

INTERNET BANKING & BILL PAY AGREEMENT

The first time you access your accounts through Internet Banking & Bill Pay, you agree to be bound by the terms and conditions of this Internet Banking & Bill Pay Agreement ("Agreement") and acknowledge its receipt and your understanding of its terms.

Introduction

This Agreement explains the terms and conditions for accessing accounts and conducting transactions at the State Bank of Alcester ("Institution", "Bank", "we", "us" and "our") via our Internet Banking & Bill Pay site. As used in this Agreement, the terms "you" and "your" refer to each person or entity submitting an Internet Banking & Bill Pay Application.

The Bank may, from time to time, introduce new Internet Banking & Bill Pay services. By using those services when they become available, you agree to be bound by the terms contained in this Agreement, and its subsequent amendments.

Security & Protecting Your Account

We are strongly committed to protecting the security and confidentiality of our customers' accounts information. We use several techniques to help secure our Internet Banking & Bill Pay service, including the following:

- You can only access the bank with certain browsers that have a high security standard.
- Your account numbers are never displayed in full - at least two (2) digits are masked.
- You must have a valid Internet Banking Access ID and password to logon. Your Access ID must be 6 to 16 characters. Your password must be 6 to 16 characters and alphanumeric, meaning that it must include both numbers and letters.
- You must access Internet Banking from a registered computer. If the computer is not registered with the bank, you will be asked to answer a Challenge Question OR get a one-time Passcode emailed to you at the address in the bank's records.
- If no action is taken, you will be automatically logged off the Internet Banking service after 30 minutes.
- Your Internet Banking Account will be locked out for 30 minutes after three (3) failed login attempts. You will then have an additional three (3) failed login attempts before being locked out indefinitely. You will then need to call the bank to have your password reset.
- We strongly recommend that you change your password regularly.

Requirements

To access Internet Banking, you should have Microsoft Internet Explorer 6.0 or higher, Netscape Navigator 4.08, Netscape Communicator 4.7, or compatible web browser and 128-bit data encryption.

In addition to compatible software, you must have an Internet Banking Access ID, a password and maintain an account at the State Bank of Alcester.

Authentication Image, Authentication Pass Phrase and Challenge Questions

After you enter your Access ID on a registered computer, you will be shown the Authentication Image and Authentication Pass Phrase you have chosen. If you do not see the Authentication Image and Authentication Pass Phrase you have chosen, you should not enter your password and are responsible for calling the bank immediately to report the problem. You are responsible for all transactions performed if you entered your password without seeing your Authentication Image and Authentication Pass Phrase, even if you did not intend or authorize them.

After you enter your Access ID on a non-registered computer, you can choose to answer a Challenge Question or get a one-time Passcode emailed to the address in the bank's records. You must either correctly answer the Challenge Question or enter the correct one-time Passcode to access your accounts.

For security purposes, it is recommended that you memorize your Authentication Image, Authentication Pass Phrase and Challenge Question and do not write it down. We also recommend that you change your Authentication Image, Authentication Pass Phrase and Challenge Questions regularly to try and avoid misappropriation by a third party. All can be changed at our Internet Banking & Bill Pay site. You are responsible for keeping your Authentication Image, Authentication Pass Phrase and Challenge Questions confidential and keeping your email address on record at the bank up-to-date.

Password

Your password will give you access to State Bank of Alcester accounts via Internet Banking & Bill Pay. The State Bank of Alcester is entitled to act on any instructions it receives using your password. For security purposes, it is recommended that you memorize your password and do not write it down. We also recommend that you change your password regularly to try and avoid misappropriation by a third party. Your password can be changed at our Internet Banking & Bill Pay site. You are responsible for keeping your password and account data confidential. When you give someone your password, you are authorizing that person to use Internet Banking & Bill Pay. You are responsible for all transactions performed using your password, even if you did not intend or authorize them. In addition, fraudulent transactions initiated using your password will be charged against your account(s).

Accessibility

You can access Internet Banking 24 hours a day, seven (7) days a week. However, at certain times, some or all of Internet Banking may not be available due to system maintenance or reasons beyond the State Bank of Alcester's control. The State Bank of Alcester does not warrant that Internet Banking will be available at all times. When unavailable, you may call our office to conduct your transactions or use Telephone Banking.

Fees and Charges

There is currently no charge for the use of the Internet Banking & Bill Pay Services described in this Agreement.

Restrictions

You may not appropriate any information or material that violates any copyright, trademark or other

proprietary or intellectual property rights of any person or entity while using Internet Banking & Bill Pay. You may not gain, or attempt to gain, access to any Internet Banking server, network or data not specifically permitted to you by the State Bank of Alcester or its suppliers, and you must not include any obscene, libelous, scandalous or defamatory content in any communications with Institution or its suppliers.

Confidentiality

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

1. Where it is necessary for completing transfers; or
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. In order to comply with government agency or court orders; or
4. As described in our privacy policy disclosure, provided separately.

Contacting the Bank

If you have inquiries regarding your account, please contact us at:

State Bank of Alcester
PO Box 168
Alcester, SD 57001-0168

Phone: 605-934-2500 or 605-934-2512

Business Days: Monday, Tuesday, Wednesday, Thursday and Friday
Holidays are not included.

Internet Banking Funds Transfers Provisions

As a State Bank of Alcester Internet Banking & Bill Pay customer, you may make transfers between your State Bank of Alcester accounts over the Internet. All such transfers are subject to the terms of these Internet Banking Funds Transfer Provisions (the "Transfer Provisions").

You can also use State Bank of Alcester Internet Banking to transfer funds between certain line of credit accounts and your deposit accounts. Transfers are not permitted from one line of credit account to another line of credit account.

By using the Funds Transfer Service (the “Service”), you agree to these Transfer Provisions:

1. General Information:

- **Authorization to Charge Accounts:** You are responsible for all transfers you or your authorized representative(s) make using the service. You authorize us to debit your designated account(s) for any transactions accomplished through the use of the service (including the transfer of funds from another deposit account or overdraft line of credit that provides overdraft protection, if you have one of those services in effect). You agree that we may comply with transfer instructions entered by any one person using an authorized Access ID and Password, notwithstanding any provision that may be contained in other account documentation purporting to require more than one signature to withdraw funds from the account.

If you permit another person to use State Bank of Alcester Internet Banking or give them your Access ID or Password, you are responsible for transfers, payments or advances that person makes from the deposit and credit accounts linked to your Service registration even if that person exceeds your authorization.

2. Internet Banking Funds Transfer Service Particulars.

- You can transfer funds between your deposit accounts and your Convenience Line of credit accounts using State Bank of Alcester Internet Banking. Transfers to a Convenience Line of credit account will not be reflected in your line of credit account until the business day following the day on which you complete the transaction. You cannot transfer funds among line of credit accounts using the service.
- **Limits on Transactions.** There is a maximum dollar limit on any transfer equal to the available balance in your account plus the available balance or credit balance in any other account or line of credit attached to the deposit account to provide overdraft protection.
- Funds must be available in the account from which you wish to transfer funds on the date you enter the transaction.
- **Restrictions on Transfers from Savings and Money Market Accounts.** Under Federal Reserve Board Regulation D, you may make an unlimited number of deposits or transfers into a savings or money market account; however, you may make no more than six transfers or withdrawals out of such an account per monthly statement cycle (not counting transactions made at ATMs or at banking centers). Transfers made by telephone, personal computer or funds automatically transferred from a Super Savings or Money Market account to another deposit account for overdraft protection are counted toward the six total permitted monthly transfers or withdrawals. If you exceed the restrictions more than three times during a six-month period, we will close the savings or money market account and transfer the funds to an eligible transaction account.
- **Insufficient Funds to Complete Transfer.** If your account does not have sufficient funds to complete a transfer as of the date the transfer is scheduled to be made, the transfer may not be completed, but if we do complete the transfer as an accommodation to you, you are responsible for any overdraft created.
- **Correcting or Canceling Your Transfer.** You cannot cancel your transfer after it has been entered in State Bank of Alcester Internet Banking and the information transmitted to us. You can correct information about a transfer before you send us the information and you can use State Bank of Alcester Internet Banking to reverse a transaction after it has been

entered.

- Documentation and Verification of Transfers. The date and amount of transfers made through State Bank of Alcester Internet Banking will be shown on the Transactions screen of State Bank of Alcester Internet Banking and will also be shown on your printed statements for the accounts from which and to which the transfer is made.
- Address and Telephone Number for Notification of Unauthorized Use. If you believe your Access ID or Password has become known by an unauthorized person or that someone has transferred money without your permission, call State Bank of Alcester immediately at (605) 934-2500 or write to: State Bank of Alcester, PO Box 168, Alcester, SD 57001-0168. If you suggest that an unauthorized transfer may have occurred, we may require you to sign an affidavit.

Also contact us with any other questions or problems that you may have regarding the Service, including:

- A problem with a transfer you authorized, or your statement reflects a transfer you think is in error.
- Documentation concerning a transfer previously issued from your account. (There may be a fee for these requests).

Unless otherwise required by law, in no event will the Bank be liable to you for special, indirect or consequential damages including, without limitation, lost profits or attorneys' fees, even if we are advised in advance of the possibility of such damages.

Accessing the Service

When you complete your Internet Banking enrollment form, you will be mailed two separate notifications. One will contain a computer-generated Access ID, and the other will contain your computer-generated password. You will use the Access ID and Password to access both the Internet Banking product and the Bill Pay product. Upon your first login, you will be asked to change your Access ID and Password. You will also be asked to set up an Authentication Image, Authentication Pass Phrase and Challenge Questions.

Each time you access the service, you will be asked to enter your Access ID. After you enter your Access ID on a registered computer, you will be shown the Authentication Image and Authentication Pass Phrase you have chosen. If you do not see the Authentication Image and Authentication Pass Phrase you have chosen, you should not enter your password and are responsible for calling the bank immediately to report the problem. If you see the Authentication Image and Authentication Pass Phrase you have chosen, you can enter your password and click "Submit." You will then have access to the service.

After you enter your Access ID on a non-registered computer, you can choose to answer a Challenge Question or get a one-time Passcode emailed to the address in the bank's records. You must either answer the Challenge Question or enter the one-time Passcode to access your accounts. The correct responses will allow you view an Authentication Image and Authentication Pass Phrase. If you see the Authentication Image and Authentication Pass Phrase you have chosen, you can enter your password and click "Submit." You will then have access to the service.

Bill Payment Service Provisions

You may use the State Bank of Alcester's bill paying service, Bill Pay, to direct the State Bank of Alcester to make payments from your designated checking account to the Vendors you choose in accordance with this agreement. The terms and conditions of this Agreement are in addition to the Account agreements, disclosures and other documents in effect from time to time governing your Account (the Account Rules).

"Vendor" means anyone, including the Financial Institution, you designate and the Financial Institution accepts as a payee.

The State Bank of Alcester is not responsible if a Bill Payment cannot be made due to incomplete, incorrect, or outdated information provided by you regarding a Vendor.

The Bill Paying Process

The State Bank of Alcester will process variable payments on the business day (generally Monday through Friday, except holidays) you designate the bill is to be processed, provided the payment request is received prior to the cut-off time set by the State Bank of Alcester, which is currently 6 p.m. CST. Variable bill requests received after the business day cut off time or at any time on a non-business day will be processed on the next business day. The State Bank of Alcester reserves its right to change the cut-off time by giving you notice if it changes.

Recurring payment requests will be processed on the dates you have designated, unless such date falls on a non-business day resulting in your payment being processed on the prior business day.

YOU MUST ALLOW AT LEAST SEVEN (7) BUSINESS DAYS, PRIOR TO THE DUE DATE, FOR EACH BILL PAYMENT (RECURRING OR VARIABLE) TO REACH THE VENDOR. (IT IS THE RESPONSIBILITY OF THE SUBSCRIBER TO SCHEDULE/ACTIVATE RECURRING PAYMENTS) Due to circumstances beyond our control, some Vendors take longer to post payments than others. We suggest sending your first payment eight (8) business days in advance of the Due Date. After your first payment has posted, you will have a better understanding of how much time to allow for each Vendor. Payment Dates should be prior to any late date or grace period.

When you have scheduled a payment, you authorize the State Bank of Alcester to debit your Payment Account and remit funds on your behalf. You certify that your Payment Account is an account from which you are authorized to make payments and any payment you make will be debited from this account. You also authorize the credit of returned payments from using the Bill Pay Service.

The Bill Pay Service will incur no liability and a Service Guarantee shall be void if the Bill Pay Service is unable to complete any payments initiated because of any of the following:

1. You have not provided the Bill Pay Service with the correct payment account information, the correct name, address, phone number or account information for the Vendor upon initiation of the payment; and/or,

2. Circumstances beyond the control of the Bill Pay Service (such as, but not limited to, fire, flood, or interference from an outside force) prevent the proper execution of the transaction and the Bill Pay Service has taken reasonable precautions to avoid those circumstances; and/or
3. Insufficient funds in your account. After three consecutive days of insufficient funds to make the payment(s), the payment(s) will be removed from the Bill Pay Service.

You agree to have available and collected funds on deposit in the account you designate in amounts sufficient to pay for all Bill Payments requested, as well as any other payment obligations you have to the State Bank of Alcester. The State Bank of Alcester reserves the right, without liability, to reject or reverse a Bill Payment if you fail to comply with this requirement or any other terms of this agreement. If you do not have sufficient funds in the account and the State Bank of Alcester has not exercised its right to reverse or reject a Bill Payment, you agree to pay for such payment obligations on demand. You further agree the State Bank of Alcester, at its option, may charge any of your accounts with the State Bank of Alcester to cover such payment obligations.

The Bill Pay Service reserves the right to select the method in which to remit funds on your behalf to your Vendor.

Any Bill Payment can be changed or canceled, provided you access the service prior to the cut-off time of 6 p.m. CST on the business day the payment is going to be initiated.

Returned Payments

In using the service, you understand that the Service and/or the United States Postal Service may return payments for various reasons, such as, but not limited to, the Service account number is not valid; the service is unable to locate account; or vendor account is paid in full. The Service will use its best efforts to research and correct the returned payment, or void the payment and credit your Payment Account. You may receive notification from the Service.

Liability

You are solely responsible for controlling the safekeeping of and access to your password. You are liable for all transactions you make or that you authorize another person to make even if that person exceeds his or her authority. If you want to terminate another person's authority, you must notify the State Bank of Alcester and arrange to change your password. You will be responsible for any Bill Payment request you make that contains an error or is a duplicate of another Bill Payment. The State Bank of Alcester is not responsible for a Bill Payment that is not made if you did not properly follow the instructions for making a Bill Payment. The State Bank of Alcester is not liable for any failure to make a Bill Payment if you fail to promptly notify the bank after you learn that you have not received credit from a Merchant for a Bill Payment. The State Bank of Alcester is not responsible for your acts or omissions or those of any other person, including, without limitation, any transmission or communications facility, and no such party shall be deemed to be the bank's agent. In any event, the State Bank of Alcester will not be liable for any special, consequential, incidental, or punitive losses, damages or expenses in connection with this Agreement or the service, even if the bank has knowledge of the possibility of them. The State Bank of Alcester is not liable for any act, failure to act or delay in acting if it is caused, in whole or in part, by any cause beyond the bank's reasonable control.

Amendment and Termination

The State Bank of Alcester has the right to change this Agreement at any time by notice mailed to you at the last address shown for the Account on the bank's records or as otherwise permitted by law.

The State Bank of Alcester has the right to terminate this Agreement at any time. You may terminate this Agreement by written notice to the bank. The State Bank of Alcester is not responsible for any fixed payment made before the bank has a reasonable opportunity to act on your termination notice. You remain obligated for any payments made by the State Bank of Alcester on your behalf.

The State Bank of Alcester reserves the right to charge you for research time involving payments no longer available in your screen history. You will be informed of any such charges before they are incurred.

Some Bill payments are processed by Electronic Fund Transfers (EFT).

Responsibility

Neither the State Bank of Alcester nor its suppliers will be liable for any transaction if: (i) you do not have enough money in your account to complete the transaction; (ii) a legal order prohibit withdrawals from your account; (iii) your account is closed or has been frozen; (iv) the transaction would cause your balance to go over the credit limit for any credit arrangement set up to cover overdrafts; (v) you, or anyone you allow, commits fraud or violates any law or regulation in connection with Internet Banking & Bill Pay; (vi) any electronic terminal, telecommunication device or part of the electronic fund transfer system is not working properly; (vii) you did not provide us with complete and correct payment or transfer information; (viii) you did not properly follow the instructions for use of Internet Banking & Bill Pay; (ix) you knew that Internet Banking & Bill Pay was not operating properly at the time you initiated the transaction or payment; (x) there is postal delay; or (xi) circumstances beyond our control (such as fire, flood or improper transmission or handling by a third party) that prevent, hinder or delay the transaction.

Unauthorized Transactions

You should notify us immediately if you believe anyone has improperly obtained your password or if you suspect any fraudulent activity in your account(s). If your password has been compromised and you tell us within two (2) business days of discovering the loss or misappropriation, you can lose no more than \$50. If you do not tell us within the two (2) business day period, you could lose as much as \$500 if we could have stopped the use of your accounts had we received notice in a timely manner. You should contact us, as applicable, as soon as you identify any errors or discrepancies in your statement or transaction record or if you need any information about a transaction listed on the statement or transaction record. We must hear from you no later than sixty (60) days after we have sent the first statement on which the problem or error appeared (If you notify us verbally, we may require that you send us your complaint or question in writing or electronically within ten (10) business days). If you fail to notify us within the sixty (60) day period, you may not recover any of the money you lost if we can establish that the loss could have been avoided had you notified us on time. We may extend these time periods for good reasons such as out-of-town travel or extended hospital stays.

When you report a problem or discrepancy, please: (i) tell us your name and account number (if any); (ii) 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; (iii) tell us the dollar amount

of any suspected error and (iv) for a bill payment, tell us the number of the account used to pay the bill, the applicable payee name and account number, the date the payment was sent, the payment amount and the payment reference number. We will determine whether an error occurred within 10 business days (5 business days if the transaction involved a point-of-sale transaction and 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 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days if the transfer involved a point-of-sale transaction and 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have 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 10 business days, you may not credit your account. An account is considered a new account for 30 days after the first deposit is made, if you are a new customer.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may request copies of the documents that we used in our investigation.

Links to other Sites

Information that the State Bank of Alcester publishes on the World Wide Web may contain links to other sites and third parties may establish links to Institution's site. Institution makes no representations about any other web site that you may access to, from or through this site. Unless expressly stated in writing, The State Bank of Alcester does not endorse the products or services offered by any company or person linked to this site nor is Institution responsible for any software or the content of any information published on the site of any third party. You should take precautions when downloading files from sites to protect your computer software and data from viruses and other destructive programs.

Virus Protection

The State Bank of Alcester is not responsible for any electronic virus that you may encounter using the Internet Banking & Bill Pay Services. We encourage you to routinely scan your computer and diskettes using reliable virus protection product to detect and remove viruses. If undetected and unrepaired, a virus can corrupt and destroy your programs, files and hardware.

Damages and Warranties

In addition to the terms previously disclosed, the State Bank of Alcester is not responsible for any losses, errors, injuries, expenses, claims, attorney's fees, interest or other damages, whether direct, indirect, special, punitive, incidental or consequential, (collectively, "Losses") caused by Internet Banking & Bill Pay or in any way arising out of the installation, use or maintenance of your personal computer hardware or software, including any software provided by Institution or one of its suppliers. In addition, the State Bank of Alcester disclaims any responsibility for any electronic virus(es) Customer may encounter after installation of such software or use of Internet Banking & Bill Pay Services. Without limiting the foregoing, neither Institution nor its suppliers shall be liable for any: (i) failure to perform or any Losses arising out of an event or condition beyond their reasonable control, including but not limited to communications breakdown or interruption, acts of God or labor disputes; or (ii) the loss, confidentiality or security of any data while in transit via the Internet, communication lines, postal system or ACH network. If you choose to use Internet Banking & Bill Pay, you do so on your own initiative and are solely responsible for compliance with applicable local laws and regulations.

Indemnification

Customer shall indemnify, defend and hold harmless the State Bank of Alcester and its officers, employees, directors, suppliers and agents, in their individual capacities or otherwise, from and against any Losses arising out of: (i) Customer's negligence; (ii) Customer's failure to comply with applicable law; or (iii) Customer's failure to comply with the terms of this Agreement.

Additional Remedies

Due to the likelihood of irreparable injury, Institution shall be entitled to an injunction prohibiting any breach of this Agreement by Customer.

Termination and Changes in Terms

The State Bank of Alcester reserves the right to terminate this Agreement or to change the charges, fees or other terms described in this Agreement at any time. When changes are made, we will notify you by: 1) electronic mail; 2) physical mail at the address shown in our records; and/or 3) update of our web site.

Applicable Rules, Laws, and Regulations

You submit to the jurisdiction of, and the laws of, the State of South Dakota, U.S.A., as well as the federal laws of the U.S.A shall govern this Agreement. The prevailing party in any such action shall be entitled to the recovery of its reasonable attorney's fees, costs and expenses.

Assignment

The State Bank of Alcester may assign its rights and/or delegate all or a portion of its duties under this Agreement to a third party.

Integration

This Agreement constitutes the entire understanding of the parties with respect to the subject matter of this Agreement, and all prior agreements, understandings and representations concerning such subject matter are canceled in their entirety. Notwithstanding the foregoing, this Agreement is in addition to any other agreements between you and the State Bank of Alcester.

Severability

If there is a conflict between the terms and conditions of this Agreement and one or more terms contained in another agreement between you and the Institution, this Agreement will control.

Waiver

The State Bank of Alcester shall not, by the mere lapse of time, without giving notice or taking other action, be deemed to have waived any of its rights under this Agreement. No waiver by Institution of a breach of this Agreement shall constitute a waiver of any prior or subsequent breach of this Agreement.

Force Majeure

Neither party shall be liable for any loss nor damage due to causes beyond its control, including fire, explosion, lightning, pest damage, power surges or failures, strikes or labor disputes, water, acts of God, the elements, war, civil disturbances, acts of civil or military authorities or the public enemy, inability to secure raw materials, transportation facilities, fuel or energy shortages, acts or omissions of communications carriers, or other causes beyond that party's control. Either party may terminate this Agreement immediately on written notice if the other party is prevented from performing its obligations under this Agreement for a period of more than thirty (30) days due to the reasons set forth in this subsection.

Construction

This Agreement shall be construed equally against the parties regardless of who is more responsible for its preparation. If there is a conflict between a part of this Agreement and any present or future law, the part of this Agreement that is affected shall be curtailed only to the extent necessary to bring it within the requirements of that law.

I HAVE READ AND UNDERSTAND THE FOREGOING AGREEMENT AND AGREE TO BE BOUND BY ALL ITS TERMS.