

PERSONAL ONLINE BANKING TERMS AND CONDITIONS AGREEMENT

This Online Banking Access Agreement contains the terms and conditions that govern your use of Online Banking. By accessing your accounts through Bank of Houston using services described below or future services offered by the Bank of Houston Internet Site, you agree to be bound by the terms of this agreement. If you have any questions or do not understand this agreement, please contact us prior to your use of the Service.

The terms and conditions of the deposit agreement and disclosures for each of your Bank accounts, as well as your other agreements with Bank of Houston, such as loans continue to apply notwithstanding anything to the contrary in this Agreement.

This Agreement is subject to applicable federal laws and laws of the State of Texas. (Except to the extent this Agreement can and does vary such rules and laws). If any provision of this Agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. The headings in this Agreement are for convenience or reference only and will not govern the interpretation of the provisions. Any waiver (express or implied) by either party of any default or breach of this Agreement must be writing and shall not constitute a waiver of any other or subsequent default or breach. You may not assign this Agreement. This Agreement is binding upon your heirs and Bank's successors and assigns. This Agreement constitutes the entire agreement between you and Bank of Houston with respect to the subject matter hereof and there is no understandings or agreements relative hereto which are not fully expressed herein.

Definitions

As used in this Agreement, the words "we", "our", "us", and "Bank" mean Bank of Houston. "You", and "your" refer to the account holder authorized by Bank of Houston to use Bank of Houston' Internet Banking System under this Agreement and anyone else authorized by that account holder to exercise control over the account holder's funds through Bank of Houston's Internet Banking System. "Account" or "accounts" means your accounts at Bank of Houston. "Electronic fund transfers" mean ATM withdrawals, pre-authorized transactions, point of sale transactions and transfers to and from your accounts at Bank of Houston using Bank of Houston's Internet banking System. "Business days" mean Monday through Friday. Holidays are not included.

Authorized Access

To use Online Banking, you must have at least one account established at Bank of Houston and access to Internet Service with a browser that supports 128-bit encryption. You must complete an Online Banking Application and agree to the terms and conditions set forth in the Online Banking Access Agreement. Once we have received the completed Application, we will send you disclosures via standard mail and provide you with your User ID and a temporary password. You will be required to change the temporary password the first time you login to Online Banking. Bank of Houston reserves the right to decline any applicant who does not meet our internet banking requirements. Business customers must complete an Online Banking Access Agreement, and depending on the services they request, may have to sign additional Agreements. Access to accounts will be based upon the identification of users and authority levels specified by you in the enrollment form. Please contact a bank representative for information about this process.

Online Banking can be used to access only the Bank accounts that you have authorization to access. We undertake no obligation to monitor transactions through Online Banking to determine that they are made on behalf of the account holder. Subject to the terms of this Agreement, you should be able to access your accounts through our Website (referring to www.bankhouston.com) 24 hours a day, 7 days a week. At certain times this service may not be available due to system maintenance or uncontrollable circumstances. Bank of Houston will still have services available; 24 hour Voice Response, ATM, by phone and during normal business hours at our banking facility assuming no major disaster has occurred.

Security Procedures

You acknowledge and agree that you have approved and will abide by the security procedures set forth in this agreement and any other security procedures established by Bank of Houston that have or/and will be presented to you in the future You also acknowledge and agree that these procedures are commercially reasonable and adequate for the purpose intended. It is your responsibility to protect your computer from all computer threats, such as viruses.

For security purposes, you determine what password you will use; the identity of your password is not communicated to us. You agree that we are authorized to act on instructions received under your password. You accept responsibility for the confidentiality and security of your password and agree to change your password regularly. Upon three unsuccessful login attempts, your access to the Online Banking System will be disabled. To re-establish your authorization to use the Online Banking System, you must contact us to have your password reset or obtain a new temporary password. We require that you create a password that utilizes both alpha and numeric characters for purposes of security. Your password should not be associated with any commonly known personal identification, such as social security numbers, address, and date of birth or names of children and should be memorized, not written down.

You understand the importance of your role in preventing misuse of your accounts through the Online Banking System, and you agree to promptly examine the paper statement for each of your Bank accounts as soon as you receive it. You agree to protect

the confidentiality of your account and account number, and your personal identification information such as your driver's license number and social security number. You understand that personal identification information by itself or together with information related to your account may allow unauthorized access to your account. Your password and Login ID are intended to provide against unauthorized entry and access to your accounts. Data transferred via Online Banking is encrypted in an effort to provide transmission security and Online Banking utilizes identification technology to verify that the sender and receiver of the Online Banking transmissions can be appropriately identified by each other. Notwithstanding our efforts to ensure that the Online Banking system is secure, you acknowledge that the Internet is inherently insecure and that all data transfers, including email, occur openly on the internet and can potentially be monitored and read by others.

Transfers

When you instruct the bank to transfer funds to or from your accounts through Online Banking, you are authorizing the bank to withdraw the necessary funds from the account you designate. Transfers initiated through Online Banking before 6:00 p.m. Central Standard Time on a business day are posted to your account the same day. Transfers completed after 6:00 p.m. Central Standard Time on a business day, Saturday, Sunday or a banking holiday will be posted on the next business day.

Overdrafts – Order of Payments, Transfers and other Withdrawals

If your account has insufficient funds to perform all electronic fund transfers you have requested for a given business day, then: (a) Electronic fund transfers involving currency disbursements, like ATM withdrawals will have priority; (b) Electronic fund transfers initiated through Online Banking which would result in an overdraft of your account may, at our discretion, be cancelled and (c) In the event that the electronic fund transfers initiated through Online Banking which would result in an overdraft of your account is not cancelled, overdraft charges may be assessed pursuant to the terms of the deposit agreement for that account.

Limits on Frequency and Amounts of Online Banking Transactions

The number of transfers from bank accounts and the amounts that may be transferred are limited pursuant to the terms of the applicable deposit agreement and disclosure for those accounts. If a hold has been placed upon deposits made to an account from which you wish to transfer funds, you cannot transfer the portion of the funds until the hold expires.

Disclosure of Account Information and Transfers

You understand that information about your accounts or the transfers you make may automatically be disclosed to others. We will disclose information to third parties about your account or the transfers you make: (1) Where it is necessary for completing the transfers, or (2) In order to verify the existence and condition of your accounts for a third party, such as a credit bureau or merchant, or (3) In order to comply with government agency or court order or, (4) If you give us written permission. We may also seek information about you from others, such as the credit bureau, in connection with the opening or maintaining of your account or in connection with approving your access to Online Banking. You agree and hereby authorize all of these transfers of information and have no expectations of privacy with respect to your use of Online Banking.

Changes in Terms

We may change any term of this Agreement at any time. If the change would result in increased fees for any Online Banking services, 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 30 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. We will post any required notice of the change in terms on the Online Banking website or forward it to you by email or by postal mail. If advance notice of the change is not required, and disclosure does not jeopardize the security of the account or our electronic fund transfer system, you will not be notified of the change in terms. We reserve the right to waive, reduce or reverse charges or fees in individual situations. You acknowledge and agree that changes to fees applicable to specific accounts are governed by the applicable deposit agreements and disclosures.

Periodic Statements

You will not receive a separate Online Banking statement. Transfers to and from your accounts using Online Banking will appear on the respective periodic paper statements for your Bank accounts.

Confidentiality

We will disclose information to third parties about your account or the transfers you make: (1) where it is necessary for completing transfers; or (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or (3) in order to comply with government agency or court orders; (4) as explained in the separate Privacy Disclosure.

In Case of Errors or Questions

It is your responsibility to contact us immediately in case of errors, questions about electronic transfers, incorrect information on your paper statement or any concerns about the use of your password. We must hear from you no later than 60 days after we sent the first paper statement upon which the problem or error appeared. When you contact us you must provide: (1) your name and account number, (2) description of the error or transfer and a clear explanation of why you believe it is an error or why you need more information, (3) the dollar amount of the suspected error; and (4) for transactions on Online Bill Pay, the account number used to pay the bill, payee name, the date the of the bill payment, payment amount, and the payee account number for the payment in question. If you contact us by telephone or by email, we may require that you send us your complaint or question in writing by regular mail or by fax within 10 business days. We will communicate the results of our investigation to you within 10 business days after you contact us and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within 10 business days for the amount you think is in error, so that you will have use of the funds during the time it takes us to complete our investigation. If we ask that you put your complaint or question in writing and we do not receive it in the form of paper written within the 10 business days, we may not provisionally credit your account. If we decide that there was no error, we will send you written explanation within 3 business days after the completion of our investigation. You may ask for copies of the documents that were used in our investigation. If we have made a provisional credit, a corresponding debit will be made from your account.

Our Liability

If we do not complete a transfer to or from your account, on time or in the amount you requested, according to our agreement with you when you have properly instructed us to do so, we will be liable to you for your losses or damages caused as a result but only to the extent of the amount of the payment or transfer. We will not be liable for (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 be overdrawn, to go over the credit limit of any 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 Online Banking electronic transfer system is not working properly and you knew about the problem when you started the transfer; (7) if you have not properly followed the on-screen instructions for using the Online Banking System or (8) 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.

Your Liability

Contact Us Immediately if you believe your password has been lost, stolen, used without authorization, or otherwise compromised or if someone has transferred or may transfer money from your accounts without your permission. A phone call to us is the best way to reduce any possible losses. You could lose all the money in your accounts (plus your maximum overdraft line of credit, if any). If you contact us within two (2) business days after you learn of the loss, theft, compromise, or unauthorized use of your password, you can lose no more than \$50 if someone has 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 that we could have stopped someone from using your Password without your permission if you had told us, you could lose as much as \$500.00. If your monthly paper statement contains transfers that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may lose any amount transferred without your authorization, after the sixty (60) day period, if we can prove that we could have stopped someone from making the unauthorized transfer if you had told us on time. If a good reason, such as a long trip or hospital stay kept you from telling us, time periods in this section may be extended. You agree to assist us in our efforts to recover any funds that were transferred or paid without your permission.

Limitation of Liability, Indemnification

Notwithstanding any provision to the contrary contained in this Agreement, we shall be responsible only for performing the services as expressly provided for in these Terms and Conditions. We shall only be responsible for losses which are the direct result of our own negligence or misconduct in performing these services. We shall have no liability for failure to perform any services or for any disruption or delay in services in the event such failure, disruption or delay is due to circumstances beyond our reasonable control, including but not limited to, failure or disruption of electric power, computer equipment. Telecommunication systems, your internet service provider, or weather conditions. We shall have no liability for any consequential, special punitive damage or indirect loss under any circumstances.

Unless otherwise required by law or specifically provided for in this Agreement, you agree that neither we nor the service providers shall be responsible for any harm, including but not limited to direct, indirect, special, consequential and economic damages, resulting in any way from the installation, operation or maintenance of our equipment or software, or internet browser or access software, nor shall we or the service providers be responsible for any loss, property damage or bodily harm, whether caused by Bank of Houston, it's equipment or software or by internet access or browser providers, or by online service providers, or any agent or subcontractor of any of the aforementioned parties.

Except to the extent that we are liable under these Terms and Conditions, you agree to indemnify and hold us and our Directors, Officers, Employees and Agents harmless from all claims, demands, judgments and expenses (including reasonable attorney's

fees) arising out of or in any way connected with the performance of these services. You agree that this Indemnification shall survive the termination of these Terms and Conditions.

Rights to Terminate

This Agreement will remain in effect until it is terminated by you or by Bank of Houston. You may cancel Online Banking at any time by writing or faxing your request to Bank of Houston. We may cancel this Agreement and terminate your use of Online Banking for any reason, at any time. If we terminate this Agreement, no further Banking transfers or bill payments will be made, including but not limited to any payment scheduled in advance or any preauthorized recurring payments or transfers.

Personal Online Banking Application

CUSTOMER INFORMATION

* Account Holder Name:

* Address:

* City:

* State:

* ZIP Code:

* Social Security Number:

* Home Phone: () - Alternate: () -

* E-mail Address:

* User ID:

(Must be at least 6 characters.)

* Security Question:

* Security Answer:

ACCOUNT INFORMATION

Please list all of the accounts you wish to access through Bank of Houston's Online Banking:

	ACCOUNT NUMBER	ACCOUNT TYPE	ACCOUNT NICKNAME	ACCESS TYPE	BILL PAY ¹
1)					
2)					
3)					
4)					
5)					

Asterisks (*) indicate required information.

¹Due to regulatory withdrawal limitations, Bill Pay may only be used with your regular checking accounts.

Note: You must be an authorized signer on all of the above listed accounts. You certify that the information provided herein is true and correct. By signing and submitting this form, you acknowledge that you have read and agree to all of the terms and conditions of the Personal Online Banking Agreement.

SIGNATURE OF AUTHORIZED USER

DATE

FOR BANK USE ONLY

Processed By: _____ Date: _____

Verified By: _____ Date: _____