



## Business Online Banking Agreement

This Online Banking Agreement (the "Agreement") is by and between (your company) (referred to herein as "Customer," whether one or more than one party) and Lake Community Bank, a Minnesota banking corporation, referred to throughout this Agreement as "Bank."

Customer wishes to utilize certain online banking services through the use of Customer's personal computers, software and telecommunications devices, which services Bank currently makes available and may make available in the future. Bank desires to provide Customer with the means to utilize such services, consistent with the rights and obligations of Customer and Bank pursuant to the agreements between them governing accounts, loans and other relationships which Customer may have with Bank. Accordingly, Customer and Bank have decided to enter into this Agreement governing online banking services, which Bank may offer from time to time. The online banking services offered by Bank at any given time are referred to herein as the "Online Banking Services," and Customer understands that Bank, in its sole discretion, may add to, remove from, modify or otherwise change the type and nature of the services that may be available online. Bank agrees to give Customer written notice of such changes as provided in Section 15 of this Agreement.

1. *Scope of this Agreement.* This Agreement governs the use of Online Banking Services, which as of the date of this Agreement consist of the services described on

Operating Procedures. References herein to Operating Procedures shall be deemed to refer to the most recent list or description of Online Banking Services provided by Bank to Customer.

2. *Accounts: Separate Agreements.* In order to utilize Online Banking Services, Customer must maintain a business checking account and may also maintain one or more business accounts with Bank. By entering into this Agreement, Customer agrees to maintain such account(s) properly, observe and comply with all rules applicable thereto, and pay all fees associated with such accounts. The accounts to which Customer has access using Online Banking Services are governed by separate agreements with Bank, and such agreements are not amended by this Agreement and shall continue in full force and effect. Furthermore, certain services offered hereunder will require that Customer also enter into separate agreements with Bank governing such services.

3. *Transfers and Payments.* Pursuant to this Agreement, subject to Bank's applicable requirements (including entering into agreements governing the services to be provided), Customer will be provided the ability to initiate transfers of funds in the form of

- (i) transfers from one of Customer's accounts at Bank to another account of Customer at Bank,

- (ii) transfers to third parties using the Bill Payment service,
- (iii) transfers to third parties using ACH service;
- (iv) transfers to third parties using Wire Transfers service, and
- (v) placement of stop payment orders

In utilizing such services, Customer agrees to be bound by the specific requirements and terms of the agreement governing such services.

4. *Effect of Instructions.* Instructions provided to Bank in connection with Online Banking Services will be deemed to be written instructions, with the same effect as written instructions provided to Bank on paper and signed by Customer. In the event that customer instructs Bank to make periodic transfers of funds at regular intervals, such instruction shall have the same effect as written instructions to Bank signed by Customer.

5. *Security Procedures and Codes.*

(a) Customer agrees to comply at all times with the security procedures described herein and any subsequent security procedures described in written materials provided to Customer by Bank. Customer acknowledges that the purpose of such security procedures is for verification of authenticity and not to detect an error in the transmission or content of any instruction to Bank.

(b) Customer has designated a "Security Administrator" for the purposes of this Agreement and all Online Banking Services to be utilized by Customer. Bank will provide an Access ID and Password ("Codes") to enable the Security Administrator to obtain initial access to and utilize Online Banking Services. A Secure Token or other enhanced security protocol may be provided based on products and services utilized by the Customer. The Customer will be solely responsible for designating an internal Security Administrator who will define the granting and cancellation of their internal user entitlements for all usage of Online Banking Services derived there from. Bank will consider any access to Online Banking Services through use of valid Codes to be duly authorized by Customer, and Bank will therefore seek to carry out any instructions, regardless of, and without verifying, the identity of the person giving such instructions. Customer hereby authorizes Bank to treat any instructions transmitted with valid Codes as having been made to Bank in writing and signed by duly authorized agents of Customer. In the absence of substantial evidence to the contrary, Bank's records with respect to instructions will be conclusive regarding access to, or action taken through, Online Banking Services. Customer accepts responsibility for any unauthorized access to and action taken through, Online Banking Services using valid Codes, whether such access or action is by Customer's employee or agent, persons with access to Customer's records, or persons who have obtained access to Online Banking Services through Customer's failure to maintain adequate internal controls. Customer hereby confirms

that it has instituted proper internal controls through Customer's computers, terminals, equipment and procedures to adhere to Bank's security procedures with respect to Online Banking Services.

(c) Customer is strictly responsible to establish and maintain the procedures to safeguard against unauthorized access to Online Banking Services including, if reasonably required, updates to such procedures and monitoring by Customer of its compliance with such procedures. Customer warrants that no individual will be allowed access to Online Banking Services in the absence of proper supervision and safeguards and agrees to maintain the confidentiality of the security procedures and Codes and related instructions provided by Bank in connection with the commercially reasonable security procedures. If Customer, at any time has reason to believe or suspects that any such information or instructions have been disclosed to or accessed by any unauthorized person or used in a manner not authorized by Customer, Customer agrees to notify Bank as soon as practicable, followed by written confirmation as provided in Section 13(b) of this Agreement. The occurrence of unauthorized access will not affect any transactions executed in good faith by Bank prior to receipt of such notification and for a reasonable time thereafter.

(d) Customer acknowledges and agrees that the security procedures contemplated by this Agreement, including the obligations imposed on Customer with respect to responsibility for the Codes, are commercially reasonable.

6. *Monthly Fee.* There is no charge for basic online banking. Customer agrees that Bank will charge a monthly fee for additional added services for Online Banking. Bank shall charge Customer's account for all services provided pursuant to this Agreement by debiting Customer's account(s), by invoice to Customer or by such other methods as Bank may deem appropriate. Customer agrees to promptly pay all charges imposed by Bank in accordance with this Agreement and any other related agreements. Customer further agrees that if at the time such fee is to be deducted from Customer's account there are insufficient funds in the account, Bank may deduct the fee from any other account maintained by Customer with Bank.

7. *Payment for Services.* Customer shall pay Bank the charges for any optional services provided in connection with this Agreement, as set forth in the Services Fee Schedule. Fees and services are subject to change and such changes will be communicated to Customer by written notice. If Customer does not terminate this Agreement after receiving such notice, then the charges set forth in the notice shall be deemed to be accepted by customer. Such charges do not include, and Customer shall be responsible for payment of any sales, use, excise, value added, utility or other similar taxes relating to such services, if applicable, charges for Internet access and telephone charges incurred by Customer, and any fees or charges provided for in the agreement between Bank and Customer with respect to Customer's accounts.

8. *Confidentiality and Security.* Bank has designed the services offered pursuant to this Agreement and the Security Procedures described herein in order to minimize the possibility of fraud, error or unauthorized disclosure of confidential information about Customer's account(s). In order for such measures to be effective, Customer must comply with the Security Procedures. Customer acknowledges that neither Bank nor any person acting on behalf of Bank will request that Customer disclose its Password, and Customer agrees that neither its Security Administrator nor any other agent of Customer will disclose such Password.

9. *Customer's Equipment and Software.* Access to Online Banking Services will be available through use of the Customer's own personal computers, communications devices and other equipment and software. Bank will provide Customer with requirements for any hardware and/or software deemed compatible to allow effective access to Online Banking Services. However, if Customer chooses hardware and/or software that differs from those recommended by Bank, Bank will not be liable to customer for any malfunction, non-function, inaccuracy or other failure of service or reporting. Additionally, Customer acknowledges the ability to use Online Banking Services depends in part upon the Customer's responsibility to insure internal maintenance and compliance of required software and hardware, including upgrades if deemed necessary and communicated to Customer by Bank.

10. *Limitations on Bank's Responsibility.* (a) Bank shall be liable only for Customer's actual damages; in no event shall Bank be

liable for any consequential, special, incidental, punitive or indirect loss or damage in connection with this Agreement, whether or not the likelihood of such damage was known or contemplated by the Bank and regardless of the legal or equitable theory of liability asserted, including, without limitation, loss or damage from subsequent wrongful dishonor resulting from Bank's acts or omissions pursuant to this Agreement.

(b) Without limiting the generality of the foregoing provisions, Bank shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment or software failure, war, emergency conditions or other circumstances beyond Bank's control. In addition, Bank shall be excused from failing to act with respect to any instruction if such action would result, in Bank's reasonable judgment, in Bank's exposure to liability or risk beyond that contemplated by Online Banking Services or in a violation of any applicable law or regulation.

**(c) Bank does not make any warranties concerning Online Banking Services, including without limitation any warranty of merchantability or fitness for a particular purpose. Bank makes no warranties of any kind except as expressly stated in this Agreement.**

(d) Bank will use all reasonable efforts to provide the information requested through the Online Banking Services platform in a prompt fashion, but shall not be liable for temporary failure to provide in a timely

fashion [refer to Section 10.(b). of this Agreement]. In such event, customer will be responsible for carrying out business through alternative delivery channels. Bank will not be liable for any inaccurate or incomplete information with respect to transactions that have not been completely processed or posted to Bank's system prior to being made available within Online Banking Services. Information with respect to all transactions is provided for Customer's convenience and Customer shall have no recourse to Bank as to how Customer deems use of this information.

11. *Exclusive Use; Non-Assignment.* Online Banking Services are furnished for the exclusive use of Customer, and Customer may not assign this Agreement or any of the rights or duties hereunder to any person without Bank's prior written consent.

12. *Termination.* Customer may terminate this Agreement at any time. Such termination shall be effective after Bank has had reasonable amount of time to act upon the request of the written notice of such termination or such later date as is specified in that notice. Bank reserves the right to terminate Online Banking Services immediately and without notice in the event of improper use of such service or a failure to comply with the Security Procedures, and Bank may terminate this Agreement with or without cause by providing written notice of such termination to Customer. Any termination of this Agreement shall not affect any of Bank's rights and Customer's obligations with respect to Online Banking Services utilized by Customer, or the payment obligations of Customer with respect to services performed by Bank, or

any other obligations that survive termination of this Agreement. Termination of this Agreement will not affect or terminate agreements governing accounts of Customer with Bank.

13. *Notices.* (a) Any notice or other communication to Customer shall be in writing and shall be deemed to have been given or made on the date of delivery, in the case of hand delivery, or five (5) business days after deposit in the United States mail, postage prepaid, addressed to Customer at its address as shown on the records of Bank.

(b) Any notice or other communication to Bank shall be in writing and shall be deemed to have been given or made on the date of delivery, in the case of hand delivery, or five (5) business days after deposit in the United States mail, postage prepaid, addressed to Bank at the following address: Lake Community Bank, 1964 West Wayzata Boulevard, Long Lake, MN 55356.

(c) Either party may change its address for receipt of written notice by a written notice properly delivered to the other party.

(d) Although Customer and Bank may utilize electronic communications in order to implement the services provided pursuant to this Agreement, electronic messages may not be used for the purpose of giving written notice to the other party.

(e) In the event Customer (i) believes that any error has been made with respect to Online Banking Services, (ii) disputes any transfer, payment, charge or other entry involving Online Banking Services, or (iii) believes any security problem exists

(including the fact or possibility that any unauthorized person has access to the Codes or otherwise has access to Online Banking Services), then Customer shall promptly notify Bank by telephone, by calling 952-473-7347 and confirm such communication by written notice given in accordance with subsection (a) above. Bank shall not be deemed to have received notice until it has been given written notice as provided herein, but telephonic notice may enable Bank to act to prevent or limit loss to Customer that may otherwise occur. Although Customer will have the ability to transmit electronic mail directly to Bank using Online Banking Services, no communication through that system or other electronic communication shall be deemed to constitute written notice to Bank of an error, dispute or security problem.

14. *Recording and Use of Communications.* Customer and Bank agree that all telephone conversations and data transmissions between them or their agents made in connection with this Agreement may be electronically recorded and retained by either party by use of any reasonable means and for any lawful purpose. All recordings, discs, security reports and related media and records used by Bank for transactions contemplated by this Agreement shall remain Bank's property. Bank may, at its sole discretion and subject to reimbursement by Customer for its costs, make available such information or extracts thereof upon Customer's request.

15. *Amendments.* From time to time Bank may amend any of the terms and conditions contained or incorporated in this Agreement (including types of services described on

operating procedures) by sending a written notice to Customer. Following the delivery of such a notice, if Customer does not terminate this Agreement after receiving such notice, then the revised terms and conditions in such notice shall be deemed to be accepted by customer upon receipt of notice by Customer or such later date as may be stated in Bank's notice.

16. *Severability.* In the event that any provision of this Agreement shall be determined to be invalid, illegal or unenforceable to any extent, the remainder of this Agreement shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

17. *Entire Agreement.* This Agreement (including the Schedules attached hereto, as the same may be amended from time to time), is the complete agreement between Bank and Customer with respect to the subject matter hereof and supersedes any prior agreements, statements, negotiations and understandings between Bank and Customer with respect to such subject matter. In the event of any inconsistency between the terms of this Agreement and any agreement governing an account of Customer, the terms of this Agreement shall govern. In the event performance of the services provided herein in accordance with the terms of this Agreement would result in a violation of any present or future statute, regulation or government policy to which Bank is subject, and which governs or affects the transactions contemplated by this Agreement, then this Agreement shall be deemed amended to the extent necessary to comply with such statute, regulation or

policy, and Bank shall incur no liability to Customer as a result of such violation or amendment. No course of dealing between Bank and Customer will constitute a modification of this Agreement or the security procedures utilized in connection with Online Banking Services or constitute an agreement between the Bank and Customer.

18. *Binding Agreement; Benefit.* This Agreement shall be binding upon and inure to the benefit of Bank and Customer and their respective legal representatives, successors and assigns. This Agreement is not for the benefit of any other person, and no other person shall have any right against Bank or Customer hereunder.

19. *Headings.* Headings are used for reference purposes only and shall not be deemed a part of this Agreement.

In Witness Whereof, this Agreement is executed by duly authorized officers of Bank and Customer as of \_\_\_\_\_.

20. *Waiver.* Either Bank or Customer may waive the benefit of any provision of this Agreement, but only by a written instrument signed by such party. Any such waiver shall not affect such party's rights with respect to any other transaction or event or otherwise modify the terms of this Agreement.

21. *Governing Law.* This Agreement shall be governed by the laws of the State Of Minnesota.

Lake Community Bank

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## **Business Online Banking Operating Procedures**

### **Computer Equipment and Security Procedures**

Customer is solely responsible for the maintenance, installation and operation of its computer, and for the hardware and software used in accessing Online Banking. The Bank shall not be responsible for any errors, deletions, or failures that occur as a result of any malfunction of the customer's computer or software, nor will the Bank be responsible for any computer virus that affects the customer's computer or the software while using Online Banking. Any undetected virus or virus that is not removed from the customer's computer may corrupt and destroy the programs, files and even the hardware.

Additionally, it is the customer's responsibility to have an Internet Service Provider, current antivirus protection, and other commercially reasonable security procedures to utilize Online Banking. Any costs or fees to obtain these services or software are solely customer's responsibility.

### **Eligible Accounts**

Customer must establish a business checking account with the Bank. Savings, Money Market and non-transaction accounts are not eligible for the business bill pay feature.

The following types of accounts are **not** eligible for account transfers; investment

accounts, controlled disbursement accounts, repurchase accounts, or certificate of deposit accounts. Eligibility of accounts is subject to change without notice.

### **Core Services**

Customer must complete the Online Banking agreement and establish a business checking account with the Bank.

Customer must authorize a "Security Administrator" to establish individual customer users on Business Online Banking.

Core Services consist of "view" only capabilities for summary, detail, and transaction history on designated customer accounts also included are capabilities to request check copies, view statements, and issue stop payment orders.

If applicable, customer may obtain daily controlled disbursement clearing totals and daily lockbox deposit totals.

### **Domestic Wire Transfers**

An Officer of the Bank must complete a Wire Transfer Request Form indicating that the customer's credit is satisfactory in accordance with the risk associated with origination of Domestic Wire Transfers.

Customer must sign a separate Wire Transfer Agreement. If special security procedures are required by the customer, the instructions must accompany the Wire



Transfer Agreement, in writing, and be properly executed by an authorized signer on the account. The Bank will make the final determination regarding the requested security procedures.

All wires of \$100,000 or greater will be authenticated via telephone verification to a secondary authorized individual prior to origination.

Customer will identify and setup only authorized users on Online Banking to initiate outgoing Domestic Funds transfers.

Customer may stop an outgoing wire transfer by calling the Wire Transfer Department and requesting a wire transfer be stopped. The wire transfer will be stopped only if the caller can be authenticated as an authorized signer on the account and the wire has **NOT** been released to the Federal Reserve Bank. If a wire transfer is released to the Bank in error, it cannot be edited or deleted on Business Online Banking. It must be stopped by the means described above.

Customer may only transfer funds up to the current available balance in the account.

Customer may initiate outgoing domestic wire transfers up to 3:00 p.m. CST.

### **International Wire Transfers**

Customer must be credit worthy and supply complete and timely financial statements as required by the Bank.

Customer must sign a separate Wire Transfer Agreement. If special security

procedures are required by the customer, the instructions must accompany the Wire Transfer Agreement, in writing, and be properly executed by an authorized signer on the account. The Bank will make the final determination regarding the requested security procedures.

All wires of \$25,000 or greater will be authenticated via telephone verification to a secondary authorized individual prior to origination.

International wires may only be sent beneficiaries using pre-defined templates. Only the dollar amount of the wire may fluctuate. Customer must contact bank if additional templates are required, or if modifications to any existing templates are required. Limitations on amounts may apply, as defined in the Wire Transfer Agreement.

Customer will identify and setup only authorized users on Online Banking to initiate outgoing International Funds transfers.

Customer may stop an outgoing wire transfer by calling the Wire Transfer Department and requesting a wire transfer be stopped. The wire transfer will be stopped only if the caller can be authenticated as an authorized signer on the account and the wire has **NOT** been released to the Federal Reserve Bank. If a wire transfer is released to the Bank in error, it cannot be edited or deleted on Business Online Banking. It must be stopped by the means described above.

Customer may only transfer funds up to the current available balance in the account.

Customer may initiate outgoing international wire transfers up to 3:00 p.m. CST.

### **Account Transfers**

Customer may transfer funds between checking, money market or savings accounts held at the Bank that have the same ownership.

Funds may be transferred immediately or scheduled in advance, up to 30 days into the future. Future dated transfers will generally be completed by 8:00 a.m. CST on the scheduled transfer date.

The available balances in the TO and FROM accounts will be updated immediately on the date the transfer is effective.

Transfer history will be updated on the next business day following a transfer if the transfer was made before 6:00 p.m. CST.

The maximum dollar limit on any transaction is equal to the available balance in the FROM account, including the available balance in any automatic investment account or line of credit account associated with the FROM account, on the day the transfer is complete.

### **Stop Payments**

Customer may place stop payments on checks drawn on their checking account. Stop Payment orders placed using Business Online Banking are considered written stop payment orders effective for 6 months and

are governed by the applicable account agreement.

### **Bill Payment**

The Bill Pay feature of Online Banking allows the customer to schedule payments from a designated checking account. The payments will be made according to the instructions created on Business Online Banking. Payments may be made to persons or businesses in the United States. Bill Payment transactions are governed by the Bill Payment Terms and Conditions, which must be accepted prior to first use.