

**Regulation CC - Funds Availability Policy:****Your Ability to Withdraw Funds at Lake City Bank**

The purpose of Expedited Funds Availability Act and Check Clearing for the 21<sup>st</sup> Century Act is to promote availability of funds deposited and to contain rules relating to substitute checks. It also expedites the return of dishonored checks through the United States check clearing and payments systems.

Our policy is to make funds available from your deposits the next business day, or by the seventh business day after the day of your deposit depending on the type of deposit as described below. This policy applies to both personal and non-personal checking accounts.

We reserve the right to impose case-by-case and exception holds and to impose holds on other funds held on deposit as outlined in the information following.

**Determining the Availability of a Deposit**

The length of delay is counted in business days beginning with the business day following the day of your deposit. Every day is a business day except Saturday, Sunday and legal holidays.

**Length of Delay**

The length of delay varies depending on the type of deposit as explained below.

**Same-Day Availability**

Direct Deposits of electronic payments (such as Social Security benefits and payroll direct deposits) are available on the business day that the funds are due to you.

**Next-Day Availability**

Funds from the following deposits are available on the first business day after the day of your deposit.

- U.S. Treasury checks that are payable to you
- Wire Transfers
- Checks drawn on Lake City Bank
- If you make the deposit in person to one of our employees at one of our offices, funds from the following deposits are also available on the first business day after the day of your deposit:
  - Cash
  - State of Indiana and Indiana local government checks deposited into Lake City Bank accounts that are payable to you: Special processing may be required. Please notify bank employee at time of deposit.
  - Cashier's, Certified, and Teller's Checks that are payable to you: Special processing may be required. Please notify bank employee at time of deposit.
  - Federal Reserve Bank checks, Federal Home Loan Bank checks and U. S. Postal money orders, if these items are payable to you
- The lesser of \$225 or the aggregate amount deposited on any one banking day to all accounts of the customer by check or checks not subject to next day availability

If you do not make your deposit in person to one of our employees at one of our offices (for example, if you mail the deposit), funds from these deposits may not be available until the second business day after the day we receive your deposit.

**More Than One Category of Checks in a Deposit**

If you deposit more than one category of checks in a deposit, \$225 from the checks in that deposit will be available on the first business day after the day of your deposit, not \$225 from each category of check.

**Case By Case Holds**

A check could have up to a two (2) day hold. We will notify you if we delay your ability to withdraw funds and we will tell you when the funds will be available. They will generally be available to you no later than the second (2<sup>nd</sup>) business day after the day of your deposit or earlier as required by law. If you need to be sure about when a particular deposit will be available for withdrawal, contact your local banking center or the One Call Center at (888) 522-2265.

**Exception Holds**

Funds you deposit by check may be delayed for a longer period under the following circumstances.

- You deposit checks totaling more than \$5,525 on any one day. The first \$225 will be available the next business day after the day of your deposit. The next \$5,300 will be available the second (2<sup>nd</sup>) business day after the day of your deposit. The remainder will generally be available no later than the seventh (7<sup>th</sup>) business day after the day of your deposit.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months. (This is defined to mean on six or more banking days within the preceding six months, the account balance is negative or the balance would have become negative if checks or other charges to the account had been paid, rather than returned. This also can be defined to mean on two or more banking days within the preceding six months the account balance is negative in the amount of \$5,525 or more if the checks or other charges to the account had been paid.)
- There is an emergency, such as failure of communications or computer equipment.
- We may also delay the availability of funds that a customer deposits by check for the following reasons:
  - We receive notice that the check is being returned unpaid.
  - We have confidential information that the check may not be paid.
  - The check is drawn on an account with repeated overdrafts.
  - We are unable to verify the endorsement of a joint payee.
  - Some information on the check is not consistent with other information on the check.
  - There are erasures or other apparent alterations on the check or the check is counterfeited or photocopied.
  - The routing number of the paying bank is not the current routing number.
  - The check is post dated (future date) or has a stale date (more than six months old).
  - Information from the paying bank indicates that the check may not be paid.
  - We have been notified that the check has been lost or damaged in transit.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available to you no later than the seventh (7<sup>th</sup>) business day after the day of your deposit or earlier as required by law. If you do not receive a hold notice at the time you make the check deposit, a notice will be mailed to you. If the check(s) deposited is (are) paid, the bank will refund any of its fees for overdrafts or returned checks that resulted solely from the hold imposed at the time you made the deposit. To obtain a refund of such fees, please contact the One Call Center at (888) 522-2265. If you need to be sure about when a particular deposit will be available for withdrawal, contact your local banking center or the One Call Center at (888) 522-2265.

## Special Rules for New Accounts

If you are a new customer, the following special rules may apply, at our discretion, during the first 30 calendar days your account is open instead of the rules described above.

- Funds from electronic direct deposits into your account will be available on the business day the funds are due to you.
- Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of U.S. Treasury checks, U.S. Postal money orders, Federal Reserve Bank, and Federal Home Loan Bank checks, and cashier's, certified, teller's, traveler's, and state and local government checks will be available for withdrawal on the first business day after the day of your deposit if the deposit meets certain conditions (for example, the checks must be payable to you). Special processing may be required. Please notify bank employee at time of deposit. The excess over \$5,525 will be available no later than the ninth (9th) business day after the day of your deposit. If your deposit of these checks (other than U.S. Treasury checks) is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit.
- Funds held from all other check deposits are not subject to the availability requirements. These funds will be held for five (5) business days.

## Holds on Other Funds

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your ability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. For example, if we cash a \$100 check for you, \$100 of funds already in your account will not be available until the next business day after the day we cashed the check.

## Important Information About Endorsements

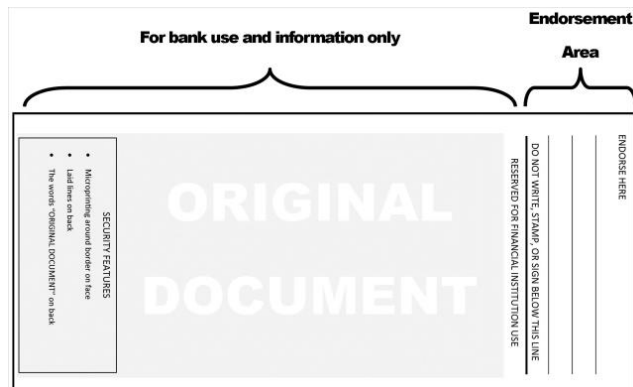
### Indemnification (Refer to General Terms and Conditions in this Agreement)

You agree to indemnify Lake City Bank against and hold harmless from any liability or loss, including court costs, reasonable attorney costs and other expenses, the bank may incur resulting from a delay in the forward collection or return of any item deposited into or issued from your account, caused by improper placement of endorsement(s) or other materials on the back of the deposited or issued item that affects the bank's ability to endorse the item as required by federal regulations.

In the event the bank becomes party to any legal proceedings between you and any third party, or between you and any joint owner, it is agreed that all of the joint owners will reimburse all liability, costs, charges, fees and expenses, including attorney and court costs, incurred by the bank as a result of such proceedings.

### Endorsement Standards

All financial institutions are legally required to adhere to formal bank endorsement standards when processing customer check deposits. Under these standards, the bank of first deposit must place its endorsement in a specific area on the back of every check it accepts for deposit. The area reserved for this purpose is located near the middle of the check. To insure that our endorsement can easily be identified by the paying bank in the event that it wishes to return the check, customers are requested to avoid this middle area by placing their own personal endorsement in an area within the first 1.5 inches on the back of the check.



Placing your endorsement in any other area could obscure our own bank endorsement and delay the return of the check. Losses associated with delays caused by illegible bank endorsements will be the responsibility of the customer.

Even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.