compliance with federal law regulating electronic funds transfer (EFT) services. Electronic funds transfers are electronically initiated transfers of money involving a deposit account at the Financial Institution. The following disclosures set forth your and our rights and responsibilities concerning the electronic funds transfers. In this Agreement, the words "you" and "your" mean those who sign as applicants or any authorized user(s). The words "we", "us", and "our" mean the Financial Institution.

The following disclosure is provided pursuant to the Electronic Funds Transfer Act and Regulation E.

This applies to all our bank customers who use any of the following transfers:

- ⌚ Direct deposit of Social Security funds, payroll, or other funds.
- ⌚ Direct charges to your account such as Blue Cross-Blue Shield, Medicare, utility bills or other charges.
- ⌚ Telephone transfers where you call us and authorize transfers TO or FROM your account.
- ⌚ Stop payment orders.
- ⌚ Privacy Act, where third parties make inquiries about your accounts.
- ⌚ Errors in your accounts – your rights and liabilities in having those errors corrected.
- ⌚ Debit Cards
- ⌚ Internet Banking
- ⌚ A transfer via ACH (Automated Clearing House) where a consumer has provided a check to enable the merchant or other payee to capture the routing, account, and serial numbers to initiate the transfer (Some merchants or service providers will initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.)

TELEPHONE NUMBER AND ADDRESS TO BE NOTIFIED IN EVENT OF UNAUTHORIZED TRANSFER

If you believe someone has transferred or may transfer money from your account without your permission, call us toll free at (866) 260-2224 or 785-462-2224, or write to us at:

Peoples State Bank
PO Box 869
Colby, KS 67710

RIGHT TO STOP PAYMENT OF PREAUTHORIZED TRANSFERS, PROCEDURE FOR DOING SO, RIGHT TO RECEIVE NOTICE OF VARYING AMOUNTS, AND FINANCIAL INSTITUTION'S LIABILITY FOR FAILURE TO STOP PAYMENT

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 or write us 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. Written notices are effective for six (6) months. We will charge you \$23.67 for each stop payment order you give us.

If these regular payments may vary in amount, the person you are going to pay will tell you ten (10) days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.) 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.

FINANCIAL INSTITUTION'S LIABILITY FOR FAILURE TO MAKE TRANSFERS

If we do not complete a transfer to or 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, for instance:

- ⌚ If, through no fault of ours, you do not have enough money in your account to make the transfer.
- ⌚ If the money in your account is subject to legal process or other claim restricting such transfer.
- ⌚ If the transfer would go over the credit line or your overdraft line.
- ⌚ If the ATM where you are making the transfer does not have enough cash.
- ⌚ If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- ⌚ If circumstances beyond our control (such as fire or flood) prevent the transaction, despite reasonable precautions that we have taken.

There may be other exceptions stated in our agreement with you.

Disclosures Regarding Electronic "Wholesale Credit" Transactions Subject to Uniform Commercial Code Article 4A

Credit given by us to you with respect to an automated clearing house credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e. the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account, we are not required to give next day notice to you of receipt of an ACH item and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statement we provide you.

We may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses (ACH) and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of Kansas, unless it has otherwise specified in a separate agreement that the law of some other state shall govern.

Online Banking Computer Transactions

You may access your account(s) by computer by logging onto our website: www.psblsb.com. The bank will issue a password to use along with your social security number (User ID) for the initial set-up. Then, for security purposes, you will create your own password and User ID to use for future access. You may use this product to:

- ⌚ Transfer funds between checking and savings account(s)
- ⌚ Make loan payments from checking or savings to loan account(s) with us
- ⌚ Obtain balance and history information on your checking and savings account(s)
- ⌚ Obtain information on certificates of deposit and safe deposit boxes
- ⌚ Obtain loan balances and history information

Visa Debit Card

Currency Conversion: If you effect transactions with your Visa Debit Card in a currency other than US dollars, Visa International Inc., will convert the charge into a US dollar amount. At Visa International they may use a currency conversion procedure, which is disclosed to institutions that issue Visa. Currently, the conversion rate used by Visa International to determine the transaction amount in US dollars for such transactions is generally either a government mandated rate of wholesale rate determined by Visa International for the processing cycle in which the transactions is processed, increased by an adjustment factor established from time to time by Visa International. The currency conversion rate used by Visa International on the processing date may differ from the rate that would have been used on the purchase date or the cardholder statement posting date.

Types of Transfers: You may use the automated teller machine (ATM) card and personal identification number (PIN) issued to you to initiate transactions at ATMs within the networks identified on your card and such other facilities as we may designate from time to time. At present you may use your card to (some of these services may not be available at all ATMs):

- Withdraw cash from your checking account.
- Withdraw cash from your savings account.
- Transfer funds between your checking and savings account.
- Obtain balance information on your deposit accounts.

Types of Preauthorized Transfers: You may arrange for us to complete the following preauthorized transfers to your deposit accounts:

- ⌚ Accept direct deposits from your employer or other financial institutions to your checking or savings account.
- ⌚ We will charge \$23.67 for each stop-payment order for preauthorized transfers.

VISA DEBIT CARD -- POINT OF SALE

Types of Transactions: You may use the card and PIN issued you to pay for purchases from merchants who have agreed to accept the card at point of sale (POS) terminals within the networks identified on your card and such other terminals as the Bank may designate from time to time.

Limitations on Frequency and Amount:

- ⌚ You may purchase up to a maximum of \$810.00 worth of goods and services per day, inclusive of ATM withdrawals. (\$310.00 ATM and \$500.00 POS for a daily combined limit of \$810.00) Your **VISA DEBIT CARD** will work at any location that will accept **VISA**.
- ⌚ For security purposes, the number of PIN (Personal Identification Number) tries using your Visa Debit Card are limited.
- ⌚ **Money Market Accounts:** You may make six (6) transfers from your account each four (4) week or similar period, if by preauthorized or automatic transfer, or telephone (including data transmission) agreement, order or instruction.
- ⌚ **Savings Accounts:** Transfers from this account to another account or to a third party by preauthorized, automatic, telephone transfer, ATM, or draft is limited to six (6) per month.
- ⌚ **Freedom's Choice Free Checking:** Our internet banking product does not allow transfers on this account.

Fees and Charges:

- ⌚ There is a Replacement Card Fee of \$5.87 per card.
- ⌚ There is a \$2.70 charge for each ATM withdrawal at machines we do not own.
- ⌚ **Savings Accounts:** A charge of \$1.23 will be charged for each debit transaction in excess of nine (9) per statement cycle.
- ⌚ **"Peoples" Value Checking:** A check charge of \$0.63 will be charged for each debit transaction (withdrawal, check paid, automatic transfer, or payment out of this account) in excess of twenty (20) debit transactions. There is also a monthly charge of \$1.67 for access to an ATM/debit card associated with this type of account.
- ⌚ **Super Now Account:** A check charge of \$0.27 will be charged for each debit transaction (withdrawal, check paid, automatic transfer, or payment out of this account in excess of Fifteen (15) during a month.

The following limitations may be applicable to our accounts:

Liability for Unauthorized Visa Debit Point of Sale Debit Card Transactions. Tell us at once if you believe your Visa point of sale debit card has been lost or stolen or of any unauthorized transactions. Your liability for unauthorized use of your point of sale debit card and the Visa Debit logo when it is used as a Visa Debit point of sale debit card will not exceed (A) zero dollars (\$0.00) if the conditions set forth below have been met, or (B) if those conditions have not been met, the lesser of fifty dollars (\$50.00) or the amount of money, property, labor, or services obtained by the unauthorized use before notification to us. Zero liability will apply only if: (1) you report the loss or theft of your card within twenty-four (24) hours of discovering it lost or stolen; and (2) you can demonstrate that you have exercised reasonable care in safe-guarding your card from risk of loss or theft; and (3) you have not reported two or more incidents of unauthorized use to us within the preceding twelve (12) months; and (4) your account is in good standing. These consumer liability limits apply only to United States issued Visa branded consumer cards. If the transaction does not meet the conditions set forth above, these limits with respect to unauthorized transactions may be exceeded to the extent allowed under applicable law (see Liability for Unauthorized Transfers paragraph below). „Unauthorized use“ means the use of your point of sale debit card by a person, other than you, who does not have actual, implied, or apparent authority for such use, and for which you receive no benefit. To notify us of lost or stolen cards, or of unauthorized transactions, call or write to us at the telephone number or address set forth below. This will help prevent unauthorized access to your account and minimize any inconvenience.

In addition to the limitations set forth above, the following limitations may be applicable to your accounts:

Liability for Unauthorized Transfers. Tell us AT ONCE if you believe your card, ATM PIN, or POS card 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 account (plus your maximum overdraft line of credit). If you tell us within four (4) business days after you learn of the loss or theft of your card or code, you could lose as much as \$50.00. Also, if your statement shows transfers that you did not make, tell us at once. 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 card or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call or write to us at the telephone number or address set forth below. If you do not tell us within four (4) business days after you learn of the loss or theft of your card and/or PIN Number, and we can prove we could have stopped someone from using your card and /or PIN Number without your permission if you had told us, you can lose as much as \$300.00.

Business Days: For purposes of these electronic funds transfer disclosures; our business days are Monday through Friday. Holidays are not included.

ATM Operator/Network Fees: When you use an automated teller machine (ATM) not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

Documentation

Periodic Statement: You will get a monthly account statement from us, unless there are no transactions in a particular month. In any case you will get a statement quarterly. You will get a quarterly statement from us on your savings account if this is the only account you maintain and the only possible electronic transfer to or from the account is a preauthorized deposit.

Terminal Receipt: You can get a receipt at the time you make any transfer to or from your account using an automated teller machine (ATM) or a point-of-sale terminal. You may not get a receipt if the amount of the transfer is \$15 or less.

In Case of Errors or Questions about Your Electronic Transfer

If you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which line 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 (5 business days involving a Visa® transaction or 20 business days if the transfer involved a new account) 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 (90 days if the transfer involved a point of sale transaction, a foreign initiated transfer, or if the transfer occurred 30 days after the first deposit to the account was made) to investigate your complaint or question.

If we decide to do this, we will credit your account within ten (10) business days (5 business days if involving a Visa® transaction or 20 business days if the transfer involved a new account) 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 credit your account.

If we decide that there was no error, we will send you a written explanation of our findings within three (3) business days after we finish our investigation. You may ask for copies of the documents that we used in an investigation.

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

- ⌚ To complete transfers a necessary;
- ⌚ To verify the existence and condition of your account upon the request of a third party, such as a credit bureau or merchant; or
- ⌚ To comply with government agency or court orders; or
- ⌚ If you give us your written permission.

Personal Identification Number (PIN): The ATM PIN or POS PIN issued to you is for your security purposes. The numbers are confidential and should not be disclosed to third parties or recorded on the card. You are responsible for safekeeping your PIN(s). You agree not to disclose or otherwise make your ATM PIN or POS PIN available to anyone not authorized to sign on your accounts.

Notices: 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 telephone number or the address specified in this Agreement. We reserve the right to change the terms and conditions upon which this service is offered. We will mail notice to you at least twenty one (21) days before the effective date of any change, as required by law. Use of this service is subject to existing regulations governing your account and any future changes to those regulations.

Enforcement: In the event either party brings a legal action to enforce this Agreement or collect amounts owing as a result of any Account transaction, the prevailing party shall be entitled to reasonable attorneys' fees and costs, including fees on any appeal, subject to any limits under applicable law.

Termination of ATM and POS Services: You agree that we may terminate this Agreement and your use of the ATM Card or POS services, if:

- ⌚ You or any authorized user of your ATM PIN or POS card or PIN breach this or any other agreement with us;
- ⌚ We have reason to believe that there has been an unauthorized use of your ATM PIN or POS card or PIN;
- ⌚ We notify you or any other party to your account that we have cancelled or will cancel this agreement. You or any other party to your account can terminate this agreement by notifying us in writing.

Termination of service will be effective the first business day following receipt of your written notice. Termination of this agreement will not affect the rights and responsibilities of the parties under this agreement for transactions initiated before termination.

- The name of your Internet Service Provider,
- The web site that referred you to us (if any),
- The date and time the pages were accessed, and
- The page or pages you requested.

There are instances where you may elect to provide us with personal information. If you fill out one of our feedback or request forms or send us e-mail, you are transmitting the information that appears to you in the form or the message. This will typically include information like your name, mailing address, e-mail address, the kind of request you are making, and any other information necessary to fulfill your request. You never transfer personally identifying information that you do not enter yourself. This is always your option; this information cannot be collected unless you specifically elect to send it to us. This information is used internally only for the purpose of fulfilling the request or for contacting you directly and is not given or sold to any other organization.

When you submit personally identifying information via one of our feedback or application forms, that information is also encrypted, or scrambled, by your browser before it is transmitted back to our website. This effectively prevents anyone from intercepting and reading any personal information about you. Note that this encryption does not take place if you send us e-mail, but only when you use your web browser with one of our site's forms. Our website is not targeted or marketed to children.