

First State Bank of Arcadia Internet Banking Agreement and Disclosure

This Internet Banking Agreement and Disclosure ("the Agreement") explains the terms and conditions governing the basic internet banking services and bill pay services offered by First State Bank of Arcadia ("the Bank"). All internet banking services of any kind whatsoever offered or afforded by the Bank (including, but not limited to funds transfers, bill pay services, and ACH transactions) will be referred to collectively as "Internet Banking Services" in the Agreement. By using any of the Internet Banking Services, you agree to abide by the terms and conditions of this Agreement and authorize the Bank to use any of your accounts to execute and settle transactions and/or fees initiated by you using the Internet Banking Services. The term "Business day" means all days except Saturday, Sunday and all banking holidays.

All Internet Banking Services are governed by this Agreement, all applicable federal regulatory disclosures, and the Deposit Account Terms and Conditions. All applicable fee schedules published by the Bank from time to time will apply to the Internet Banking Services. You are responsible for the payment of any fees incurred by you on any account, for any service, at any time. You agree to pay all such fees assessed by the Bank. Further, you agree to pay all telephone charges or fees incurred by you in accessing Internet Banking Services.

Your initial use of any Internet Banking Services in connection with your account at the Bank constitutes your acceptance and agreement to be bound by all of the terms and conditions of this Agreement and of the Deposit Account Terms and Conditions. Such initial use acknowledges your receipt and understanding of this Agreement and Deposit Account Terms and Conditions.

You agree that the Bank may, as permitted by law, provide all applicable disclosures to you electronically. You are responsible for downloading or printing the disclosures or providing the Bank with a non-electronic address to which the disclosures may be mailed.

The Bank is entitled to act upon instructions received through any Internet Banking Service under your PASSWORD and without inquiring into the identity of the person using that PASSWORD. However, you agree that you will not, under any circumstances, disclose your PASSWORD by telephone or any other means to any person. You acknowledge that no person from the Bank will ever ask for your PASSWORD, that Bank employees do not need and should not ask for your PASSWORD. You agree never to provide your PASSWORD to anyone, including anyone claiming to represent the Bank. You are liable for all transactions made or authorized using your PASSWORD. The Bank has no responsibility for establishing the identity of any person or determining the validity of any transaction.

You agree that if you give your PASSWORD to anyone or fail to safeguard its secrecy, you do so at your own risk since anyone with your PASSWORD will have access to your accounts. You agree to notify the Bank immediately in the event your PASSWORD is stolen or is otherwise compromised. At any time, you may ask the Bank to disable your PASSWORD. For joint accounts, each person will have a separate PASSWORD. Each person on a joint account will be liable for all transactions that are made on that account. Each person on a joint account authorizes all transactions made by any other person on the account. Each person on a joint account agrees to be liable for the actions of the other person(s) on the account.

You hereby indemnify and release the Bank from any and all liability and agree not to make any claim against the Bank or bring any action against the Bank honoring or allowing any actions or transactions where you have authorized the person performing the action or transaction to use your account or when you have provided your PASSWORD to that person. You agree to reimburse the Bank for any losses it suffers or any damages, injuries, costs or expenses it incurs (including attorney's fees) as a result of the Bank's honoring or allowing transactions on the account where the PASSWORD was used.

The limitations of liability set forth in this Agreement are subject to, and limited by any state or federal law to the contrary.

The Bank has the right to modify or terminate this agreement or the Deposit Account Terms and Conditions at any

time. When making changes, the Bank will comply with all legal notice requirements. Once this Agreement is terminated, the Bank will not allow any additional transactions on the account, nor will additional Internet banking Services be permitted. If this Agreement is modified, your continued use of the Account will represent your acceptance of the changes.

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I. General Description of Agreement

- A. What This Agreement Covers

This Agreement between you and First State Bank of Arcadia (Bank) governs the use of Online Banking. These services permit First State Bank of Arcadia customers (consumer, sole proprietors, and other business customers) to perform a number of banking functions on accounts linked to the service through the use of a personal computer.

B. Accepting the Agreement

When you use any of the Online Banking services described in this Agreement, or authorize others to use them, you agree to the terms and conditions of the entire Agreement.

C. Relation to Other Agreements

Your use of Online Banking services may also be affected by the agreements between us for your deposit and other linked accounts. When you link an account to Online Banking services, you do not change the agreements you already have with us for that account. For example, when you use Online Banking services to access a deposit account, you do so under the terms and conditions we gave you in the agreement and disclosure for the deposit account. You should review those agreements for any applicable fees, for limitations on the number of transactions you can make, and for other restrictions that might impact your use of an account with Online Banking services.

II. Online Banking Services

A. Online Banking for Personal Accounts (consumer):

To register for Online Banking you must complete an Enrollment Form on our website at www.fsbarcadia.com.

To use Online Banking you must have:

- * An Internet access device with service through an Internet service provider.
- * An Online Banking User ID and Password.
- * A computer equipped with a modem.

You may use Online Banking to:

- * Transfer funds between your linked Bank deposit accounts.
Transfer funds from your linked Bank deposit account into your Bank loan or line of credit accounts.
- * View current balance information for your Bank checking, cash fund, savings, CD, line of credit, mortgage or loan accounts.
- * Review transactions for up to 90 days for your checking, cash fund or savings accounts.
- * Perform self-service account maintenance such as re-ordering checks, ordering copies of paid checks, and requesting reprints of statements.
- * Send us online mail messages and questions regarding your Online Banking service.

B. Online Banking for Cash Management Accounts (business):

To register for Online Banking you must complete the Online Banking Enrollment Form available at the Bank.

To use Online Banking you must have:

- * An Internet access device with service through an Internet service provider.
- * An Online Banking User ID and Password.
- * A computer equipped with a modem.

You may use Online Banking to:

- * Transfer funds between your linked Bank business checking and savings deposit accounts and cash fund account, and from deposit accounts into loan or line of credit accounts.
- * View current balance information for your Bank checking and savings accounts.
- * Review transactions for up to 90 days for your linked checking, cash fund or savings, accounts. Perform self-service account maintenance such as re-ordering checks, ordering copies of paid checks, and requesting reprints of statements.
- * Send us secure online mail messages and questions regarding your Online Banking Service.

* All these services can be controlled or limited by appointed company representatives.

C. Bill Payment and Presentment Services for Consumer Customers

If you choose to add the CheckFree Bill Payment service, in addition to the Online Banking features listed above, you may also:

- * Make one-time or recurring payments online from your linked checking account to companies or individuals (Payees) you select.
- * Use the CheckFree Bill Presentment feature to:
 - Receive bills from participating Payees.
 - View payee bill summary and bill detail information.

III. Description of Services

A. Transfers

- * Transfers made up to 7:00 p.m. on a bank business day are processed the same day.
- * Transfers can be made from consumer or business checking, cash fund, and savings, and can be transferred to consumer or business checking, cash fund, savings, Loan or Credit Line accounts.
- * Transfers can be scheduled as a one time or recurring on a future date. There are several options available for scheduling recurring payments.

B. Online Banking CheckFree Bill Payment and Bill Presentment

- * Additional terms and conditions will be available when you sign up for Bill Pay or Bill Presentment.
- * Funds must be available in your checking account on the scheduled payment processing date. If the date you schedule for a payment to be initiated falls on a non-business day (Saturday, Sunday, or holiday) funds must be available in, and will be deducted from, the account you designate on the prior business day.

C. Limitations and Dollar Amounts for Transfers and Payments for Consumer Customers

Transfers can be for any amount between \$0.01 and \$99,999.

You authorize the Bank to withdraw the necessary funds from your Bank account on the date you schedule for the payment to be initiated or submit a transfer request. You agree that you will instruct us to make a withdrawal only when a sufficient balance is or will be available in your accounts at the time of the withdrawal. If you do not have a sufficient balance, including available credit under any overdraft protection plan, we may refuse to complete the transaction. In either case, we reserve the right to impose a non-sufficient funds (NSF) fee, and no further attempt will be made by the bank to issue the payment or process the transfer request. If your payment exceeds the maximum amount stated above, it will not be processed. The bank is under no obligation to notify you if it does not complete a payment or transfer because there are non-sufficient funds in your account to process the transaction. In all cases you are responsible for making alternate payment arrangements or rescheduling the payment through the service.

D. Limitations and Dollar Amounts for Transfers and Payments for Commercial (Cash Management) Customers

Transfers can be for any amount between \$0.01 up to \$999,999 depending on the individual's transfer and payment needs. You authorize the Bank to withdraw the necessary funds from your Bank account on the date you schedule for the payment to be initiated or submit a transfer request. You agree that you will instruct us to make a withdrawal only when a sufficient balance is or will be available in your accounts at the time of the withdrawal. If you do not have a sufficient balance, we may refuse to complete the transaction. In either case, we reserve the right to impose a non-sufficient funds (NSF) fee, and no further attempt will be made by the bank to issue the payment or process the transfer request. If your payment exceeds the maximum amount stated above, it

will not be processed. The bank is under no obligation to notify you if it does not complete a payment or transfer because there are non-sufficient funds in your account to process the transaction. In all cases you are responsible for making alternate payment arrangements or rescheduling the payment through the service.

E. Canceling Payments and Transfers

In this section, Transfers from Deposit Accounts to Deposit or Loan Accounts are referred to as Transfers.

You cannot cancel your transfer after it has been entered in Online Banking and the information has been transmitted to us.

You may cancel or edit any scheduled transfer (including recurring transfers) by calling us at (863) 494-2220. Scheduled payments must be cancelled prior to the 2:00 p.m. Eastern Time cutoff on the business day prior to the Scheduled Payment Date.

F. Our Liability for Failure to Cancel or Stop the Payment

If you attempt to cancel a transfer in accordance with the above instructions and we do not do so, we will be liable for your losses or damages.

G. Accounts Linked to Your User ID

When you first set up your User ID we will link all of your eligible accounts. If you want to limit the accounts linked or the activity level assigned to an account, please call us at (863) 494-2220 and a representative will discuss these options with you.

IV. Other Terms and Conditions

A. Monthly Service Charge for Online Banking

* Online Banking service - There is no monthly service charge for accessing your linked accounts with the Online Banking service.

* Online Banking with Bill Payment and e-Bills service for Consumer service charge for bill payment or e-Bills service.

Customers- There is no monthly

B. Other Charges

You should note, that depending on how you access Online Banking, you might incur charges for:

* Normal account fees and monthly maintenance fees, analysis charges

* Any Internet service provider fees.

* Purchase of software programs such as Personal Financial Management (PFM) software.

* Payments or transfers made through Online Banking services from a savings or cash fund account may result in an excess transaction fee. See your savings or cash fund account for details.

* Additionally, fees may be assessed for added self-service features available through Online Banking Customer Service Menu such as stop payment requests, check copy orders and account statement copy orders.

Please consult your deposit account agreements to see if your accounts are subject to these fees.

* A non-sufficient funds fee may also apply if you schedule payments or transfers and your available balance is not sufficient to process the transaction on the date scheduled.

* We may charge you a research fee of \$25 an hour for an inquiry about a transaction that occurred more than 90 days before the date you make the inquiry. This fee will be waived if we determine that an error occurred.

C. Service Hours

Online Banking is available 365 days a year and 24 hours a day, except during system maintenance and upgrades. When this occurs, a message will be displayed on-line when you sign on to Online Banking. During such off-line times, we have available 24 hours a day our FirstLine24 at (863) 494-6789 or (888) 406-2220, and our ATMs at most branch locations, or you may visit one of our branches during normal banking hours.

D. Business Days

For Online Banking Services, our business days are Monday through Friday, excluding bank holidays. To have a transfer processed on the same business day; we must receive your instructions by 7p.m.

E. Canceling Your Online Banking Services

If you choose to cancel your Online Banking services, any unprocessed transfers will be canceled. We recommend that you cancel any scheduled transfers prior to notifying us that you are discontinuing the service. The Bank will cancel any scheduled payments within two business days from the date we receive your request to discontinue the service.

F. Joint Accounts

When your Online Banking service is linked to one or more joint accounts, we may act on the verbal, written or electronic instructions of any authorized signer regarding your service.

G. Changes to Agreement

We may change this agreement at any time. For example, we may add, delete or amend terms or services. We will notify you of such changes by mail or electronic message. If you maintain your Online Banking services after the effective date of a change, you indicate your agreement with the change.

H. Cancellation

Your Online Banking services remain in effect until terminated by you or First State Bank of Arcadia. You may cancel your service at any time by notifying us of your intent to cancel in writing, through Online Banking secure mail, or by calling Online Banking Customer Service at (863) 494-2220. This cancellation applies to your Online Banking services and does not terminate your First State Bank of Arcadia accounts.

We may terminate your participation in Online Banking services for any reason, at any time. We will try to notify you in advance, but we are not obliged to do so.

I. Use of External E-mail Address

With Online Banking Services, we may send you messages relating to agreement changes and notifying you of responses to your payment inquiries through your external e-mail address.

If for any reason your external e-mail address changes or becomes disabled please contact the Bank immediately so that we can continue to provide you with the automated messages.

J. Transfers from Cash Fund Accounts

Federal regulations limit the number of preauthorized electronic fund transfers and telephone transfers - including Online Banking services transactions - from cash fund accounts. You are limited to six preauthorized electronic fund transfers and telephone transfers, checks and point-of-sale transactions per statement cycle. Of these six transactions, you are limited to only three transactions by check or point-of-sale. (For information on these accounts, see our account disclosure agreement") Each transfer or payment through Online Banking services from your cash fund account is counted as one of the six limited transfers you're permitted each statement period. We charge a fee for each transaction in excess of this limit. Payments to your First State Bank of Arcadia loans are counted toward this limit for Cash Fund accounts. We recommend that you do not use a cash fund account as your bill payment account because of these restrictions.

K. Contact by First State Bank of Arcadia

No Bank employee, or company affiliated with First State Bank of Arcadia's Online Banking services will contact you via e-mail or phone requesting your Online Banking User ID and password. If you are contacted by anyone requesting this information please contact us immediately.

L. Reporting Unauthorized Transactions

Call us at (863) 494-2220. Online Banking Customer Service is available from 8:30 a.m. to 4:00 p.m., Monday through Friday, excluding bank holidays. You may also write us at:

Attn: Internet Banking Department
The First State Bank of Arcadia
PO Box 1400
Arcadia, FL 34265

M. Disclosure of Account Information

We will disclose information to third parties about your account or your transactions:

- * When it's necessary for completing bill payments, or to investigate or resolve a problem related to a payment.
- * To verify the existence and condition of your account for a third party, such as a credit bureau or merchant.
- * To comply with a government agency or court orders or with the request of a federal regulator.
- * If you give us your permission.
- * At our discretion, to our affiliates.
- * On a closed account, if we reasonably believe you have mishandled it.

For more information on our Privacy Policy for Consumers, you can review our Privacy Policy on the Login screen or on our Home Page.

N. Account Statements

We report your Online Banking transactions on the monthly statements for your linked accounts. A description of each transaction, including the date and the amount of the transaction will appear on your statement.

V. Additional Provisions Applicable Only to Consumer and Sole Proprietors Accounts

A. In Case of Errors or Questions about Your Electronic Transactions

Call us at (863) 494-2220,
or write to us at:

Attn: Internet Banking Department
First State Bank of Arcadia
PO Box 1400
Arcadia, FL 34265

if you think:

- * Your statement or transaction record is wrong.
- * You need more information about a transaction listed on the statement.
- * An unauthorized person has discovered your Online Banking Password.
- * Someone has transferred or may transfer money from your account Without your permission.
- * Bill payment transactions have been made without your authorization.

We must hear from you no later than 60 days after we have sent the FIRST statement on which the problem or error appeared.

If you tell us verbally, we may require you to send us your complaint or question in writing within 10 business days. When you contact us, please provide the following information:

- * Your name and account number.
- * The date and dollar amount of the transaction in question.
- * The name of payee if the transaction in question is a payment.
- * The transaction number assigned by Online Banking, if available.
- * A description of the transaction you are unsure of.

Please explain as clearly as you can why you believe there is an error or why you need more information.

We will tell you the results of our investigation within 10 business days after we hear from you, and we will promptly correct any error we have made. If we need more time, however, we may take up to 45 days to investigate your complaint or question. In this case, we provisionally credit your account within 10 business days for the amount you think is in error, so that you 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 your letter in 10 business days, we reserve the right to not provisionally credit your account.

If we conclude there was no error, we will send you a written explanation within 3 business days after we complete our investigation. You may request copies of the documents that we used in our investigation.

B. Limitation of Bank's Liability

Tell us at once if you believe your Online Banking Password has been compromised or if someone has transferred or may transfer money from your account without your permission. The best way to minimize your loss is to call us IMMEDIATELY. The unauthorized use of your Online Banking services could cause you to lose all of your money in your accounts, plus any amount available under your overdraft protection.

When you give someone your Online Banking ID and Password, you are authorizing that person to use your service, and you are responsible for all transactions the person performs using your service. All transactions that person performs, even those transactions you did not intend or want performed, are authorized transactions. Transactions that you or someone acting with you initiates with fraudulent intent are also authorized transactions.

For your protection, sign off after every Online Banking session and close your browser to ensure confidentiality.

C. Our Liability for Failure to Complete Transactions

If we do not complete a transaction to or from your account on time, or in the correct amount according to our agreement with you, we may be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- * If, through no fault of ours, you don't have enough available funds in your account (or available credit under your overdraft protection plan) to cover the transaction or transfer.
- * If Online Banking services wasn't working properly, and you knew about the malfunction when you started the transaction or transfer.
- * If circumstances beyond our control (such as fire or flood) prevent the transaction or transfer, despite reasonable precautions we've taken.
- * There may be other exceptions not specifically mentioned.

VI. Additional Provisions Applicable Only to Business Accounts (Other than Sole Proprietors)

A. Protecting your Password

You agree that we may send notices and other communications including Password confirmations, to the current address shown in our records, whether or not that address includes a designation for delivery to the attention of any particular individual. You further agree that First State Bank of Arcadia

will not be responsible or liable to you in any way if information is intercepted by an unauthorized person, either in transit or at your place of business. You agree to: 1) keep your Password secure and strictly confidential; 2) provide the Bank with a list of authorized representatives and require those representatives to use their individual passwords and not the company password; and 3) immediately notify us and select a new Password if you believe the company Password may have become known to an unauthorized person.

THE BANK WILL HAVE NO LIABILITY TO YOU FOR ANY UNAUTHORIZED TRANSFER MADE USING YOUR PASSWORD THAT OCCURS BEFORE YOU HAVE NOTIFIED US OF POSSIBLE UNAUTHORIZED USE AND WE HAVE HAD A REASONABLE OPPORTUNITY TO ACT ON THAT NOTICE.

We may suspend or cancel your Password even without receiving such notice from you, if we suspect your Password is being used in an unauthorized or fraudulent manner.

B. Acknowledgement of Commercially Reasonable Security Procedures

By using Online Banking, you acknowledge and agree that this Agreement sets forth security procedures for electronic banking transactions that are commercially reasonable. You agree to be bound by instructions, whether authorized or unauthorized, which we implement in compliance with these procedures, unless you have given us prior notice of possible unauthorized use as described above (and we had a reasonable opportunity to act on such notice).

C. Activity Levels for Accounts Linked to Your User ID

Currently there are two access levels that can be assigned to your linked accounts. They are:

- * Inquiry - This level allows you to obtain the current account balance and transaction information. This level does not allow transfers of funds between linked accounts.
- * Financial - This level allows you to obtain account information, to transfer funds between linked accounts, to add Bill Payment and Presentment services, and certain other banking services. Within this level there are numerous sub-levels of authority from which you can select to fit your individual requirements

If you want to change the activity level assigned to your linked accounts, please call us at (863) 494-2220 ext. 270 and a representative will discuss the options with you.

D. Limitation of Bank's Liability

If we fail or delay in making a transfer pursuant to your instructions, or if we make a transfer in an erroneous amount which is less than the amount per your instructions, unless otherwise required by law our liability shall be limited to interest on the amount which we failed to timely transfer, calculated from the date on which the transfer was to be made until the date it was actually made or you canceled the instructions. If we make a transfer in an erroneous amount which exceeds the amount per your instructions unless otherwise required by law our liability will be limited to a refund of the amount erroneously transferred, plus interest thereon from the date of the payment or transfer to the date of the refund, but in no event to exceed 30 days' interest. If we become liable to you for interest compensation under this Agreement or applicable law, such interest shall be calculated based on the average federal funds rate at the Federal Reserve Bank for each day interest is due, computed on the basis of a 360-day year. UNLESS OTHERWISE REQUIRED BY LAW, IN NO EVENT WILL THE BANK BE LIABLE TO YOU FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR ATTORNEYS' FEES, EVEN IF WE ARE ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES.