

## **Online Banking Agreement & Disclosure**

This agreement provides information about the Capital Bank Online Banking service and contains the disclosures required by the Electronic Funds Transfer Act, as implemented by Regulation E (15 U.S.C. 1693, 12 C.F.R. 205). For the purpose of this agreement, the words "You," "Your," and "Yours" refer to the holder of an account with Capital Bank. The words "We," "Us," "Our," and "Bank" refer to Capital Bank.

By using Capital Bank Online Banking, you agree to be bound by the terms and conditions contained in this agreement. Online Banking transactions are additionally governed by any other separate agreement(s) you may have with Capital Bank, including, but not limited to, the Account Signature Card, the Deposit Account Agreement, and the Fee Schedule.

### **Receipt of Disclosures**

You understand that this agreement incorporates the initial disclosures that the Bank is required to provide to you under Regulation E. You agree to receive these initial disclosures in an electronic format (for example, by viewing them on your computer screen) and you have the ability to print or download this agreement if you wish to retain a copy of it. If you do not have the ability to print or download this agreement you should immediately request written disclosures by contacting Capital Bank at 713-675-2341 or writing us at P.O. Box 24337, Houston, Texas 77229-4337. You may request disclosures at any time.

### **Equipment Requirements**

You are responsible for maintaining all Online connections, browsers, hardware and software that are necessary to access Capital Bank Online Banking. The Bank is not responsible for any errors or failures of your computer or software. The Bank is not responsible for any computer virus or related problems that may be associated with your use of this service.

### **Definition of Business Day**

For determining the availability of deposits, every day is a business day, except Saturday, Sunday and federal holidays. Any transactions, via Capital Bank Online Banking, completed after 4:00 p.m. may be treated as a transaction on the next business day. We may treat any correspondence from you, via email, received after 2:00 p.m. on a business day as if we had received it the following business day. All references to time in this document are Central Standard Time (CST).

### **Hours of Accessibility for Capital Bank Online Banking**

You may use Capital Bank Online Banking virtually any time, day or night, 7 days a week. However, Capital Bank Online Banking may be temporarily unavailable due to record updating or technical difficulties. To utilize Capital Bank Online Banking, you will need to enter your User ID and password and otherwise satisfy the system's security procedures.

## **Services and Fees through Capital Bank Online Banking**

Capital Bank Online Banking is a consumer electronic banking service provided by the Bank. You understand that if you wish to receive online banking services for any commercial accounts that you may have, you will have to complete the Cash Management Agreement related to those services and agree to be bound by its terms and conditions. You must have a Capital Bank account to access the Capital Bank Online Banking service. You may access Capital Bank Online Banking using a personal computer with access to the Bank's website on the Internet.

Capital Bank Online Banking allows you to...

- transfer funds electronically ("transfers") between any of your deposit accounts,
- obtain account information, such as the balances, in your savings and checking accounts
- view your account history and find out what checks have cleared

Collectively these are referred to as the "Capital Bank Online Banking" banking services.

There are no fees for accessing your account(s) through Capital Bank Online Banking. Other fees, such as excessive transfer fees, may apply to services conducted through Capital Bank Online Banking. Please refer to the Fee Schedule that you received when you opened your account with us. If you need an additional fee disclosure, please contact us. You may check the balances of your Capital Bank accounts that are linked through Capital Bank Online Banking. You understand that the balance figure may not reflect recent transactions, and may include funds that are not subject to immediate withdrawal. You may transfer funds electronically between your Online Banking accounts.

## **Security Procedures**

A password will be issued to you for security purposes. You understand that this password will be used only the first time you access the service, when you must choose a new, permanent password. The password is confidential and should not be disclosed to third parties. You are responsible for the safekeeping of your password. You agree not to disclose or otherwise make available your password to anyone not authorized to sign on your accounts. If you permit another person to use the service or give them your user ID and your password, you are responsible for all activity the person initiates even if he/she exceeds your authorization.

Your Capital Bank Online Banking password is used only for Capital Bank Online Banking. You will be prompted from time to time to change your password for additional security. You may change your password at any time by selecting the Change Password option.

You agree that you have considered the security procedures of the Capital Bank Online Banking service and find that the security procedures are commercially reasonable for verifying that transfers, or other communication from you is, in fact, yours.

## **Liability for Unauthorized Use**

You will notify us immediately if you believe that your password has become known to an unauthorized person or if someone has transferred money without your permission. You understand that calling us in such cases is the best way of keeping your possible losses to a minimum. If you suggest that an unauthorized transfer may have occurred, we may require you to sign an affidavit verifying such occurrence.

You understand that you can lose all the money in your deposit accounts accessed through Online Banking if you do not inform us that your password has become known to an unauthorized person. If you tell us within 2 business days after you learn of the loss or theft, you can lose no more than \$50.00 if an unauthorized person used your password to access Online Banking without your permission.

If you do not tell us within 2 business days after you learn that your password has become known to an unauthorized person, and we can prove that you could have stopped someone from using your password without your permission if you had told us, you can be liable for as much as \$500.00.

If your statement shows electronic funds transfers that you did not make, you must notify us immediately. The Bank may require you to provide your complaint in the form of an affidavit. If you do not tell us about unauthorized transfers within 60 days after your account statement is mailed to you, you may not get back any money that you lose after the 60 day period if we can prove that, had you told us about the unauthorized transfers on time, we could have stopped someone from taking the money.

## **Liability for Failure To Make Payments**

If we do not make a transfer on a timely basis, as set forth in this agreement, or in the correct amount according to your instructions, we may be liable for damages caused. However, we will not be liable if...

1. through no fault of ours, your designated funding account does not contain sufficient funds to make the transfer,
2. the equipment, ATM network, phone lines, or computer systems were not working properly or were temporarily unavailable and you knew about the breakdown when you started the transfer,
3. circumstances beyond our control, such as fire or flood, prevented the transfer or service request, despite reasonable precautions we have taken,
4. a court order or legal process prevents us from making a transfer or,
5. you have reason to believe that there has been unauthorized use of your password and you fail to notify us as set forth above.

There may be other exceptions stated in other agreements with you. If any of the circumstances listed in 3) or 4) above occur, the Bank shall assist you with reasonable efforts in taking appropriate

corrective action to reprocess the transactions that may not have been completed or may have been processed incorrectly.

### **Limitations**

You understand that the federal limitations on transfers applicable to Money Market Accounts during each statement cycle will apply to and limit the number of transfers that can be made through Capital Bank Online Banking. No more than 6 pre-authorized, automatic or telephone transfers may be made during a statement cycle, three of which can be checks. You should refer to your Deposit Account Agreement or contact us for additional information.

### **Errors or Questions**

If you think your statement is wrong, or you need more information about a transfer listed on the statement, contact Capital Bank at (713) 675-2341, email to [customerservice@capitalbanktx.com](mailto:customerservice@capitalbanktx.com) or write us at P.O. Box 24337, Houston, Texas 77229-4337. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appears.

1. When notifying us, tell us your name and account number;
2. Describe the error on the transfer in question, and explain as clearly as you can why you believe it is an error or why you need more information
3. Tell us the date and 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 10 business days. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

We will determine whether an error occurred within 10 business days (20 business days if your account has been opened for 30 days or less) 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 your account has been open for 30 days or less) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days if your account has been opened for 30 days or less) 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 you are a new customer, an account is considered a new account for 30 days after the first deposit is made.

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 ask for copies of the documents that we used in our investigation.

### **Account Information Disclosure**

- As it specifically pertains to electronic funds transfers, we may disclose information to third parties about your account and the payments or transfers you make as stated in our

separate Privacy Policy. You may view this Privacy Policy on our website or you may contact us for one. You agree that you have been given the opportunity to read the Privacy Policy.

## **Documentation and Verification of Payments / Transfers**

- Confirmations

Upon completion of an Online Banking transaction, a confirmation will be provided. We recommend that you print the transaction results for verification purposes. You should record this in your checkbook register as a permanent record of the transaction. This will help in resolving any problems that may occur.

- Periodic Statements

Information concerning Online Banking transactions will be shown on your normal statement for the account to and from which transfers or payments are made. If you have a checking or money market account, you will receive a monthly statement. If you have a savings account, you will receive a statement during months with electronic funds activity or quarterly if there is no such activity.

## **Other Conditions**

You are responsible for complying with all terms of this agreement and the regulations governing the accounts that you access through Capital Bank Online Banking. We can terminate your Capital Bank Online Banking privileges without notice to you if you do not pay any fee required in this agreement when due, or if you do not comply with this agreement. The regulations governing your accounts are set forth in your account information disclosure, a copy of which is available from the main bank or the branch. You may terminate this agreement and your use of Capital Bank Online Banking services by notifying us at (713) 675-2341.

We may terminate this agreement and your use of Capital Bank Online Banking services without notice if you do not log on for a period of more than 90 days. If this occurs, you will have to repeat the registration process for Capital Bank Online Banking services. We reserve the right to temporarily or permanently discontinue Capital Bank Online Banking services at any time by mailing to you, at the address shown in our records, a notice stating the date termination will occur and that no transfers or orders payable to third parties via Capital Bank Online Banking services will be honored if received the day of termination and thereafter. We will inform you of such termination in accordance with applicable law or regulation.

## **Change In Terms**

The Bank may change any term or condition of this agreement, and will mail or deliver a written notice to you at least 21 days before the effective date of any change in a term or condition if the change would result in increased fees or charges, increased liability for you, 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.

### ***Contact Information***

Capital Bank  
10304 I-10 East Freeway  
Houston TX 77029  
(713) 675-2341

You may contact us through e-mail. Please note that e-mail, in general, is not a secure means of communication. If the information you need to convey to Capital Bank is of a sensitive nature (account numbers, Social Security Number, passwords or PINs), please contact us by phone, U.S. mail or come visit us in person.

By using Capital Bank Online Banking, you agree that you have received and understood this agreement and disclosure and will be bound by all the terms and conditions of this agreement just as if you have signed this agreement.

If you do not agree to be bound by the terms of this agreement, you understand that you will notify us to discontinue your Capital Bank Online Banking services.

## **ALERTS TERMS AND CONDITIONS**

Alerts. Your enrollment in Capital Bank Online Banking and/or Mobile Banking (the “Service”) includes enrollment to receive transaction alerts and notifications (“Alerts”). Alerts are electronic notices from us that contain transactional information about your Capital Bank account(s). Alerts are provided within the following categories:

- **Mandatory Alerts** provide you with important account notifications, such as information about changes to your Online Banking password, PIN, or login information. You do not have the option to suppress these Mandatory Alerts.
- **Account Alerts** provide you with notification of important account activities or when certain changes are made to your Service accounts, such as scheduled payments made, scheduled payments cancelled and mobile deposits. These Alerts are automatically activated for you. Although you may suppress these Account Alerts, we strongly recommend that you do not do so because they provide important information related to your Service accounts.
- **Additional Alerts** must be activated by you to be enabled. These Additional Alerts can be accessed from the Manage Alerts menu within Capital Bank Online Banking and Manage Alerts menu within Capital Bank Mobile Banking.

Account Alerts and Additional Alerts must be managed and/or added online through the Service. You cannot maintain all Alerts through your mobile device. We may add new Alerts from time to time, or cancel old Alerts. We usually notify you when we cancel Alerts, but are not obligated to do so. Capital Bank reserves the right to terminate its Alerts service at any time without prior notice to you.

**Methods of Delivery.** We may provide Alerts through one or more channels (“**EndPoints**”): (a) a mobile device, by text message, (b) a mobile device, by push notification; (c) an email account, by an e-mail message; or (d) your Capital Bank Online Banking message in-box, by an e-mail message. You agree to receive Alerts through these EndPoints, and it is your responsibility to determine that each of the service providers for the EndPoints described in (a) through (c) above supports the email, push notification, and text message Alerts provided through the Alerts service. Please be advised that text or data charges or rates may be imposed by your EndPoint service provider. Alert frequency varies by account and preferences. You agree to provide us a valid mobile phone number or email address so that we may send you Alerts. If your email address or your mobile device's number changes, you are responsible for informing us of that change. Your Alerts will be updated to reflect the changes that you communicate to us with regard to your primary and secondary email addresses or mobile device number.

**Alerts via Text Message.** To stop Alerts via text message, text "**STOP**" to **96924 at anytime**. Alerts sent to your primary email address will be unaffected by this action. To restore Alerts on your mobile phone, just visit the Alerts tab in Capital Bank Online Banking and click the box next to your mobile number for the Alerts you'd like to receive again. For help with SMS text alerts, text “HELP” to 96924. In case of questions please contact customer service at 713-675-2341. Our participating carriers include (but are not limited to) AT&T, SprintPCS, T-Mobile®, U.S. Cellular®, Verizon Wireless, MetroPCS.

**Limitations.** Capital Bank provides Alerts as a convenience to you for information purposes only. An Alert does not constitute a bank record for the deposit or credit account to which it pertains. We strive to provide Alerts in a timely manner with accurate information. However, you acknowledge and agree that your receipt of any Alerts may be delayed or prevented by factor(s) affecting your mobile phone service provider, internet service provider(s) and other factors outside Capital Bank’s control. We neither guarantee the delivery nor the accuracy of the contents of each Alert. You agree to not hold Capital Bank, its directors, officers, employees, agents, and service providers liable for losses or damages, including attorneys' fees, that may arise, directly or indirectly, in whole or in part, from (a) a non-delivery, delayed delivery, or the misdirected delivery of an Alert; (b) inaccurate or incomplete content in an Alert; or (c) your reliance on or use of the information provided in an Alert for any purpose.

**Alert Information.** As Alerts delivered via SMS, email and push notifications are not encrypted, we will never include your passcode or full account number. You acknowledge and agree that Alerts may not be encrypted and may include your name and some information about your accounts, and anyone with access to your Alerts will be able to view the contents of these messages.