

Bank Overdraft Privilege Disclosure

It is important for you to use your checking account responsibly and to never intentionally overdraw your account. However, we realize that financial shortfalls happen from time to time and we have several options available for you. As a benefit to our customers, we offer these useful services to cover you in the event that you overdraw your checking account.

Overdraft Protection Options:

Transfer from another account - If you have other accounts with us, you can authorize us to transfer the funds needed to cover your overdraft, such as a link to a savings account. To learn more, ask us about this plan.

Line of Credit – A line of credit is available to cover overdrafts. This service requires you to complete an application and approval is based on your credit worthiness. Contact one of our loan officers at any of our 6 convenient locations or call 423-543-2131 for applicable terms and conditions.

Overdraft Privilege - Overdraft Privilege is a service we add to your checking account, subject to the eligibility criteria as explained below. With Overdraft Privilege we will generally pay your overdraft items up to \$500.00 for consumer accounts and \$1,000.00 for small business accounts, however, whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts. You will be charged our normal overdraft or return item fee of **\$29.00** for each item that is presented. Both the amount of the overdraft items and all applicable fees, including but not limited to the overdraft fees, are included in this limit. All deposits to overdrawn accounts are applied to the negative balance.

Eligibility - No application is required for Overdraft Privilege; eligibility is at the sole discretion of the Bank and is based on you managing your checking account in a responsible manner. Your Overdraft Privilege may be suspended or permanently removed based on the following criteria:

- You do not bring your account to a positive balance within 30 days of becoming overdrawn
- You have an account that has been opened less than 30 days
- Your account type is not eligible
- You are more than 30 days past due on any Bank loan or delinquent on any other obligation to the Bank
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding
- You have an outstanding balance on an Overdraft Repayment Plan
- Your account is being reviewed for fraudulent activity or transactions
- The primary account owner is less than 18 years old
- A ChexSystems or any other negative indicator has been reported to us
- Your account is classified as inactive
- You have an unresolved prior loss with the Bank
- We do not have a valid address for you
- We believe you are not managing your account in a responsible manner which may harm you or us
- You fail to meet our eligibility criteria
- Another Overdraft Privilege account exists

Transactions Eligible for Overdraft Privilege – Overdraft Privilege will be available for all checks written, in-person withdrawals, ACH transactions, preauthorized automatic transfers, internet banking, and telephone banking. Overdraft Privilege will **not** be available for ATM and everyday debit card transactions **unless** you authorize the bank by completing an ATM/Debit Card Consent Form.

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NOTE: If you have consented to Overdraft Privilege for ATM transactions, please verify your balance before initiating an ATM cash withdrawal. All overdrafts will be subject to our **\$29.00** overdraft fee for each withdrawal until the account returns to a positive balance.

Overdraft Privilege Opt Out - You may never need to take advantage of Overdraft Privilege, but you may find it useful in the event of a temporary shortfall. If you do not want to have Overdraft Privilege, simply contact us and we will provide you an opt-out form to remove this benefit from your account. It is important for you to consider that there is no additional cost for Overdraft Privilege and that by opting out you are instructing us to return unpaid all items presented against insufficient funds. If you opt-out, you will still be charged our **\$29.00** returned item fee. Customers who receive a Social Security, federal direct deposit, or any other entitlement benefit must opt-out if they do not want the Bank to apply those funds to pay an overdraft.

Payment Order of Items - The order in which items are presented may affect the total fees assessed to your account. The first items that we pay are **ATM withdrawals, debit card transactions, and any checks cashed by our employees or that you have written to us.** We then pay **any items that were submitted electronically, such as ACH items, preauthorized automatic transfers, telephone-initiated transfers and any other electronic transfers.** Finally, we pay the remaining items based on dollar amount from largest to smallest.

NOTE: Please be aware that holds placed on your account for pending electronic transactions, such as hotel or rental car deposits, reduce your available balance and may cause your account to become overdrawn.

Account Agreement - Your account agreement describes the duties, obligations, and rights of depositors, authorized signatories and the Bank with regard to your deposit accounts. That account agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. Your account agreement and this disclosure shall be construed so as to minimize conflicts between them.

Waiver: The Bank's forbearance from, or delay in, exercising any of the Bank's rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this Overdraft Privilege disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Bank's rights, remedies or privileges.

Remedy: You and the Bank agree that the exclusive remedy and forum for all disputes arising out of the Overdraft Privilege or your or Bank's performance there under, except for matters you or Bank take to small claims court, is arbitration by an independent arbitrator pursuant to the applicable rules of the American Arbitration Association, except as prohibited by law.

Effective Date- All information listed in this disclosure is effective June 23, 2010.