

Northern Michigan Bank & Trust
Bill Payment Service Agreement & Disclosure
Last amended 4/2/2007

Northern Michigan Bank & Trust hereby publishes the following terms and conditions for the use of our Bill Payment services. Northern Michigan Bank & Trust reserves the right to modify these terms and conditions at any time, effective upon publication. The use of Northern Michigan Bank & Trust Bill Payment Service constitutes agreement to these terms and conditions and modification thereof.

GENERAL USE AGREEMENT

1. User represents and warrants that they are at least 18 years of age.
2. User agrees to comply with the requirements of any help screens, instructions, on-line documentation, or other on-line user terms and conditions, as modified from time to time.
3. User agrees that anyone with an ownership interest in your accounts, including joint accounts, may access those accounts, unless we are instructed to the contrary in writing.
4. Northern Michigan Bank & Trust reserves the right to monitor and review transmissions on-line and in storage, and to remove or reject any materials which Northern Michigan Bank & Trust, at its sole discretion, believes may be unlawful or objectionable, without prior notice to User.
5. Transmission of confidential business and sensitive personal information is at User's sole risk.

CODES

Northern Michigan Bank & Trust recommends that you follow some general safety guidelines to protect your User ID and password.

1. Do not walk away from your computer while still logged into Money Talks Online Banking or Bill Payment.
2. Memorize your codes.
3. Do not share your codes with anyone, even if they identify themselves as a Northern Michigan Bank & Trust employee. Under no circumstances does Northern Michigan Bank & Trust need your password.
4. Choose codes that are not easy to guess.
5. Notify us immediately if you believe your codes have been lost or stolen.

TYPES OF TRANSFERS AND CHARGES

User may perform the following transactions by using Money Talks Online Banking or Bill Payment service:

1. Get balance and transaction history on deposit accounts.
2. Get balance and transaction history on loan accounts.
3. Transfer funds from checking to checking.
4. Transfer funds from checking to savings.
5. Transfer funds from savings to checking.
6. Transfer funds from savings to savings.
7. Make payments from checking to loan account(s) with us.
8. Make payments from savings to loan account(s) with us.
9. Make payments from checking to third parties with Bill Payment.

There is no fee for Bill Payment at this time.

BUSINESS HOURS

Business days are Monday through Friday 8:30 a.m. – 5:00 p.m., except federal banking holidays. There is also a business day "cut off" time for Money Talks Online Banking and Bill Payment of 9:00 p.m. EST. Transactions made after that time (or any time on the weekend or holiday) are processed on the next business day.

DOCUMENTATION

All transactions performed with Money Talks Online Banking or Bill Payment services will be listed on your deposit statement. You will receive a monthly statement for our checking or money market account and at least a quarterly statement for your savings account(s).

PREAUTHORIZED PAYMENTS

If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

1. Cancel all outstanding transfer orders you have scheduled through Money Talks Online Banking or Bill Payment services.
2. Notify us in time for us to receive your request three (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 present it to us within fourteen (14) days after you call. There may be a separate fee for each stop payment order you give.

If you order us to stop one of these payments three (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.

FINANCIAL INSTITUTION'S LIABILITY

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, we will be liable for your losses or damages. However there are some exceptions. We will not be liable, for instance:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. If you have an overdraft line and the transfer would go over the credit limit.
3. If the service, your equipment, the software, or any communications link is not working properly and you know or have been advised by us, about the malfunction before you attempted to execute the transaction or, in the case of an automatic or recurring transaction, at the time the transaction should have occurred.
4. If you have not provided the service with the correct name, address or account information for Bill Payment payees.
5. If a payee mishandles, delays posting or refuses a payment.
6. If the transfer or hold is restricted by legal process or holds.
7. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
8. If your services has been terminated for any reason.

CONFIDENTIALITY

We may disclose information to third parties about our account or the transactions you make where it is necessary for completing transactions or resolving errors involving Money Talks Online Banking or Bill Payment services. We may also disclose information to verify the existence and condition of your account for third parties, such as a credit bureau or a merchant or in order to comply with governmental agency rules, court or administrative agency orders, or other applicable law or as described in our separate Privacy Policy.

UNAUTHORIZED TRANSFERS

An unauthorized transfer is a transfer by a person who does not have actual, implied, or apparent permission and is a transfer that does not benefit you. A transfer by a joint account holder or other person with an interest in your account is not an unauthorized transfer.

a. Consumer Liability

Tell us AT ONCE if you believe your codes have been lost or stolen or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within two (2) business days after you learn of the loss or theft of your card or code, you can lose no more than \$50.00 if someone used your codes without your permission.

If you do NOT tell us within two (2) business days after you learn of the loss or theft of your codes, and we can prove we could have stopped someone from using your codes without your permission if you had told us, you could lose as much as \$500.00.

Also, if your statement shows transfers that you did not make including those made by card code or other means, 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 you lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or extended hospital stay) kept you from notifying us we may extend the time period. If you believe that your card or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (906) 786-0221, or write us at Northern Michigan Bank & Trust, P.O. Box 716, Escanaba, MI 49829. You should also call the number or write this address if you believe a transfer has been made using the information from your check without your permission.

b. Non-Consumer Liability

Tell us AT ONCE if you believe your codes have been lost or stolen. You will not be liable for any unauthorized use of your codes that occur after you notify us of the loss of theft of your codes. You may be liable, however, for the entire amount of an unauthorized use that occurs before you notify us:

- If you or an authorized user voluntarily permit the codes to come into the possession of a person who makes or causes to be made an unauthorized use.
- If you or an authorized user leave your computer unattended while logged into Money Talks Online Banking or Bill Payment.

If you fail to notify us of an unauthorized used within 30 days after you receive a statement on your authorized account showing the unauthorized use, you will be liable for a subsequent unauthorized use that could have been prevented by timely notification. If you believe that your codes have been lost or stolen or that someone has transferred or may transfer money from your account without your permission, contact us at the phone number or address listed in the Consumer Accounts Liability section above.

TERMINATION OR DISCONTINUATION

In the event you wish to discontinue the service, you must notify us in writing. Notification can be faxed to (906) 786-7652 or mailed to Northern Michigan Bank & Trust, P. O. Box 716, 1921 3rd Avenue North, Escanaba, MI 49829.

Since service cancellation requests can take up to ten (10) days to process, you should cancel all outstanding payment or transfer orders in addition to notifying us of your desire to terminate the service. We will not be liable for payments or transfers not cancelled or payments made due to the lack of proper notification of your desire to cancel service.

Northern Michigan Bank & Trust reserves the right to terminate your use of the services in whole or in part at any time. Upon termination of service you will be responsible for all future payments.

IN CASE OF ERRORS OR QUESTIONS

1. Telephone us at 906-786-0221.
2. E-Mail us at nmbank@nmbank.com
3. Write to us at Northern Michigan Bank & Trust, P. O. Box 716, 1921 3rd Avenue North, Escanaba, MI 49829

User must notify us via one of the above means if User believes there is an error or problem with their statement of if User needs more information about a transfer listed on the statement. We must hear from the User no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

Please include the following information in your correspondence.

1. User's name and account number.
2. Describe the error or transfer that is in question, and explain as clearly as possible why you believe it is an error or why you need more information.
3. Dollar amount of suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

We will tell you the results of our investigation within ten (10) business days after we hear from you, and will correct any error promptly. If more research is needed, we may take up to forty five 45 days to investigate the 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 may have the 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 ten (10) business days we may not credit your account.

If we decide there was no error, will mail you a written explanation within three (3) business days after we finish the investigation. You may ask for copies of documents which we used in our investigation.

By using the Northern Michigan Bank & Trust Bill Payment service, I agree to the terms of the Agreement. I acknowledge having received a copy of the Northern Michigan Bank & Trust Privacy Notice.