

Personal Internet Banking Service Terms, Conditions and Disclosures

This agreement (the "Agreement") is a contract, which establishes the rules, which cover your electronic access to your personal accounts at Bank of Tennessee ("Bank") through Happy Banking Online ("System"). By using the Service, as defined below, you accept all the terms and conditions of this Agreement. Please read it carefully. The terms and conditions of any and all agreements made with Bank including, but not limited to, other deposit agreements and disclosures for each of your Bank accounts as well as your other agreements with Bank, such as loans, continue to apply notwithstanding anything to the contrary in this Agreement.

DEFINITIONS

The term "Service" means the Personal Internet Banking Service offered by Bank of Tennessee. As used in this Agreement, the words "we," "our," "us," and "Bank" mean Bank of Tennessee; "You" and "your" refer to the accountholder authorized by Bank to use Service under this Agreement and anyone else authorized by that accountholder to exercise control over the accountholder's funds through Service; "Transfer Instruction" means the information provided by you to the Service for a transfer of funds to be made between or among your accounts at Bank (such as, but not limited to, your name, account numbers, and transfer date); "Transferring Account" means your account from which the transfer of funds will be made; "Receiving Account" means the account that you designate to receive the transfer of funds; "Business Day" means Monday through Friday, excluding Federal Reserve holidays; "Scheduled Transfer Date" means the Business Day of your choice upon which your Transfer Instructions will be carried out, your Transferring Account will be debited and the Receiving Account will be credited; and, "Cutoff Time" means 8:00 p.m. Eastern Standard Time on any Business Day and is the time by which you must transmit Transfer Instructions to have them considered entered on that particular Business Day.

PERSONAL BANKING SERVICE

By using the Service, you authorize Bank to use the Service to follow the Transfer Instructions that it receives through the System. The following is a list of capabilities provided by the Service pursuant to this Agreement:

1. Account Transfer – Transfer funds between your various Bank of Tennessee accounts and make loan payments. Transfers and payments can be made on a one-time basis or a scheduled on a recurring basis.
2. Account Balance – Get access to your account's information profile for the current status of all your Bank of Tennessee accounts.
3. Account Statement – Get access to detailed transactions on all of your Bank of Tennessee accounts.

AUTHORIZATION

When the Service receives a request for an Account Statement or Transfer Instruction, you authorize the Service to generate a statement for the designated account or debit your Transferring Account and remit funds to the Receiving Account so that the funds arrive as close to the Business Day designated by you as reasonably possible.

While it is anticipated that most transactions will be processed by the next Business Day, it is understood that due to circumstances beyond the control of the Service, some transactions may take a day or even a few days longer to be credited to the Receiving Account. For this reason, it is necessary that all Scheduled Transfer Dates selected by you be no less than three (3) Business Days before the actual date on which funds will be required to be reflected in and available from the Receiving Account. Transfer Instructions entered after the Cutoff Time or on non-Business Days will be considered entered in the Service on the next Business Day. If you properly follow the procedures described herein, and the Service fails to transfer funds according to the Transfer Instructions received, the Service will bear responsibility for insufficient funds charges (up to a \$50.00 maximum) resulting from the failure to transfer. In any other event, including, but not limited to, choosing a Scheduled Transfer Date less than three (3) Business Days before the actual date the funds are required, the risk of incurring and the responsibility for paying any and all late charges or penalties shall be borne by you.

A transfer is a "Pending Transfer" starting from the time you enter Transfer Instructions until the transfer is "Completed." A transfer is considered "Completed" on the Business Day you selected as the Scheduled Transfer Date as long as it is entered before 8:00 p.m. (Eastern Standard Time). Transfers completed after 8:00 p.m. will be considered "Completed" the following business day. You cannot cancel your transfer after it has been entered in System. You can correct information about a transfer before you send us the information, and you can use System to reverse a transaction after it has been entered.

The Service will use its best efforts to make all your transfers properly. However, the Service shall incur no liability if it is unable to complete any payments initiated by you through the Service because of the existence of any one or more of the following circumstances:

1. If, through no fault of ours, your Transferring Account does not contain sufficient funds to complete the transaction or the transaction would exceed the credit limit of your overdraft account;
2. The Service is not working properly and you know or have been advised by the Service about the malfunction before you execute the transaction;

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3. You have not provided the Service with the correct account information for the transfer; or,
4. Circumstances beyond the Service's control (such as, but not limited to, fire, flood, or interference from an outside force) prevent the proper execution of the transaction and the Service has taken reasonable precautions to avoid those circumstances.

Provided none of the foregoing four (4) exceptions are applicable, if the Service causes an incorrect amount of funds to be removed from your Transferring Account or causes funds from your Transferring Account to be directed to a Receiving Account which does not comply with your Payment Instructions, the Service shall be responsible for returning the improperly transferred funds to your Transferring Account and for directing to the proper account any previously misdirected transactions.

LIMITATION OF LIABILITY

THE FOREGOING SHALL CONSTITUTE THE SERVICE'S ENTIRE LIABILITY AND YOUR EXCLUSIVE REMEDY. IN NO EVENT SHALL THE SERVICE BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS (EVEN IF ADVISED OF THE POSSIBILITY THEREOF) ARISING IN ANY WAY OUT OF THE INSTALLATION, USE, OR MAINTENANCE OF THE EQUIPMENT, SOFTWARE, AND/OR THE HARDWARE IN ANY WAY ASSOCIATED WITH OR RELATED TO THE SERVICE.

EXCLUSIONS OF WARRANTIES

THE SERVICE AND RELATED DOCUMENTATION ARE PROVIDED "AS IS" WITHOUT ANY WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

PASSWORD AND SECURITY

You agree not to give or make available your password or other means to access your accounts to any unauthorized individuals. You are responsible for all statements and transfers you authorize using the Service. If you permit other persons to use the Service or your password or other means to access your accounts, you are responsible for any transactions they authorize. If you believe that your password or other means to access your account or accounts has been lost or stolen or that someone may attempt to use the Service without your consent or has transferred money without your permission, you must notify the Service at once by calling **866-378-9500** during normal customer service hours.

YOUR LIABILITY FOR UNAUTHORIZED TRANSFERS

Contact us AT ONCE if you believe your password has been lost or stolen. Telephoning us toll free at 1-866-378-9500 is the best way of keeping your possible losses down. You could lose all the money in your account (plus maximum overdraft line of credit) if you fail to act immediately regarding lost or stolen passwords. If you believe your password has been lost or stolen, and you tell us within two (2) business days after you learn of the loss or theft, you can lose no more than \$50.00 if someone used your password without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your password, and we can prove we could have stopped someone from using your password without your permission if you had told us, you could lose as much as \$500. Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 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 a hospital stay) kept you from telling us, we may extend the time periods. If you believe your card and/or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call us toll free at 1-866-378-9500 or write to us at Bank of Tennessee, Customer Care Department, P.O. Box 4980, Johnson City, TN, 37602.

OUR LIABILITY FOR FAILURE TO MAKE TRANSFERS OR COMPLETE TRANSACTIONS

Bank's liability for failure to make transfers or complete transactions will be determined in accordance with the terms and conditions of individual service provided by Bank. Under no circumstances, however, will Bank be liable for failure to make or complete a transaction resulting from the following:

1. If, through no fault of ours, you do not have enough money in your account to make a transfer.
2. If a legal order directs us to prohibit withdrawals from the account.
3. If your account is closed, or if it has been frozen.
4. If the transfer would cause your balance to go over the credit limit of an established line of credit or the credit limit for any credit arrangement set up to cover overdrafts.
5. If you, or anyone authorized by you, commits any fraud or violates any law or regulation.
6. If any electronic terminal, telecommunication device, or any part of the System electronic fund transfer system is not working properly and you knew about the problem when you started the transfer.

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7. If you have not provided us with complete and correct payment information for the Bill Payment Service, including, without limitation, the name, address, your payee-assigned account number, payment date, and payment amount for the payee on a bill payment.
8. If you have not properly followed the on-screen instructions for using System.
9. If circumstances beyond our control (such as fire, flood, interruption in telephone service or other communication lines) prevent the transfer, despite reasonable precautions that we have taken.

ERROR RESOLUTION NOTICE

In case of errors or questions about your electronic transfers, including electronic bill payments, call us toll free at 1-866-378-9500 or write to us at Bank of Tennessee, Customer Care Department, P.O. Box 4980, Johnson City, TN, 37602, as soon as you can, if you think your statement is wrong or if you need more information about a transfer listed on your statement. If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared. When you contact us:

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.
4. If the suspected error relates to a bill payment made via the SYSTEM Bill Payment Service, tell us the account number used to pay the bill, payee name, the date the payment was sent, payment amount, ID number, and the payee account number for the payment in question. (This information appears on the Bill Payment View Posting Screen).

If you contact us by telephone or by e-mail, we may require that you send us your complaint or question in the form of a paper writing by postal mail or fax within 10 business days. We will determine whether an error occurred within ten (10) business days (twenty (20) business days if the transfer involved a new account) after we hear from you and will attempt to correct any error promptly. If we need more time, however, we may take up to forty-five (45) days (ninety (90) days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we elect to extend the time to investigate a potential error, we may, in our sole discretion, provisionally credit your account within 10 business days (twenty (20) business days if the transfer involved a new account) for the amount you think is in error, so that you will 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. An account is considered a new account for 30 days after the first deposit is made, if you are a new customer. The results will be available within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES

It is our general policy to treat your account information as confidential. However, we will disclose information to third parties about your account or the transactions you make ONLY in the following situations:

1. Where it is necessary for verifying or completing payments or transfers, or to resolve a problem related to a payment or transfer;
2. In order to verify the existence and condition of your account to a third party, such as a credit bureau or merchant;
3. At the Bank's discretion, to any of our subsidiaries or affiliates;
4. To a consumer reporting agency for research purposes only;
5. In order to comply with a governmental agency or court orders; or,
6. As otherwise permitted or required in the Bank's Deposit Agreement and Disclosures or other applicable agreements, or by law or government regulations
7. If you give us your written permission (including electronic message).

CHARGES

Any fees associated with your standard deposit accounts will continue to apply. There may be a charge for additional transactions and other optional services. You agree to pay such charges and authorize the Service to charge your account for these amounts and any additional charges that may be incurred by you. You are responsible for any and all telephone access fees and/or Internet service fees that may be assessed by your telephone and/or Internet service provider.

IN THE EVENT A SERVICE TRANSACTION IS RETURNED

In using the Service, you are requesting the system to make transfers for you from your Transferring Account. If we are unable to complete the transaction for any reason associated with your Transferring Account (for example, there are not sufficient funds in your Transferring Account to cover the transaction), the transaction will be terminated.

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ALTERATIONS AND AMENDMENTS

This Agreement, applicable fees and service charges may be altered or amended by the Service from time to time. In such event, the Service shall send notice to you at your address as it appears on the Service's records. If the change would result in increased Service fees, increased liability for you, fewer types of available electronic fund transfers, or stricter limitations on the frequency or dollar amount of transfers, we agree to give you notice at least ten (10) days before the effective date of any such change, unless an immediate change is necessary to maintain the security of an account or our electronic fund transfer system. Any use of the Service after the effective date of the change will constitute your agreement to the changes. Further, the Service may, from time to time, revise or update the programs, services, and/or related material, which may render all such prior versions obsolete. Consequently, the Service reserves the right to terminate this Agreement as to all such prior versions of the programs, services, and/or related material and limit access to the Service's more recent revisions and updates.

ADDRESS OR BANKING CHANGES

You agree to promptly notify in writing the Customer Care Department of any address change. Additionally, you agree to notify the Customer Care Department in writing at least ten (10) Business Days in advance of any change in your accounts, or your banking status.

TERMINATION OR DISCONTINUATION

In the event you wish to discontinue the Service, you must contact the Customer Care Department in writing. Such notice of service discontinuance must be supplied ten (10) days prior to the actual discontinuance date and must be sent to:

**Bank of Tennessee
Customer Care Department
P.O. Box 4980
Johnson City, TN 37602**

The Service may terminate service to you at any time and/or revoke your right to use the Service. Neither termination nor discontinuation shall affect your liability or obligations under this Agreement.

PAYEE LIMITATION

The Service reserves the right to refuse to transfer funds or generate statements. The Service is obligated to notify you promptly if it decides to refuse carry out your instructions. This notification is not required if you attempt to make a prohibited transfer under this Agreement.

DISPUTES

As part of this Agreement, you acknowledge that you have read and understood the Internet Banking Agreement and Disclosure provided by the Bank (this Agreement and the Internet Banking Agreement and Disclosure hereinafter collectively referred to as "Bank Documents") In the event of a dispute regarding the Service, you and the Service agree to resolve the dispute by looking to the Bank Documents.. You agree that the Bank Documents are the complete and exclusive statement of the agreement between you and the Service which supersedes any proposal or prior agreement, oral or written, and any other communications between you and the Bank or the Service relating to the subject matter of the Bank Documents. If there is a conflict between what an employee of the Service or Customer Care Department says and the terms of the Bank Documents, the terms of the Bank Documents will prevail. If there is a conflict between the terms and conditions of the Internet Banking Agreement and Disclosure and this Agreement, the terms of this Agreement will prevail.

ASSIGNMENT

You may not assign this Agreement to any other party. The Service may assign this Agreement to any future, directly or indirectly, affiliated company. The Service may also assign or delegate certain of its rights and responsibilities under this Agreement to independent contractors or other third parties.

NO WAIVER

The Service shall not be deemed to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Service. No delay or omission on the part of the Service in exercising any rights or remedies shall operate as a waiver of such rights or remedies or any other rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.

CAPTIONS

The captions of sections hereof are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

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GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflicts of laws provisions.

ACCEPTED BY:

NAME OF CUSTOMER

NAME (PLEASE PRINT OR TYPE)

SIGNATURE

DATE