

ONLINE HOME BANKING AGREEMENT AND DISCLOSURE

This Online Home Banking Agreement and Disclosure ("Agreement") is the contract which covers your and our rights and responsibilities concerning Lakes Federal Credit Union Online Home Banking services offered to you. The Online Home Banking service permits you to electronically initiate account transactions involving your accounts and communicate with Lakes Federal Credit Union ("Credit Union"). In this Agreement, the words "you", "your" and "yours" mean those who request and use Online Home Banking, any joint owners of accounts accessed under this Agreement or any authorized users of this service. The words "we", "us", and "our" mean Lakes Federal Credit Union. The word "account" means any one or more accounts you have with the Credit Union. By requesting and using the Online Home Banking service, each of you, jointly and severally, agree to the terms and conditions in this Agreement, and any amendments.

ONLINE HOME BANKING SERVICES

You may use your personal computer to login to home banking. You must use your account number, email address and birthdate to initially access your accounts. Once accessed, you will be required to answer multifactor questions and change your password. Online Home Banking service is accessible seven (7) days a week, twenty-four (24) hours a day. You will need a personal computer, direct dial or cable modem and access to the Internet (World Wide Web). You are responsible for the installation, maintenance and operation of any software and your computer. The Credit Union will not be responsible for any errors or failures involving any telephone service, Internet service, software installation or your computer.

TYPE OF TRANSACTIONS

At the present time, you may use Online Home Banking service to:

- Transfer funds between your checking, savings and loan accounts.
- Transfer funds to accounts of other members you authorize for any of your accounts.
- Review account balance, transaction history and tax information for any of your checking, savings or loan accounts.
- Request a withdrawal from any checking account, savings account, or line of credit account by check mailed to you.
- Conduct other transactions permitted by the Credit Union.
- Communicate with the Credit Union using the electronic mail ("Email") feature.

Transactions involving your deposit accounts will be subject to the terms of your account agreement. Transactions involving a line of credit account will be subject to your loan agreement and disclosures, as applicable. The Credit Union does not make any warranty, express or implied, to you regarding the Quicken™ or MS Money™ programs including but not limited to any warranty of merchantability or fitness for a particular purpose.

SERVICE LIMITATIONS

The following limitations on Online Home Banking transactions may apply in using the services listed above:

• TRANSFERS

You may make funds transfers to other accounts of yours as often as you like. You may transfer or withdraw up to the available balance in your account or up to the available credit limit on a line of credit at the time of the transfer, except as limited under this Agreement or your deposit or loan

agreements. The Credit Union reserves the right to refuse any transaction that would draw upon insufficient or unavailable funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your postal address of record. The Credit Union may set other limits on the amount of any transactions, and you will be notified of those limits.

- **ACCOUNT INFORMATION**

The account balance and transaction history information may be limited to recent account information involving your accounts. Also, the availability of funds for transfer or withdrawal may be limited due to the processing time for ATM transactions and our Funds Availability Policy.

- **EMAIL**

The Credit Union may not immediately receive Email communications that you send, and the Credit Union will not take action based on email requests until the Credit Union actually receives your message and has a reasonable opportunity to act. If you need to contact the Credit Union immediately regarding an unauthorized transaction or stop payment request, you may call the Credit Union at 574-583-5556 which is the number listed in the Liability for Unauthorized Access section.

SECURITY OF PERSONAL IDENTIFICATION

You are responsible for safekeeping your personal identification information you use to log into home banking. This information should not be disclosed to third parties or recorded. You agree not to disclose or otherwise make your personal information available to anyone not authorized to sign on your accounts. If you authorize anyone to use this information that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union and changing your login information immediately. You are responsible for any transactions made by such persons until you notify us that transactions and access by that person are no longer authorized, and your personal identification information codes are changed. If you fail to maintain or change the security of these access codes and the Credit Union suffers a loss, we may terminate your electronic funds transfer and account services immediately.

LIABILITY FOR UNAUTHORIZED ACCESS

You are responsible for all transfers you authorize under this Agreement. If you permit other persons to use the Online Home Banking service or your personal identification information, you are responsible for any transactions they authorize or conduct on any of your accounts. However, tell us at once if you believe anyone has used your personal identification information or accessed your accounts through Online Home Banking without your authorization. Telephoning is the best way of keeping your possible losses down. If you tell us within two (2) business days, you can lose no more than fifty dollars (\$50.00) if someone accesses your accounts without your permission. If you do not tell us within two (2) business days after you learn of the unauthorized use of your account or personal identification information, and we can prove that we could have stopped someone from accessing your account without your permission if you had told us, you could lose as much as five hundred dollars (\$500.00). In any event your liability for unauthorized line of credit transactions through Online Home Banking is fifty dollars (\$50.00).

Also, if your statement shows Online Home Banking transfers that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money lost after the sixty days (60) if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods.

If you believe that someone has used your personal identification information or has transferred or may transfer money from your account without your permission, call the Credit Union at:

574-583-5556 during business hours

Or write the Credit Union at:

Lakes Federal Credit Union
PO BOX 403
Monticello, IN 47960

BUSINESS DAYS

Our business days are Monday through Friday. Holidays are not included.

FEES AND CHARGES

There are certain charges for Online Home Banking services as set forth on the Credit Union's Fee Schedule. From time to time, the charges may be changed. We will notify you of any changes as required by law. The Online Home Banking service is free to members.

PERIODIC STATEMENTS

Transfers, withdrawals, and bill payments transacted through Online Home Banking will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly. Member who are opting to enroll in e-notices and e-statements, will not receive paper form of these communications. If you require and printed paper statement, one can be obtained by calling the office.

ACCOUNT INFORMATION DISCLOSURE

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

- a. As necessary to complete transfers;
- b. To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant;
- c. To comply with government agency or court orders;
- d. If you give us your express permission.

CREDIT UNION'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 and the instructions you transmit, we will be liable for your actual losses or damages. However, the Credit Union will not be liable:

- If, through no fault of ours, you do not have adequate funds in your account to complete a transaction, your account is closed, or the transaction amount would exceed your credit limit on your line of credit, if applicable.
- If you used the wrong personal identification information or you have not properly followed any applicable computer, Internet Access, or Credit Union user instructions for making a transfer.
- If your computer fails or malfunctions or the phone lines or Credit Union computer system was not properly working and such problem should have been apparent when you attempted such transaction.
- If circumstances beyond our control (such as: fire, flood, telecommunication outages, postal strikes, equipment or power failure) prevent making the transaction.
- If the funds in your account are subject to an administrative hold, legal process or other claim.
- If you have not given the Credit Union complete, correct and current instructions so the Credit Union can process a transfer.
- If the error was caused by a system beyond the Credit Union's control such as a telecommunications system, an Internet service provider, any computer virus or problems related to software not provided by the Credit Union.
- If there are other exceptions as established by the Credit Union.

TERMINATION OF ONLINE HOME BANKING SERVICES

You agree that we may terminate this Agreement and your use of the Online Home Banking services if you or any authorized user of your account or personal identification information breaches this or any other agreement with us; or if we have reason to believe that there has been an unauthorized use of your

account or personal identification information. In addition, we reserve the right to terminate the service if you fail to use the service for more than two consecutive statement cycles.

You or any other party to your account can terminate this Agreement by notifying us verbally or in writing. Termination of service will be effective the first business day following receipt of your notice. However, termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

NOTICES The Credit Union reserves the right to change the terms and conditions upon which this service is offered. The Credit Union will mail notice to you at least twenty-one (21) days before the effective date of any change, as required by law. Use of the Online Home Banking service is subject to existing regulations governing your accounts and any future changes to those regulations.

BILLING ERRORS

In case of errors or questions about your Online Home Banking transactions; telephone us at 574-583-5556 which is the number in the Liability for Unauthorized Access section as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears.

- Tell us your name and account number.
- Describe the transaction 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) calendar days. We will determine whether an error occurred within ten (10) business days after we hear from you and we will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days for the amount you think is in error, so that you will have the use of the funds during the time it takes us to complete our investigation. If we ask you to put your complaint or questions in writing and we do not receive it within ten (10) business days, we may not credit your account.

If a notice of error involves an electronic fund transfer that occurred within thirty (30) days after the first deposit to the account (new accounts) was made, the applicable time periods for action shall be twenty (20) business days in place of ten (10) business days. If a notice of error involves an electronic fund transfer that was initiated in a foreign country or occurred within thirty (30) days after the first deposit to the account was made, the applicable time period for action shall be ninety (90) calendar days in place of forty-five (45) calendar days.

If we decide after our investigation that an error did not occur, we will deliver or mail to you an explanation of our findings within three (3) business days after the conclusion of our investigation. If you request, we will provide you copies of documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur.

ENFORCEMENT

You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with all applicable federal laws and all applicable substantive laws of the State of Indiana where you opened your account, and the Bylaws of the Credit Union as they now exist or may be hereafter amended. You understand that we must comply with these laws, regulations, and rules. You agree that if there is any inconsistency between the terms of

the Agreement and any applicable law, regulation, or rule, the terms of this Agreement will prevail to the extent any such law, regulation, or rule may be modified by agreement between us.

Board Approved