

INTERNET BANKING AGREEMENT AND DISCLOSURE

This Internet Banking Agreement and Disclosure ("Agreement") describes your rights and obligations as a

user of the Internet Banking service or the Bill Payment service ("Services"). It also describes the rights

and obligations of FSB – A Division of Y-12 Credit Union ("Credit Union"). Please read this Agreement carefully. By requesting

and using one of these Services, you agree to comply with the terms and conditions of this Agreement.

I. Definitions

The following definitions apply in this Agreement:

- a. "Authorized Representative" refers to a person with authority (with respect to the account);
- b. "Bill Payment" is the online service that enables the scheduling of bill payments using a personal computer;
- c. "ISP" refers to your Internet Service Provider;
- d. "Internet Banking" is the internet-based service providing access to your Credit Union account(s);
- e. "Online Account" means the Credit Union account from which you will be conducting transactions using a Service;
- f. "Password" is the member-generated code selected by you for use during the initial sign-on, or the codes you select after the initial sign-on, that establishes your connection to the Service;
- g. "PC" means your personal computer which enables you, with the Internet browser and ISP, to access your Online Account;
- h. "Time of day" references are to Eastern Standard Time;
- i. "User ID" is the Credit Union-generated identification code assigned to you for your connection to the Service;
- j. "We", "us", or "Credit Union" refer to Credit Union Name which offers the Services and which holds the accounts accessed by the Services; and
- k. "You" or "your" refers to the owner of the account or the authorized representative.

II. Access to Services

The Credit Union will provide instructions on how to use the Internet Banking and Bill payment Services. You will

gain access to your Online Accounts through the use of your Internet-enabled device, your ISP, your Password and your User ID. You may access your Online Accounts 24 hours a day, seven (7) days a week. However, availability of the Services may be suspended for brief periods of time for purposes of

maintenance, updating and revising the software.

For purposes of transactions, the Credit Union's business days are Monday through Friday, excluding holidays

and weekends. All Internet Banking transaction requests received after 4:00 P.M. on business days and

all transactions which are requested on Saturdays, Sundays, or holidays on which the Credit Union chooses to

remain closed, will be processed on the Credit Union's next business day. The Credit Union's business day begins at

8:00 A.M.

III. Transactions with Internet Banking

a. Account Access: You may access an unlimited number of Credit Union personal accounts online. One

of these accounts must be a primary checking account.

b. Transfer of Funds: In addition to viewing account information, you may use Internet Banking to conduct the transfer of funds. You may make one-time transfers or schedule future or recurring transfers such as transfers to make loan payments. You may transfer funds among your checking accounts, savings accounts and money market accounts.

c. NOTE: Because regulations require the Credit Union to limit preauthorized transfers (including Internet

Banking transfers), the following limitations apply:

ii. Money Market Accounts: You can make no more than six (6) transfers per statement cycle by preauthorized or automatic transfer or by telephone or Internet Banking. Please note: If there are not sufficient funds in the account, we cannot complete this transfer.

However, future recurring transfers will not be impacted.

d. Additional Services: New services may be introduced for Internet Banking from time to time.

The Credit Union will notify you of the existence of these new services. By using these services when

they become available; you agree to be bound by the rules that will be made available to you concerning these services.

IV. Schedule of Fees

Online internet banking \$ 0.00 Bill Pay \$ 0.00

Replacement ATM Card \$ 10.00 Wire Transfer \$ 35.99

Overdraft Item Charge per item \$ 32.00 Account Research \$ 35.99 per hour

Returned Item Charge per item \$ 32.00 Photocopies \$ 1.00

Stop Payment fee \$ 32.00

V. Use of Your Security Password

You are responsible for keeping your password and Online Account information confidential. In order to

protect yourself against fraud, you should adhere to the following guidelines:

- a. Do not give out your account information, Password, or User ID;
- b. Do not leave your PC unattended while you are in the Credit Union's Internet Banking Site.
- c. Never leave your account information within range of others; and
- d. Do not send privileged account information (account number, Password, etc.) in any public or general e-mail system.

If you believe your password has been lost or stolen, or if you suspect any fraudulent activity on your

account, call the Credit Union immediately at 606-248-5950 between the hours of 8:00 A.M. to 4:00 P.M.,

Monday through Friday. Telephoning the Credit Union is the best way of minimizing your losses and liability.

If you believe your Password has been lost or stolen, please use the Password change feature within the

Internet Banking section of the Website to change your Password.

VI. Electronic Mail (E-mail)

If you send the Credit Union an e-mail message, the Credit Union will be deemed to have received it on the following

business day. You should not rely on e-mail if you need to report an unauthorized transaction from one of

your accounts or if you need to stop a payment that is scheduled to occur.

a. NOTE: E-mail transmissions outside of the Internet Banking site are not secure. We advise you not to send us or ask for sensitive information such as account numbers, Password, account information, etc. via any general or public e-mail system. If you wish to contact us electronically, please use the Guest Book provided in our Internet Banking site. Use this secure form to e-mail the Credit Union regarding inquiries about an electronic funds transfer error resolution, reporting unauthorized transactions, or contacting the Credit Union regarding other concerns of a confidential nature.

VII. Bill Payment Services

a. Description of Service: The Bill Payment Service permits you to use your Internet-enabled device to direct payments from your designated online Bill Payment Account to third parties you wish to pay. Your Bill Payment Account must be a primary checking account. Through the Bill Payment Service, you can pay bills from your Bill Payment Account to businesses or individuals.

b. All payments you make will be deducted from the checking account that you designate as your Bill Payment Account for the Bill Payment Service. Any payments you wish to make through this Service must be payable in U.S. dollars to a payee located in the continental United States. We reserve the right to restrict types of payees to whom payments may be made using the Service from time to time. You should not use the Bill Payment Service to make payments to settle securities purchases, payments to interest bearing accounts, tax payments, or court ordered payments. Payments for these payees will be your sole responsibility if delayed or improperly processed or credited.

Scheduling Payments: Funds must be available in your Bill Payment Account on the scheduled payment date. If the date you schedule a payment to be initiated falls on a non-business day (Saturday, Sunday, or holiday), funds must be available in your Bill Payment Account the following business day (e.g. Monday). After funds are withdrawn from your Bill Payment Account

to make a payment, we may make the payment either by transferring funds electronically to the payee or by mailing the payee a check.

You may choose to schedule payments to recur in the same amount at regular weekly, monthly, or semi-monthly intervals. When you create a new payee in the Bill Payment Service, it takes two (2) business days to set up the payee to receive payments. You should schedule a payment to a new payee at least ten (10) business days before any payment due date, to allow us time to set up the payee and verify information about your account with the payee.

For all subsequent payments, you agree to allow at least four (4) to ten (10) business days between the date you schedule a payment to be initiated and the payment due date (that is, the due date shown on your invoice or provided in your agreement with the payee, not taking into account any applicable grace period). If the payment is an Automatic Clearing House (ACH) electronic payment, it will take up to four (4) business days to reach the payee. However, if the company or person that you are paying cannot accept an electronic payment, the Bill Payment Service will send a check that may take up to ten (10) business days. If you do not follow these time frames, you will be fully responsible for all late fees, finance charges or other actions taken by the payee. If you schedule your payment and follow all instructions provided, but the payment is not received by the payee in a timely manner, the Credit Union will work with the payee on your behalf

to reverse any late fees or charges.

c. No Duty to Monitor Payments. The Credit Union is only responsible for exercising ordinary care in processing and sending payments upon your authorization in accordance with this Agreement.

The Credit Union will not be liable in any way for damages you incur for any of the following reasons:

- i. Insufficient funds in your Bill Payment Account to make the payment on the processing date;
- ii. Delays in mail delivery;
- iii. Changes to the payee's address or account number unless we've been advised of the change in advance
- iv. The failure of any payee to correctly account for or credit the payment in a timely manner, or

v. Any other circumstances beyond the control of the Credit Union.

If the session during which you schedule a payment or transfer ends by 2:00 p.m., the Credit Union will

be considered to have received it on that day. Otherwise, it will be considered received on the following business day. For all entries made using the Services, the time recorded by the Internet Banking Service will be considered the official time of the transaction.

If your Bill Payment Account does not have sufficient funds to make a payment as of the date the payment is debited to your account, the Bill Payment Service will automatically block future Bill Payment Service until the account has sufficient funds to make the payment. The Credit Union will attempt to notify you by e-mail or U.S. Postal Mail, but the Credit Union shall have no obligation or liability if it does not complete a payment because there are insufficient funds in your account to process a payment. In all cases, you are responsible for either contacting the Service at 606-248-5950 or 800-248-5950 to either make alternate arrangements for the payment or reschedule the payment through the Service. In the case of fixed payments, only the payment currently scheduled will be impacted. Fixed payments scheduled for future dates will not be affected.

d. Cancel or Change Payment Instructions: 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 us at (800) 248-5950, or write us at 1820 Cumberland Ave, Middlesboro, KY 40965, in time for us to receive your request 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 14 days after you call. We will charge you \$35.99 for each stop-payment order you give. If you order us to stop one of these payments 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. No Signature Required: When any payment or other online Service generates items to be charged to your account, you agree that we may debit your Bill Payment account without requiring your signature on the item and without prior notice to you.

e. Multiple Person Bill Payment Accounts: If more than one person has access to a Bill Payment account, each person may individually enroll in the Bill Pay service. Each enrolled person needs a unique password but may choose to use the same payee list. Each individual may terminate

her/his enrollment in the Bill Payment service without affecting the Service for any other person enrolled in that Bill Payment account. However, any enrolled person may terminate the Bill Payment service that will terminate the service for all enrolled persons on that Bill Payment account.

VIII. Linked Accounts

a. All accounts with the Credit Union that you enroll in a service will be linked by the tax identification

numbers of the persons authorized to access the account. The linked accounts will appear together without regard to the ownership of the accounts. For example, if an authorized user of a linked account accesses the Service, that authorized user will be able to view and access at a single time the following accounts:

- b. The accounts of the business for which that person is an authorized user;
- c. The accounts of any other business for which that person is an authorized user; and
- d. Any consumer accounts for which the person is a co-owner or authorized signer.

IX. Business Accounts

a. If you are a business, any authorized user of your business is authorized on such terms, conditions, and agreements as we may require to:

- b. Enter into this Agreement, as amended from time to time;
- c. Access each account of yours in any manner and for any purpose available through the Service, whether now available or available at some time in the future; and
- d. Use any Internet Banking service in any manner and for any purpose available through the Service, whether now available or available at some time in the future.

X. Term and Termination

a. Term: This Agreement will become effective on the date of acceptance of this agreement and shall remain in full force and effect until termination in accordance with the following provisions.

b. Termination for Cause: We may immediately terminate your Internet banking privileges (including the Bill Payment Service) without notice to you under the following circumstances:

- i. You do not pay any fee required by this Agreement when due or
- ii. You do not comply with the agreement governing your deposit or loan accounts or your

accounts are not maintained in good standing.

iii. You may be notified if we terminate this Agreement or your use of the Services for any other reason.

XI. Termination for Convenience. To terminate this Agreement, you must notify the Credit Union and provide your

name, address, the Service(s) you are discontinuing, and the termination date of the Service(s).
When Bill

Payment is terminated, any prescheduled bill payments made through Internet Banking will also be terminated. Your final charge for the Bill Payment service will be assessed at the end of your statement

cycle. You may notify the Credit Union by one of the following methods:

a. By sending an e-mail to internetbanking@ourfsb.org

b. By calling 606-248-5950 or 800-248-5950

c. By writing a letter and either sending it to the following address:

d. FSB – A Division of Y-12 Credit Union

Attention: Bookkeeping

1820 Cumberland Ave

Middlesboro KY, 40965

e. Presenting written letter to a Customer Service Representative at any of the Credit Union's locations.

If you are not paying a monthly service charge for the Service, we may convert your account to inactive

status if you do not sign on to the Service or have any transaction scheduled through the Service during

any consecutive 90-day period. If your account is considered inactive, you must contact us to have the

Service activated before you will be able to schedule any transaction through the Service.

XII. Electronic Fund Transfer Provisions for Consumers

a. Visit our website for a copy of the Electronic Fund Transfer Disclosure

XIII. General Terms and Condition

a. Credit Union Agreements. In addition to this Agreement, you and the Credit Union agree to be bound by and

comply with the requirements of the agreements applicable to each of your Online Accounts.

Your use of the Internet Banking Service or the Bill Payment Service is your acknowledgment that you have received these agreements and intend to be bound by them. In addition, at the time of account opening you were provided disclosures and fee schedules pertaining to your account.

You should review this information or you may request duplicate copies of these items.

Furthermore, any fees that are associated with a service will be disclosed at the time of executing the transaction, these fees will be deducted from the account at time of service.

b. Changes and Modifications. The Credit Union may modify the terms and conditions applicable to the

Services from time to time. We may send any notice to you via e-mail and you will have to be deemed to have received it three days after it is sent. The revised terms and conditions shall be effective at the earliest date allowed by applicable law. We reserve the right to terminate this Agreement and your use of the Services in whole or in part at any time without prior notice.

c. Assignment. We may assign this Agreement to an affiliate of the Credit Union or any successor in interest in the event of a merger, reorganization, change of control, acquisition or sale of all or substantially all assets of the business to which this Agreement is related without the other party's prior written consent.

d. Notices. Unless otherwise required by applicable law, any notice or written communication given pursuant to this Agreement may be sent to you electronically.

e. Disclosure of Information. We will only disclose information to third parties about your account or transfers you make under the following circumstances:

- i. Where it is necessary for the provision of Internet Banking and for completing transfers;
- ii. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
- iii. In order to comply with government or court orders, or other reporting requirements;
- iv. If you give us your permission;
- v. To the Credit Union affiliated companies.

f. Governing Law. This Agreement is governed by the laws of the State of Kentucky and applicable federal law.