DEPOSIT ACCOUNT AGREEMENT

DEFINITIONS. Throughout this Agreement, these terms have the following meaning:

- "You," "your," "account owner," and "party" refer to the depositor (whether **multi-party** or **single-party**) named on the account.
- "We," "our," and "us" refer to the financial institution.
- The acronym "NOW" means Negotiable Order of Withdrawal.
- "Item" or "items," as defined by Article 4 of the Uniform Commercial Code (UCC), means an instrument or a promise or order to pay money handled by a financial institution for collection or payment. The term includes a check but does not include a payment order governed by Article 4A of the UCC or a credit or debit card slip.
- "Debit transactions," "debit," or "debits" refer to funds that are taken out of your account. Common types of debits may include: checks or drafts that you have written, ACH payments, wire transfers, PIN-based debit card transactions, and signature-based debit card transactions.
- "Credit transactions," "credit," or "credits" refer to deposits of funds into your account. Common types of credits include: cash deposits, direct deposits, check deposits, and ACH and wire transfers made payable to you. Credits are generally added to your account and are made available to you in accordance with our funds availability schedule.

GENERAL AGREEMENT. You understand the following Account Agreement ("Agreement") governs your account with us. Your account is also governed by other applicable documents, such as the Truth In Savings Account Disclosure and Privacy Policy, and where applicable, the Funds Availability Policy and Electronic Fund Transfer (Agreement and) Disclosure ("Disclosures"), which are incorporated by reference. By providing a written or electronic signature on the Account Information document or other agreement to open your account, or by using any of our deposit account services, you and any identified account owners agree to the terms contained in this Account Agreement.

GENERAL RULES. The following rules apply to all types of accounts:

1. Deposits. Deposits may be made in person, by mail, or in another form and manner as agreed by us in our sole discretion. We are not responsible for transactions mailed until we actually receive and record them. We may, at our sole discretion, refuse to accept particular items as deposits. Cash deposits are credited to your account according to this Agreement. Other items you deposit are handled by us according to our usual collection practices. If an item you deposit is returned unpaid, we will debit your account and adjust any interest earned. You are liable to us for the amount of any item you deposit to your account that is returned unpaid. In addition, you are liable to us for all costs and expenses related to the collection of any or all of that amount from you. Funds deposited to your account are available in accordance with the Disclosures.

2. Collection of Deposited Items. In receiving items for deposit or collection, we act only as your agent and assume no responsibility beyond the exercise of ordinary care. All items are credited subject to final settlement in cash or credits. We shall have the right to forward items to correspondents including all Federal Reserve Banks, and we shall not be liable for default or neglect of said correspondents for loss in transit, nor shall any correspondent be liable except for its own negligence. You specifically authorize us or our correspondents to utilize Federal Reserve Banks to handle such items in accordance with provisions of Regulation J (12 CFR Part 210), as revised or amended from time to time by the Federal Reserve Board. In the event we are subject to local clearinghouse rules, you specifically authorize us to handle such items in accordance with the rules and regulations of the clearinghouse.

If we permit you to withdraw funds from your account before final settlement has been made for any deposited item, and final settlement is not made, we have the right to charge your account or obtain a refund from you. In addition, we may charge back any deposited item at any time before final settlement for whatever reason. We shall not be liable for any damages resulting from the exercise of these rights. Except as may be attributable to our lack of good faith or failure to exercise ordinary care, we will not be liable for dishonor resulting from any reversal of credit, return of deposited items or for any damages resulting from any of those actions.

3. Set-offs and Security Interest. If you ever owe us money as a borrower, guarantor, or otherwise, and it becomes due, we have the right under the law (called "set-off") and under this Agreement (by which you grant us security interest in your deposit account and any other accounts held by you) to use your account funds to pay the debt, where permitted by law. If your account is held jointly, that is, if there is more than one account owner, we may offset funds for the debt of any one of the joint owners. Similarly, we may also set-off funds from the individual accounts of any one of the joint owners to satisfy obligations or debts in the joint account. The security interest granted by this Agreement is consensual and is in addition to our right to set-off.

4. Claims. In response to any garnishment, attachment, restraining order, injunction, levy, citation to discover assets, judgment, reclamation, other order of court or other legal process ("Claim(s)"), we have the right to place a hold on, remove from your account(s) and/or remit to the designated third-party(ies) any amount on deposit in your account as set forth in and required by such Claim(s). If the account(s) is/are held jointly, we may place the hold, remove from the account(s) and/or remit the amounts from the account(s) arising from any Claim(s) relating to any one or more of the account holders. In addition, we may charge against your account(s) any fee authorized by law in connection with the Claim(s) or as otherwise set forth in the Disclosures.

5. Expenses. You agree to be liable to us for any loss, cost or expense that we incur as a result of any dispute involving your account, including reasonable attorneys' fees to the extent permitted by law, and you authorize us to deduct such loss, cost, or expense from your account without prior notice to you. This obligation includes disputes between yourself and us involving the account and situations where we become involved in disputes between you and an authorized signer, another joint owner, or a third-party claiming an interest in the account. It also includes situations where you, an authorized signer, another joint owner, or a third-party takes action with respect to the account that causes us, in good faith, to seek the advice of counsel, whether or not we actually become involved in a dispute.

6. Financial Exploitation of a Vulnerable Adult. Pursuant to Texas law, if we have cause to believe that financial exploitation of a vulnerable adult has occurred, is occurring, has been attempted, or will be attempted, we may submit a report of the suspected financial exploitation and place a hold on any transaction involving the vulnerable adult's account. This hold will expire on the tenth day after the hold is placed but it may be extended for no more than 30 days if requested by a state or federal agency or a law enforcement agency. We may also notify a third party that is reasonably associated with the vulnerable adult. We will not be liable for placing a hold, or for not placing a hold, if we acted in good faith and exercised reasonable care.

7. Dormant/Inactive Accounts. You understand that if your account is dormant or inactive, you may be charged the fee specified in the Disclosures and we may stop paying interest to the extent permitted by law. You understand that your account balance may be escheated (that is, turned over to the state) in accordance with state law.

8. Multi-Party, Pay on Death, Fiduciary and Custodial Accounts. You acknowledge that if your account is set up as a multi-party, pay on death, fiduciary or custodial account, it is your sole responsibility to determine the legal effects of opening and maintaining an account of this nature.

9. Single-Party Accounts. If the account is noted as a single-party account, at the death of the individual, ownership of the funds remaining in the account will pass to the individual's estate. If the account is noted as a **single-party with pay on death** designation, upon the death of the party, ownership passes to the pay on death beneficiary(ies) and will not be part of the deceased party's estate.

10. Multi-Party Accounts. If the account is designated as a **multi-party** account, the parties own the account in proportion to net contributions unless there is clear and convincing evidence of a different intent. If the account is designated as a **multi-party with right of survivorship**, upon the death of one of the parties to the account, ownership passes equally to the surviving party(ies) as his or her separate property and estate. However, if one of the surviving parties is the spouse of the deceased party then the ownership interest of the deceased party passes to the surviving spouse. Upon the death of the last party of a **multi-party** account, ownership of the proceeds of the account passes over to the deceased party's estate. If the account is designated as a **multi-party without right of survivorship**, upon death of party, the deceased party's ownership interest passes as part of the deceased party's estate. Upon our written notification of death of any person named on the account, we may freeze the account until we have received satisfactory evidence as to the disposition of the account. If the account is designated as a **multi-party with right of survivorship and pay on death**, upon the death of the last surviving party, ownership passes to the pay on death beneficiary(ies) and is not part of the last surviving party's estate. In the case of an account where more than one beneficiary is named on the account, the beneficiaries shall share equally in the funds of the account, unless otherwise indicated. If the primary beneficiary predeceases the owner(s), when two or more contingent beneficiaries are named and survive the death of the owner(s), such beneficiaries will own this account in equal shares without the right of survivorship, unless otherwise indicated. Named beneficiaries are assumed to be primary unless indicated as contingent.

If this account is a multi-party account between two parties authorized by law to hold community property together, the following community property rules apply: If the account is noted as a multi-party account with right of survivorship, this account will be in the name of the parties who intend to fund the account with community property and hold the property with right of survivorship. Upon the death of either party, the property will vest in and belong to the surviving party. If the account is noted as a multi-party account without right of survivorship, this account will be in the name of the parties who intend that all property in the account, including earnings, be held as community property without right of survivorship. Upon the death of either party, one-half of the property will vest in and belong to the surviving party, and the other one-half of the property will vest in and belong to the estate of the deceased party.

All deposits of a multi-party account are the property of the person(s) indicated on the account and we may release all or any part of the amount in the account to honor checks, orders, or other items or withdrawals or requests from any person named on this account. Any person named on the account is liable for the amount of any overdraft fees regardless of whether he or she signed the item or benefited from the proceeds of the item. Upon receiving written notice from any person named on the account, we may freeze the account. The account may be frozen until we receive written notice, signed by all parties named in the account as to the disposition of funds. We may use the funds to satisfy a debt or judgment of any person named on the account if ordered to do so by a court of law.

11. Pay on Death Account. If this account is noted as a Pay on Death account, you may change the named beneficiary(ies) at any time by a written direction to us.

12. Convenience Signer. You may designate one or more convenience signers even if your account is not a Convenience Account. A designated convenience signer may make transactions on your behalf during your lifetime, but does not own the account during your lifetime. The designated convenience signer owns the account on your death only if the convenience signer is also designated as a P.O.D. payee or trust account beneficiary.

13. Trust Account. If the account is designated as a Trust account, the parties named as trustees to the account own the account in proportion to the parties' net contributions to the account. A trustee may withdraw funds from the account. A beneficiary may not withdraw funds from the account before all trustees are deceased. On the death of the last surviving trustee, the ownership of the account passes to the beneficiary. The trust account is not a part of a trustee's estate and does not pass under the trustee's will or by intestacy, unless the trustee survives all of the beneficiaries and all other trustees.

14. Custodial Account. A custodial account is subject to applicable law as adopted by the state in which the account is opened. The documents that authorize the custodianship may be required for the account. An account opened under the Uniform Transfers/Gifts to Minors Act must be opened in the name of a custodian "as custodian for (name of minor) under the Uniform Transfers to Minors Act". There may be only one custodian and one minor as beneficiary for each minor account.

15. Convenience Account. If the account is designated as a Convenience account, it must be opened in the names of the party and a cosigner, and the sums on deposit are paid or delivered to the party or to the cosigner "for the convenience" of the party. The party to the account owns the account. The cosigner to the account may make account transactions for the party. The cosigner does not own the account. On the death of the party, ownership of the account passes as part of the party's estate under the party's will or by intestacy. We may pay funds in the account to the cosigner before we receive notice of the death of the party. The payment to the cosigner does not affect the party's ownership of the account.

16. Power of Attorney. If you wish to name another person to act as your attorney in fact or agent in connection with your account, we must approve the form of appointment.

17. Payment of Interest. For interest bearing accounts, interest will be calculated and paid in accordance with the Disclosures provided to you at the time you opened the account.

18. Fees, Service Charges and Balance Requirements. You agree you are responsible for any fees, charges, balance, or deposit requirements as stated in the Disclosures. We also reserve the right to impose a service charge for cashing checks and other items drawn on your account if the person cashing the check or item is not a customer of this financial institution.

19. Non-Sufficient Funds and Overdrafts. If your account lacks sufficient funds to pay a debit transaction or item presented for payment as determined by your available account balance or actual (ledger) balance, we may (1) return the debit or item or (2) pay the debit or item at our discretion.

☐ **Available Balance.** We use an available balance method to determine if there are sufficient funds in your account to pay a debit transaction or item and to assess non-sufficient funds and overdraft fees.

How We Decide to Pay a Debit or Item. The available balance reflects deposits and transactions that have been

posted to your account and transactions that have not posted to your account, including the following: checks you have written, if applicable; deposit holds; and holds on debit card transactions that have been authorized but not yet posted (i.e., preauthorization holds). These pending transactions and holds reduce your available balance. For example, you have $100 in your account and a pending transaction of $30. Your available balance is $70 because the pending $30 transaction reduces your available account balance.

How We Assess Fees. If there are insufficient funds to pay a debit transaction or item based on your available balance, we may either: 1) return the debit or item or 2) pay the debit or item at our discretion. We may charge you fees if we return the debit or item or pay the debit or item on your behalf.

Return Item for Non-Sufficient Funds. If we do not pay the debit or item on your behalf and return the debit or item, we may charge you non-sufficient funds fee. Pursuant to National Automated Clearing House Association ("Nacha") Operating Rules and Guidelines and other applicable laws, a debit or item may be presented for payment more than one time.

Overdrafts. If we pay the debit or item on your behalf, you will be responsible for the overdrawn balance, and we may charge you overdraft fees. As discussed above, subsequent pending transactions and holds impact your available balance, which may cause your account to become overdrawn and subject to overdraft fees. For example, you have $100 in your account. You use your debit card at a gas station and a preauthorization hold of $60 is placed on your account because the amount of the transaction is not known at the time of authorization even though your gas was only $50. The authorization hold reduces your available account balance to $40. You then spend $50 on groceries. If we pay this debit on your behalf, you will be responsible for paying the overdrawn balance, and we may charge you overdraft fees.

☒ **Actual (Ledger) Balance.** We use an actual (ledger) balance method to determine if there are sufficient funds in your account to pay a debit transaction or item and to assess non-sufficient funds and overdraft fees.

How We Decide to Pay a Debit or Item. The actual (ledger) balance method calculates your account balance only based on transactions that have settled, and it does not reflect pending transactions or checks, if applicable, that have not posted to your account. For example, you have $100 in your account and a pending transaction of $30. Your actual (ledger) balance is $100 because the pending $30 transaction does not reduce your actual (ledger) account balance until it posts to your account.

How We Assess Fees. If there are insufficient funds to pay a debit transaction or item based on your actual (ledger) balance, we may either: 1) return the debit or item or 2) pay the debit or item at our discretion. We may charge you fees if we return the debit or item or pay the debit or item on your behalf.

Return Item for Non-Sufficient Funds. If we do not pay the debit or item on your behalf and return the debit or item, we may charge you non-sufficient funds fee. Pursuant to National Automated Clearing House Association ("Nacha") Operating Rules and Guidelines and other applicable laws, a debit or item may be presented for payment more than one time.

Overdrafts. If we pay the debit or item on your behalf, you will be responsible for the overdrawn balance, and we may charge you overdraft fees.

☐ We use an available balance to determine if we pay a debit or item and we use an actual (ledger) balance to assess fees. If this is the case, the applicable rules described above will apply.

If applicable, overdrafts may be covered by our standard overdraft practice that comes with your account or an overdraft protection plan, such as a link to an account or a line of credit. As part of our offered standard overdraft practice, we do not authorize and pay overdrafts on ATM or everyday debit card transactions unless you request us to do so. Please refer to the Overdraft Services Consent Form for more information about overdrafts and our standard overdraft policies, if applicable, and refer to your Truth In Savings disclosure for more information about our overdraft privilege policy.

20. Processing Order. We will process debit and credit transactions in accordance with our processing order policy. The processing order of these debits and credits is important because if your account balance has insufficient funds to pay for the debits and credits in the order that they are processed, we may charge you non-sufficient funds fees if we return the debit or charge you overdraft fees if we pay the debit on your behalf.

21. Amendments and Alterations. Except as prohibited by law, we may amend this Agreement by adding, removing, or changing terms at any time. We will notify you of amendments as required by applicable law. Your continued use of the account evidences your agreement to any amendments. Notices will be sent to the most recent address shown on the account records. Only one notice will be given in the case of joint account holders.

22. Notices. You are responsible for notifying us of any address or name changes, the death of an account holder or other information affecting your account. Notices must be in a form and manner acceptable to us with enough information to allow us to identify the account. Notice sent by you to us is not effective until we have received it and have a reasonable opportunity to act on it. Written notice sent by us to you is effective when mailed to the last address supplied to us.

23. Certified Beneficial Owner Information. If you are obligated to certify beneficial owner information at the time the account is opened, you are responsible for notifying us of any changes to the certified beneficial ownership information that was provided to us. Notice should be made to us as soon as practical upon a change to the beneficial ownership information in a form and manner acceptable to us.

24. Unlawful Internet Gambling. Restricted transactions are prohibited from being processed through your account with us as required by the Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG. A restricted transaction is a transaction or transmittal involving any credit, funds, instrument, or proceeds in connection with the participation of another person in unlawful Internet gambling. You will notify us if your business practices regarding Internet gambling change in the future.

25. Telephone and Electronic Communication. You agree that we may call or send text messages to you at the telephone numbers that you provide to us, including a cell phone number, which may result in charges to you, for informational purposes regarding your account(s) with us. These calls and text messages may be made from an automatic telephone dialing system (i.e., an autodialer) or from an artificial or prerecorded voice message system. Additionally, you agree that we may send electronic communication to you at the email addresses you provide to us. You may contact us at any time if you no longer want to receive these communications from us. You also agree that we may monitor and record telephone and electronic communications that affect your account(s) with us to the extent permitted by law. We need not provide further notice to you or receive additional approval.

26. Online or Mobile Services. If you open an account or obtain a product or service from us using our online or mobile

services, we may record your personal information from a scan or a copy of your driver's license or other personal identification card, or we may receive an image or make a copy of your driver's license or other personal identification card. We may store or retain this information to the extent permitted by law.

27. Closing Account. We may close the account at any time, with or without cause, after sending you notice if advance notice is required by law. If applicable, a notice may be sent to you that specifies when the account will be closed. At our discretion, we have the authority to pay an otherwise properly payable item, which is presented after the closing of your account. Such termination will not release you from any fees or other obligations incurred before the termination. We will send a check for the balance in our possession to which you are entitled.

28. Transfers and Assignments. We may assign or transfer any or all of our interest in this account. You cannot assign or transfer any interest in your account unless we agree in writing.

29. Applicable Laws and Regulations. You understand that this Agreement is governed by the laws of the state in which the account is opened unless federal law controls. Changes in these laws may change the terms and conditions of your account. We will notify you of any changes as required by law. If any of the terms of this Agreement come into conflict with the applicable law and are declared to be invalid or unenforceable, those terms will be nullified to the extent that they are inconsistent with the law and the applicable law will govern. However, this shall not affect the validity of the remaining provisions.

30. ACH and Wire Transfers. This Agreement is subject to Article 4A of the Uniform Commercial Code - Funds Transfers as adopted by the state in which the account is opened. If you send or receive a wire transfer, you agree that Fedwire® Funds Service may be used. Federal Reserve Board Regulation J is the law that covers transactions made over Fedwire® Funds Service. When you originate a funds transfer for which Fedwire® Funds Service is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. If you are a party to an Automated Clearing House ("ACH") entry, you agree that we may transmit an entry through the ACH, and you agree to be bound by the Nacha Operating Rules and Guidelines, the rules of any local ACH, and the rules of any other systems through which the entry is made.

Provisional Payment. Credit we give you is provisional until we receive final settlement for that entry. If we do not receive final settlement, you agree that we are entitled to a refund of the amount credited to you in connection with the entry, and the party making payment to you via such entry (i.e., the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

Notice of Receipt. We will not provide you with notice of our receipt of the order, unless we are so requested by the transfer originator in the order. However, we will continue to notify you of the receipt of payments in the periodic statements we provide to you.

Choice of Law. We may accept on your behalf payments to your account which have been transmitted, that are not subject to the Electronic Fund Transfer Act, and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state where we are located.

International ACH Transactions. If your transaction originates from a financial agency that is outside of the territorial jurisdiction of the United States, it may be subject to additional review for compliance with the rules of the Office of Foreign Assets Control (OFAC). If additional review is required, the International ACH transaction will not be available to you until it passes final verification.

31. Real-Time Payments. We may offer real-time payment services for you to send or receive certain payments or payment-related messages through a real-time payments system. Real-time payments are credit transfers that enable you to send and receive funds with near immediacy twenty-four (24) hours a day, seven (7) days a week, and fifty-two (52) weeks a year. These transfers are subject to transaction value limits (e.g., $100,000) and settlement is final and irrevocable. Real-time payments are intended for domestic payments only. Payments sent or received by a person outside of the United States are prohibited. Transfers using a real-time payments system are subject to the applicable operating or governing rules of the real-time payments system used, as well as the Uniform Commercial Code 4A in effect in the state in which we are located, the Electronic Fund Transfer Act (Regulation E), and the rules of OFAC.

32. Stop Payments.

Stop Payments on Checks. If you request us to stop payment on a check you have written, you will give written or other confirmation as allowed by us within 14 days of making the request. If you fail to confirm an oral stop payment request within the 14 days, unless our policy provides otherwise, we reserve the right to cancel the request. Your stop payment request must describe the check or account with reasonable certainty and we must receive the request in a time and way that gives us a reasonable opportunity to act on it. A stop payment on a check you have written will remain in effect until the earlier of 1) six months or other time period not less than six months as specified in the Stop Payment Order, or 2) until we receive written revocation of the stop payment. If the check on which a Stop Payment Order has been placed has not yet cleared or been returned to you by the payee, you may renew the Stop Payment Order for an additional six months by providing a request to us in a record or writing within the time period the Stop Payment Order is in effect. Our acceptance of a stop payment request does not constitute a representation by us that the check has not already been paid or that we have had a reasonable opportunity to act on the request. We may accept a stop payment request on lost or stolen checks, whether a single check or series, unless our policy requires we open a new account for you to ensure your security. Written communication includes communication by electronic record.

Stop Payments on ACH Debits. A Stop Payment Order may be placed on either a one-time debit transfer or on a multiple debit entry transfer. If you request a Stop Payment Order on an Electronic Check Conversion or other one-time debit transfer, we must receive the request, orally or in a record or writing, in a period of time that provides us a reasonable opportunity to act on it prior to acting on the debit entry, otherwise the Stop Payment Order shall be of no effect. If you requested a stop payment on a multiple or future debit entry transfer, we must receive the Stop Payment Order, orally or in a record or writing, at least three business days before a scheduled debit entry. Requests to stop all future payments on an ACH debit transfer may require additional documentation to be supplied to us. Oral stop payment orders are binding on us for 14 calendar days only, unless our policy provides otherwise, and must be confirmed by you in a record or writing within that period. A Stop Payment Order on an ACH debit will remain in effect until the earlier of 1) your withdrawal of the Stop Payment Order, or 2) the return of the debit entry, or, where a Stop Payment Order is applied

to more than one debit entry under a specific authorization involving a specific payee (Originator), the return of all such debits. When a stop is placed on a multiple or future debit entry transfer, we may require your confirmation in a record or writing stating that you have canceled your authorization for the transfer with the payee (a Stop Payment Order does not revoke authorization). Written communication includes communication by electronic record.

The Stop Payment Order shall be governed by the provisions of Article 4A of the Uniform Commercial Code as adopted by the state in which the account is opened, the Electronic Fund Transfer Act (Regulation E), Nacha Operating Rules, and any applicable state law. You may be charged a fee every time you request a Stop Payment Order and for each Stop Payment Order renewal you make. You understand that we may accept the stop payment request from any of the joint owners of the account regardless of who signed the check or authorized the transfer. A release of the Stop Payment Order may be made only by the person who initiated the stop payment request.

33. Checks. All negotiable paper ("checks") presented for deposit must be in a format that can be processed and we may refuse to accept any check that does not meet this requirement. All endorsements on the reverse side of any check deposited into your account, or on any check issued by you, must be placed on the left side of the check when looking at it from the front, and must be placed so as to not go beyond an area located 1-1/2 inches from the left edge of the check when looking at it from the front. It is your responsibility to ensure that this requirement is met. You are responsible for any loss incurred by us for failure of an endorsement to meet this requirement.

34. Electronic Checks and Electronically-Created Items. Pursuant to Regulation CC, electronic checks may be treated the same as paper checks for check collection and processing purposes. See the Substitute Checks section for more information. Electronically-created items ("ECI") are check-like items created in electronic form that never existed in paper form. For example, you set up automatic bill payments with us to pay your utility bill. From your account information, we create an ECI that is sent to your utility company for payment. An ECI cannot be used to create a substitute check since it never existed in paper form.

35. Substitute Checks. To make check processing faster, federal law permits financial institutions to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check. Some or all of the checks that you receive back from us may be substitute check(s). An electronic check can be used to create a substitute check since the electronic image and electronic information was derived from its paper form.

36. Remote Deposit Capture. Remote deposit capture ("RDC") allows you to make deposits to your account from remote locations by electronically transmitting digital images of your original paper checks, which are drawn on or payable through United States financial institutions in United States dollars to us. We may then use the digital image to create an electronic check or substitute check for collection. If you use our RDC services, if applicable, we may require you to endorse the back of the paper check to indicate that it has been remotely deposited. For example, "for mobile deposit only."

37. Preauthorized Checks or Drafts. You should guard information about your account (such as your routing number and your account number) as carefully as you would guard blank checks. If you voluntarily give such information about your account to a party which is seeking to sell you goods or services, without physically delivering a check to it, any debit to or withdrawal from your account it initiates will be deemed authorized by you.

38. Stale or Postdated Checks. We reserve the right to pay or dishonor a check more than 6 months old without prior notice to you. If you can write checks on your account, you agree not to postdate any check drawn on the account. If you do and the check is presented for payment before the date of the check, we may pay it or return it unpaid. We are not liable for paying any stale or postdated check. Any damages you incur, that we may be liable for are limited to actual damages not to exceed the amount of the check.

39. Verifying Funds Availability for Check. You authorize us to release funds availability information about your account to individuals or merchants who represent to us that they have received a check or other item from you.

40. Check Safekeeping. If you can write checks on your account and utilize check safekeeping or any other system offered by us for the retention of your checks, you understand that the canceled checks will be retained by us and destroyed after a reasonable time period or as required by law. If for any reason we cannot provide you with a copy of a check, our liability will be limited to the lesser of the face amount of the check or the actual damages sustained by you. When you request a copy of a check it may be subject to a fee as defined in the Disclosures.

41. Remotely Created Checks. A remotely created check, as defined in Regulation CC, means a check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn. By having a deposit account with us, you certify that all remotely created checks deposited to your account(s) will be expressly and verifiably authorized by the payor. And we reserve the rights to refuse for deposit any such remotely created check if we have any reason to believe that the item is fraudulent in any manner, and to obtain from you the payor's express, verifiable authorization for any such check.

42. Statements. If your account is a Checking, NOW, Money Market, or Statement Savings account, we will provide you with a periodic statement showing the account activity. The last address you supply us in writing will be deemed the proper address for mailing this statement to you. The account holder who receives this statement is the agent for his/ her co-account holder(s) for purposes of receiving the statement and items. You must exercise reasonable care in reviewing your statement and reasonable promptness in notifying us of any discrepancies, such as alterations or forged or unauthorized signatures, even if by the same wrongdoer. You must notify us within 30 days after we mail or otherwise make the statement available to you of any discrepancies, except for transfers governed by the Wire Transfer Agreement. If you fail to notify us with reasonable promptness, you will have no claim against us to the extent permitted by law. Additionally, you agree that we will not be liable for discrepancies reported to us after one year after we mail or otherwise make the statement or items available to you, even if we failed to exercise reasonable care. However, if the discrepancy is the result of an electronic fund transfer, the provisions of our Disclosures will control its resolution. If you do not receive a statement from us because you have failed to claim it or have supplied us with an incorrect address, we may stop sending your statements until you specifically make written request that we resume sending your statements and you supply us with a proper address.

43. Electronic Statements and Notices. You may have the option to have statements and notices regarding this account provided to you in an electronic form, including to a designated e-mail address, through an online banking portal, or other electronic method, upon your authorization. The authorization may be withdrawn at any time to return to a mailed paper form by providing written notice to us at the address provided. The fees for receiving in either form, and for receiving paper

copies, are described in your Disclosures. In order to receive your account information in an electronic form, the receiving system may have to meet specific requirements. We will keep you informed of any change to the minimum hardware or software requirements.

44. Signatures. Your signature on the Account Information form is your authorized signature. You authorize us, at any time, to charge you for all checks, drafts, orders, or other items for the payment of money, that are drawn on us regardless of by whom or by what means (including facsimile signature(s)) may have been affixed so long as they resemble the signature specimen in our files. For withdrawal and for other purposes relating to any account you have with us, we are authorized to recognize your signature; and we will not be liable to you for refusing to honor signed instruments or instructions if we believe in good faith that one or more of the signatures appearing on the instrument or instruction is not genuine.

If your items are signed using any facsimile signature or non-manual form of signature, you acknowledge that it is solely for your benefit and convenience. You agree that no facsimile signature you have authorized us to honor may be considered a forgery or an unauthorized signature, and that every authorized facsimile signature shall be effective as the signatory's own original, manual signature. You accept sole responsibility for maintaining security over any device affixing the signature as such signature will be effective regardless of whether the person affixing it was authorized to do so. Your authorization notwithstanding, we are not obligated to accept or pay any items bearing facsimile signatures.

Further, most checks, drafts, orders, or other items are processed automatically, i.e., without individual review of each item. Therefore, unless we agree in a separate writing, in our sole discretion, upon your request and due to unique circumstances to conduct individual review of checks, drafts, orders, or other items for more than one signer, you agree that we are acting within common and reasonable banking practices by automatically processing these items. You agree to indemnify, defend, and hold us harmless from and against all loss, costs, damage, liability, and other injury (including reasonable attorney fees) that you or we may suffer or incur as a result of this practice.

45. Restrictive Legends. We are not required to honor any restrictive legend on checks you write unless we have agreed to the restriction in a writing signed by an officer of the financial institution. Examples of restrictive legends are "two signatures required", "must be presented within 90 days" or "not valid for more than $1,000.00."

46. Our Waiver of Rights. You understand and agree that no delay or failure on our part to exercise any right, remedy, power or privilege available to us under this Agreement shall affect or preclude our future exercise of that right, remedy, power or privilege.

47. Your Waiver of Notice. By signing the signature card/Account Information form, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your deposit account to the extent permitted by law. For example, if a check that you deposited is dishonored and returned to us, we are not required to notify you of the dishonor.

48. Death or Incompetency. Neither your death nor a legal adjudication of incompetence revokes our authority to accept, pay, or collect items until we know of the fact of death or of an adjudication of incompetence and have a reasonable opportunity to act on it. To the extent permitted by law, even with knowledge, we may for 10 days after the date of death, pay checks drawn on or before the date of death unless ordered to stop payment by a person claiming an interest in the account.

49. How to File A Complaint. We are chartered/licensed/registered under the laws of the State of Texas and by state law are subject to state department oversight. Any consumer wishing to file a complaint against us should contact the Texas Department of Banking through one of the means below:

☒ We are a state-chartered Bank.

In person or by U.S. Mail: Texas Department of Banking
Consumer Assistance Activities
2601 North Lamar Boulevard, Suite 300
Austin, TX 78705-4294

Telephone Number: (877) 276-5554
Email: consumer.complaints@dob.texas.gov
Website: www.dob.texas.gov
Fax Number: (512) 475-1313

50. Governing Law; Dispute Resolution; Arbitration; Waiver of Jury Trial; Statute of Limitations. All disputes and claims arising from or related to your account, this Agreement, or the parties' relationship shall be governed by the substantive laws of the state of Texas (without regard to its conflict of laws principles). The dispute resolution provisions set forth below will be solely construed pursuant to Texas law. First State Bank is located in Gainesville, Texas, and that is where your account was opened and is maintained. Governing Texas law may be supplemented as necessary by federal law.

THIS AGREEMENT PROVIDES FOR THE BINDING ARBITRATION OF ALL DISPUTES THAT CANNOT BE RESOLVED BY NEGOTIATION OR MEDIATION. THIS MEANS ALL DISPUTES ARISING OUT OF, CONNECTED TO, OR RELATED IN ANY WAY TO YOUR ACCOUNT OR THIS AGREEMENT OR THE PARTIES' RELATIONSHIP, REGARDLESS OF ANY PRIOR AGREEMENT, DISCUSSION OR UNDERSTANDING, SHALL BE RESOLVED BY BINDING ARBITRATION, AND NOT THROUGH LITIGATION OF ANY KIND, IN ANY COURT, BY ANY JUDGE, BY ANY JURY OR OTHER TRIBUNAL (EXCEPT FOR MATTERS IN SMALL CLAIMS COURT AND INTERPLEADER ACTIONS). THE SCOPE OF THIS CLAUSE AND WHETHER ANY CLAIM FALLS WITHIN ITS SCOPE SHALL SOLELY BE JUDGED BY THE ARBITRATOR OR THE ARBITRATION PANEL AND SHALL NOT BE RESOLVED BY ANY COURT. THIS AGREEMENT TO ARBITRATE ANY AND ALL DISPUTES IS ENTERED INTO PURSUANT TO THE TEXAS CIVIL PRACTICE AND REMEDIES CODE, CHAPTER 171 (THE "TEXAS GENERAL ARBITRATION ACT"), AND AS NECESSARY, PURSUANT TO THE FEDERAL ARBITRATION ACT 9 USC, §§1-16.

(a) **Negotiation**. If any dispute arises under your account relationship with the Bank and this Agreement, you and Bank shall first attempt to resolve any such dispute through negotiation. Such negotiation may include an "in person" meeting between you and the Bank at a mutually agreed time and place, and an exchange of documents pertaining to the dispute. Such negotiation shall be conducted in good faith, and confidential customer information disclosed or discussed in the course of the negotiation shall remain confidential as provided by law. If you decline to negotiate, you will be deemed to have waived your right to negotiate or mediate and your only remedy is binding arbitration. The failure to initiate negotiation by either party shall not effectuate a waiver of that party's right to demand arbitration. All costs and expenses associated with the negotiation of the dispute shall be paid by the party incurring such cost or expense.

(b) **Mediation.** If you and Bank are unable to resolve the dispute through negotiation, then you and Bank agree to submit the dispute to mediation. Either you or the Bank may request mediation upon written notice to the other party. Such mediation will be scheduled to take place within thirty (30) calendar days after such notice is given. You and Bank shall work together to mutually select a mediator, provided, however, that any mediator selected by the parties must: (i) have ten (10) years or more of practical working experience in the retail or commercial banking industry; (ii) be an attorney licensed by thestate of Texas, in good standing with the Texas State Bar, and with substantial experience in the trial or resolution of

commercial disputes; or (iii) be a member in good standing of the Texas Academy of Distinguished Neutrals. If you and Bank cannot mutually select a qualified mediator, each party will be deemed to have waived its respective right to mediate and each party's only remedy is binding arbitration.

If either party fails to participate in the mediation, then such party will be deemed to have waived its rights to mediate, and such party's only remedy is binding arbitration. The failure to initiate mediation by either party shall not effectuate a waiver of that party's right to demand arbitration.

The mediation shall occur in the county seat of the Texas county of your permanent residence, or if your permanent residence is outside of the state of Texas or the U.S., then in Gainesville, Texas. All costs, expenses, and fees with regard to any mediation, except for each party's attorneys' fees, shall be divided equally between you and the Bank, and you and the Bank shall each be solely responsible for payment of your share of such costs, expenses and fees.

If the mediation is not successful or neither party requests for mediation, either you or the Bank may file a claim for binding arbitration. Any request for arbitration must be by written request delivered to the other party by certified mail. The arbitration will be administered by the American Arbitration Association ("AAA") in accordance with the rules for resolution of commercial disputes and the Texas Arbitration Act. This agreement to arbitrate will apply without limitation, regardless of whether: (i) your account is closed; (ii) you pay us in full any outstanding debt you owe; or (iii) you enter into a receivership or file for bankruptcy. The arbitration clause contained herein extends past the term of this Agreement. The only exceptions to the negotiation, mediation or arbitration of disputes are that: (i) you have the right to pursue a claim in a small claims court instead of arbitration if the claim is within that court's jurisdiction and proceeds on an individual basis; and (ii) we have the right to take any action described in the Agreement regarding incidents including, but not limited to, fraud and loss prevention, legal process, legal compliance, and interpleader action.

The Bank retains the right to seek emergency injunctive relief in Texas courts (state or federal) without waiving the right to compel arbitration of the dispute. Any such injunctive relief shall be affirmed by the arbitrators and will remain in effect until either (i) the parties agree that such relief is no longer necessary, or (ii) the termination of the dispute.

(c) **Arbitration**.

(1) *Arbitration Claims in Excess of $100,000:* For claims in excess of $100,000, the matter will be decided by a panel of three (3) arbitrators from the AAA, one of whom shall be appointed by you and one by the Bank. The third arbitrator shall be selected by mutual agreement of the parties. If you and the Bank are unable to agree upon the appointment of the third arbitrator, your designated arbitrator and Bank's designated arbitrator shall jointly select an arbitrator who shall act as the third arbitrator on the panel of three (3). If the arbitrators cannot agree on the appointment of the third member, the AAA or like organization shall appoint the third member subject only to a disqualification for cause. Any person appointed or selected by you and the Bank to serve as an arbitrator must: (i) have ten (10) years or more of practical working experience in the retail or commercial banking industry; (ii) be an attorney licensed by the state of Texas, in good standing with the Texas State Bar, and with substantial experience in the trial or resolution of commercial disputes; or (iii) be a member in good standing of the Texas Academy of Distinguished Neutrals. If the third arbitrator is jointly selected by your and the Bank's designees or by the AAA or like organization, that third arbitrator shall have these same industry or legal experience or credentials described above.

Arbitration shall occur in the county seat of the Texas county of your permanent residence, or if your permanent residence is outside the State of Texas or the U.S., then in Gainesville, Texas. It is anticipated that the arbitration will take place within ninety (90) calendar days after notice is given.

In the event that the AAA is unable to administer the dispute for any reason, then any dispute in excess of $100,000 shall be shall be decided by a panel of three (3) arbitrators selected by agreement of the parties from the current membership roster of the Texas Academy of Distinguished Neutrals or, if the parties cannot agree, selected by the Academy's current Texas President from the current membership, Texas roster. If the parties and the arbitrators cannot agree on the third arbitrator, the third arbitrator shall be designated by the President of the Texas Academy from the current roster of Distinguished Neutrals resident in Texas.

(2) *Arbitration Claims Up To $100,000:* For disputes equal to or less than $100,000, the matter will be decided by a single arbitrator from the AAA mutually agreed to by you and the Bank. Any person appointed and agreed to by you and the Bank to serve as the arbitrator must: (i) have ten (10) years or more of practical working experience in the retail or commercial banking industry; (ii) be an attorney licensed by the state of Texas, in good standing with the Texas State Bar, and with substantial experience in the trial or resolution of commercial disputes; or (iii) be a member in good standing of the Texas Academy of Distinguished Neutrals. If the parties cannot agree on the selection of the arbitrator, the arbitrator shall be designated by the AAA in accordance with the AAA rules for resolution of commercial disputes. Arbitration shall occur in the county seat of the Texas county of your permanent residence, or if your permanent residence is outside the State of Texas or the U.S., then in Gainesville, Texas. It is anticipated that the arbitration will take place within ninety (90) calendar days after notice is given. In the event that the AAA or like organization is unable to administer the dispute for any reason, then any dispute in equal to or less than $100,000 shall be shall be decided by a neutral arbitrator selected by agreement of the parties from the current membership roster of the Texas Academy of Distinguished Neutrals or, if the parties cannot agree, selected by the Academy's current Texas President from the current membership, Texas roster. If the parties and the arbitrators cannot agree on the arbitrator, the arbitrator shall be designated by the President of the Texas Academy from the current roster of Distinguished Neutrals resident in Texas.

(3) *Arbitration In General:* You and the Bank agree that the arbitrator(s) do not have authority to render a decision which contains reversible error of Texas or federal law, or to recognize a cause of action or remedy not expressly provided for under existing Texas or federal law. Where there is any conflict of law regarding an appeal of any decision of the arbitrators, you and the Bank agree that Texas law shall control. The arbitrators shall have no authority to award punitive damages or any other relief not measured by the prevailing party's actual damages (e.g., two times actual damages). The arbitrators shall in no event, have any power or authority to consolidate claims asserted by different claimants or counter-claimants, adjudicate any claims presented to them on a class-wide basis, treat any claimant or counter-claimant as a representative of a class of claimants or counter-claimants, or award any relief on a class-wide basis.

The agreement to arbitrate applies whenever there is a dispute between you and the Bank and if a third party is also involved in the dispute, then the dispute will be decided with respect to the third party in arbitration as well. The third

party must be named as a party in accordance with the rules of procedure governing the arbitration. No award or relief will be granted by the arbitrator except on behalf of, or against, a named party. For purposes of arbitration, "you" includes any person who is listed on your account, and "Bank" includes First State Bank, all its affiliates, and all third parties who are regarded as agents or representatives of ours. The arbitration may not be consolidated with any other arbitration proceeding.

As is referenced above, the AAA or like organization will be the arbitration administrator. That organization will apply its procedures in effect at the time the arbitration claim is filed. This Agreement will control any conflicts between its procedures and this Agreement. The arbitrator(s) will decide the dispute in accordance with applicable Texas law, including recognized principles of equity and statutes of limitations, conditions precedent to suit, and will honor all claims of privilege recognized by law. The arbitrator(s) will have the power to award to a party any damages or other relief provided for under applicable law. In any event, the arbitrator(s) (1) shall permit each side no more than six depositions (including the deposition of experts), which depositions may not exceed four hours each, one set of ten interrogatories (inclusive of sub parts) and one set of twenty-five document requests (inclusive of sub parts), and (2) shall permit fifty requests for admissions, (3) shall limit the hearing, if any, to three days. All arbitration proceedings shall be confidential. The arbitrator(s) shall express their decision in a written award supported by findings made by the arbitrator(s) and signed by all. Judgment may be entered upon any award in any court having jurisdiction. The arbitrator(s)' decision, rendered in a reasoned opinion, will be final and binding on the parties. A party can file a written appeal to the arbitration administrator or request a new arbitration within thirty (30) days of issuance of the award. The appeal must request a new arbitration based on good faith objection to the reasoned opinion of the arbitrator(s) and shall be heard by three (3) neutral arbitrators designated by the AAA or like organization. The panel will reconsider all factual and legal issues following the same rules of procedure and, based on majority vote, determine whether any reversible error has occurred. Any final arbitration award, rendered in a reasoned opinion, will be binding on the named parties and enforceable by any court having jurisdiction. You and Bank agree that the fact of the arbitration, all submissions to and proceeding before the arbitrators, and the written decision and findings of the arbitrators shall remain confidential between you and Bank unless necessary to appeal to a secure judicial review or confirmation, or as required by law.

For consumer Bank customers: (i) Bank will pay any costs that are required to be paid by you under the arbitration administrator's rules of procedure; (ii) even if not otherwise required, Bank will reimburse you up to $500 for any initial arbitration filing fees you have paid; and (iii) Bank will also pay any fees of the arbitrator and arbitration administrator for the first day of any hearing. Furthermore, if you are a consumer customer and you win the arbitration, Bank will reimburse you for any fees you paid to the arbitration administrator and/or arbitrator. If you are a consumer customer and you believe that you are unable to afford any fees that would be yours to pay, you may request that we pay or reimburse them, and we will consider your request in good faith on a case-by-case basis. Other than as stated above for consumer customers, all fees will be allocated according to you and Bank according to the arbitration administrator's rules and applicable law.

Rules and forms may be obtained from, and claims may be filed with the AAA or like organization at their respective offices on their web pages. It is possible that third parties involved in the negotiation, mediation, and arbitration protocol, such as lawyers, accountants, or contractors, who offer products or services to the public may also be Bank customers. We provide this information only as a courtesy and convenience to you. We do not make any warranties or representations about the third parties or their products or services. We are not responsible for the third party's performance or to help resolve any dispute between you and the third party.

(d) **Waiver of Right To A Jury Trial**. THIS PROVISION LIMITS YOUR RIGHTS TO A JURY TRIAL. You should review this provision carefully. If: (i) neither you nor we seek to compel arbitration of any dispute we have related to this Agreement, your account, or any transactions involving your account; or (ii) some or all of these arbitration provisions are unenforceable and we are in a dispute in a court of law, then each of us agrees to knowingly, intentionally, irrevocably, unconditionally and voluntarily waive any right we may have to a jury trial to the extent allowable under Texas law.

(e) **Waiver of Objection to Personal Jurisdiction and Service of Process**. If (i) neither you nor we seek to compel arbitration of any dispute we have related to this Agreement, your account, or any transactions involving your account, or (ii) some or all of these arbitration provisions are unenforceable and we are in a dispute in a court of law, then the parties hereby unconditionally consent to the jurisdiction of the state of Texas and waive any and all objections to the exercise of personal jurisdiction over them by any tribunal of the state of Texas. All parties hereto irrevocably consent to the service of process in any suit, action or proceeding in court by the mailing thereof, by registered or certified mail, postage prepaid, to its address for notices set forth in this Agreement. Service shall be deemed effective five days after such mailing. If requested to do so by any party, each party hereto agrees to waive service of process and to execute any and all documents necessary to implement such waiver in accordance with the Texas Rules of Civil Procedure.

(f) **Statute of Limitations**. You agree that, unless a different period is set forth herein, any claim, action, suit or proceeding against Bank for damages resulting in any respect from its acts or omissions in its performance under this Agreement or that arise from, connected to, or related to this Agreement must be brought within two (2) years from the date of Bank's alleged act or omission.

ACCOUNT SPECIFIC PROVISIONS. In addition to the General Rules, the following rules apply to specific types of accounts:

CHECKING AND NOW ACCOUNTS

Checking Accounts. If your account is a checking account, it will be either non-interest bearing or interest bearing as defined in the Truth in Savings Disclosure.

Withdrawals. Deposits will be available for withdrawal consistent with the terms of our Disclosures. Withdrawals may be subject to a service charge.

Withdrawal Notice Requirements. If your account is a NOW account or a non-demand deposit checking account, we have the right to require seven (7) days prior written notice from you of your intent to withdraw any funds from your account.

MONEY MARKET AND SAVINGS ACCOUNTS

Withdrawals. We have the right to require seven (7) days prior written notice from you of your intent to withdraw any funds from your account. Withdrawals may be subject to a service charge.

Transaction Limitations. Our policy allows us to restrict the number of transfers or withdrawals you can make on a

Money Market Account and Savings Account, or we may allow you to make an unlimited number of transfers or withdrawals from these accounts.

Restrictions on Money Market and Savings Accounts. If we restrict the number of transfers or withdrawals you can make on these accounts, you understand that we will not allow more transfers or withdrawals than the maximum number specified in the Disclosures, and we may close your account, take away your ability to transfer funds, charge you a fee, or convert the account to a checking or other transaction account if the restriction is violated.

No Restrictions on Money Market and Savings Accounts. If we do not restrict the number of transfers or withdrawals you can make on these accounts, your account may still be subject to other transaction limitations. Please refer to the Disclosures to understand which transaction limitations, if any, apply to your account.

SAVINGS ACCOUNTS

Passbooks. If your account is a passbook account and you wish to make a withdrawal without your passbook, we can refuse to allow the withdrawal. If your passbook is lost or stolen, you will immediately notify us in writing.

CERTIFICATES OF DEPOSIT/TIME DEPOSIT ACCOUNTS

Account Terms. The Certificate bears interest at the rate and basis as set forth on the Certificate. The terms of the Certificate, such as the interest rate(s), Annual Percentage Yield ("APY"), length of term period, renewability, and date of maturity are specified on the Certificate and in the Disclosures provided to you at the time of account opening. Interest will not be compounded unless noted and will be paid to you at the frequency and in the method noted. If interest compounds during the term of the Certificate and may be withdrawn prior to maturity, the withdrawal of interest prior to maturity will affect the APY.

Withdrawal Prior To Maturity. You have contracted to keep the account funds on deposit from the issue date until the maturity date. We may accept a request by you for withdrawal of some or all of the account funds prior to the maturity date at our discretion or as otherwise described in the Disclosures.

Additional Deposits During The Term. No additional deposits will be allowed to this account during its term unless otherwise described in the Disclosures.

Early Withdrawal Penalty. Unless provided otherwise in the Disclosures, we will assess an early withdrawal penalty on any withdrawal, either partial or in whole, that we allow you to make from your account prior to the account's maturity date. The method for determining that penalty is described in the Disclosures.

Renewal. Automatic Renewal Certificates will renew automatically on the stated maturity date of its term. Such renewal will be for a time period equal or similar to the original term and subject to these terms and conditions. Interest for that renewal term will be paid at the interest rate then in effect at this financial institution for similar accounts. If you close the Certificate within the grace period following the maturity date, we will not charge an early withdrawal penalty for that withdrawal. The grace period following a maturity date is described in the Disclosures.

Single Maturity. Single Maturity Certificates will not automatically renew at maturity. The Disclosures describe our policy concerning the account's status following the maturity date. To ensure a continuation of interest earning, you must arrange for a new investment of the account balance.

Addendum

For further clarification to the Non-Sufficient Funds and Overdrafts section of the Account Agreement:

It is important to remember that your account has two balances: The **Available Balance** and the **Actual or Ledger Balance** (sometimes also called the "current" balance). Your account's Ledger Balance only includes transactions that have settled as of the last processing date, such as deposits and payments that have posted to your account. The Ledger Balance does not include outstanding items (such as checks that have not yet cleared and electronic transactions, including debit card transactions, which have been authorized but which are still pending). In contrast, your Available Balance takes transactions that have been authorized, but not yet settled (i.e., preauthorized debits/holds), and subtracts them from the Ledger Balance. When calculating your Available Balance, checks you have written that have been presented and not posted and any "holds" placed on deposits or transactions that have not yet cleared are also subtracted from the Ledger Balance.

The Bank uses your Available Balance to authorize or decline ATM and everyday debit card transactions. The Bank will generally place a hold on your account for any ATM or everyday debit card transactions that are authorized until the transaction settles. ATM and everyday debit card transactions usually settle within three business days after the transaction is authorized, but may take longer. The amount of the hold will reduce your Available Balance (but not your Ledger Balance) for the amount authorized, or as permitted under applicable payment network rules. Holds on authorized ATM and everyday debit card transactions will be removed prior to settlement where required by applicable payment network rules.

Please also note that on debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more or less than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be seven business days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, your Available Balance, but not your Ledger Balance, will be reduced by the amount of the temporary hold.

Please remember that for all pre-authorizations or temporary holds, the fact that the Bank may put a hold on your Available Balance does not mean the authorization or hold is set aside and made available to pay the specific transaction authorized. Instead, the hold is simply a reduction in your Available Balance based on the fact that we have authorized a transaction and, therefore, you and the Bank are obligated to pay it when presented for posting or settlement.

Please remember that the Bank uses your Available Balance to authorize or decline ATM and everyday debit card transactions; however, the Bank uses the Ledger Balance at the time all types of transactions post or settle to your account (not at transaction authorization) when determining whether any transaction will cause your account to overdraw and for charging Overdraft Item and Return Item Fees. This means that you may be assessed Overdraft Item and/or Return Item Fees per item based on your Ledger Balance at the time of settlement (not authorization), even though your Available Balance may show a different balance amount at that time due to the inclusion of pending and hold items; **provided however,** for ATM and everyday debit card transactions that are authorized based on a positive Available Balance, your account will not be assessed an Overdraft Item Fee if there is an insufficient Ledger Balance at the time of transaction posting or settlement.

Return Item for Non-Sufficient Funds

We may charge you non-sufficient funds fees for each resubmission or re-presentation of a debit or item, which means you may incur multiple non-sufficient funds fees if a debit or item is returned more than one time. For example, you write a check from your account with us. The check is returned for non-sufficient funds, and we may charge you non-sufficient funds fees. The same item is then re-presented in a different format to us for payment, and the item is returned again for non-sufficient funds. We may charge you non-sufficient funds fees the second time the item is presented for payment and returned for non-sufficient funds.

ELECTRONIC FUND TRANSFER DISCLOSURE AND AGREEMENT

First State Bank
P O Box 10 Gainesville, TX 76241
FirstState.Bank 940-665-1711

Electronic Fund Transfers - Your Rights and Responsibilities

For purposes of this disclosure and agreement the terms "we", "us" and "our" refer to First State Bank. The terms "you" and "your" refer to the recipient of this disclosure and agreement.

The Electronic Fund Transfer Act and Regulation E require institutions to provide certain information to customers regarding electronic fund transfers (EFTs). This disclosure applies to any EFT service you receive from us related to an account established primarily for personal, family or household purposes. Examples of EFT services include direct deposits to your account, automatic regular payments made from your account to a third party and one-time electronic payments from your account using information from your check to pay for purchases or to pay bills. This disclosure also applies to the use of your Debit Card (hereinafter referred to collectively as "Debit Card") at automated teller machines (ATMs) and any networks described below.

TERMS AND CONDITIONS. The following provisions govern the use of EFT services through accounts held by First State Bank which are established primarily for personal, family or household purposes. If you use any EFT services provided, you agree to be bound by the applicable terms and conditions listed below. Please read this document carefully and retain it for future reference.

DEFINITION OF BUSINESS DAY. Business days are Monday through Friday excluding holidays.

ELECTRONIC FUND TRANSFER SERVICES PROVIDED

DEBIT CARD SERVICES. The services available through use of your debit card are described below.

DEBIT CARD SERVICES:

- You may withdraw cash from your Checking and Savings account(s).
- You may make deposits into your Checking and Savings account(s).
- You may transfer funds between your Checking and Savings account(s).
- You may make balance inquiries on your Checking and Savings account(s).
- You may use your card at any merchant that accepts Mastercard® debit cards for the purchase of goods and services.

ATM SERVICES.

NETWORK. Your ability to perform the transactions or access the accounts set forth above depends on the location and type of ATM you are using and the network through which the transaction is being performed. A specific ATM or network may not perform or permit all of the above transactions.

You may access your Debit Card through the following network(s): MASTERCARD, PULSE, CIRRUS and MAESTRO.

ATM FEES. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used, and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer.

POINT OF SALE TRANSACTIONS. Listed below is the card you may use to purchase goods and services from merchants that have arranged to accept your card as a means of payment (these merchants are referred to as "Participating Merchants"). Some Participating Merchants may permit you to receive cash back as part of your purchase. Purchases made with your card, including any purchase where you receive cash, are referred to as "Point of Sale" transactions and will cause your "designated account" to be debited for the amount of the purchase. We have the right to return any check or other item drawn against your account to ensure there are funds available to pay for any Point of Sale transaction. We may, but do not have to, allow transactions which exceed your available account balance or, if applicable, your available overdraft protection. If we do, you agree to pay an amount equal to the overdrawn balance plus any overdraft fees.

The following card and the corresponding designated account(s) may be used for Point of Sale transactions:

- Debit Card: Checking account(s).

Your Debit card may also be used to obtain cash from your designated account(s) at participating financial institutions when so authorized under the terms of your Account Agreement.

An authorization hold is a temporary hold that is placed on your account for certain debit card transactions. The amount of the temporary hold may be more than the actual amount of the transaction, so your available account balance will temporarily be reduced by the amount of the temporary hold. If the authorization hold or the processing of subsequent transactions causes your

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account to have insufficient funds to pay the transaction, we may charge you non-sufficient funds fees each time if we return the item or overdraft fees if we pay the item on your behalf.

CURRENCY CONVERSION - Mastercard®. If you perform transactions with your card with the Mastercard® logo in a currency other than US dollars, Mastercard International Inc. will convert the charge into a US dollar amount. At Mastercard International they use a currency conversion procedure, which is disclosed to institutions that issue Mastercard®. Currently the currency conversion rate used by Mastercard International to determine the transaction amount in US dollars for such transactions is based on rates observed in the wholesale market or government-mandated rates, where applicable. The currency conversion rate used by Mastercard International is generally the rate of the applicable currency on the date that the transaction occurred. However, in limited situations, particularly where transactions are submitted to Mastercard International for processing are delayed, the currency conversion rate used may be the rate of the applicable currency on the date that the transaction is processed.

SERVICES PROVIDED THROUGH USE OF PHONE TELLER. You may perform the following functions through use of Phone Teller:

- You may initiate transfers of funds between your Checking and Savings account(s).
- You may make balance inquiries on your Checking, Savings, Certificate(s) of Deposit, and Loan(s).
- You may make payments on Loan account(s) that you have with us.

PREAUTHORIZED TRANSFER SERVICES.

- You may arrange for the preauthorized automatic deposit of funds to your Checking and Savings account(s).
- You may arrange for the preauthorized automatic payments or other transfers from your Checking and Savings account(s).

SERVICES PROVIDED THROUGH USE OF INTERNET BANKING. First State Bank offers its customers use of our Internet Banking service.

You may access your account(s) at www.FirstState.Bank by using your personal login credentials and challenge questions to: transfer funds from Checking or Savings to Checking or Savings, make payments from Checking or Savings to Loan accounts with us, make payments from Checking or Savings to third parties, get information on Checking and Savings account(s), Certificate(s) of Deposit and Loans. These services can also be accessed through our Mobile Banking app.

ELECTRONIC CHECK CONVERSION. You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or to pay bills.

WITHDRAWAL LIMITATIONS.

You may not exceed your designated cash withdrawal limit per day or your designated dollar limit in Point of Sale transactions per day (refer to separate disclosure for designated limits).

LIMITATIONS ON TRANSACTIONS

OTHER LIMITATIONS.

- The number and/or dollar amount limit of Point of Sale transactions will be provided to you when you receive your card.
- The terms of your account(s) may limit the number of withdrawals you may make each month. Restrictions disclosed at the time you opened your account(s), or sent to you subsequently will also apply to your electronic withdrawals and electronic payments unless specified otherwise.
- We reserve the right to impose limitations for security purposes at any time.

NOTICE OF RIGHTS AND RESPONSIBILITIES

The use of any electronic fund transfer services described in this document creates certain rights and responsibilities regarding these services as described below.

RIGHT TO RECEIVE DOCUMENTATION OF YOUR TRANSFERS.

TRANSACTION RECEIPTS. Depending on the location of an ATM, you may not be given the option to receive a receipt if your transaction is $15.00 or less. Upon completing a transaction of more than $15.00, you will receive a printed receipt documenting the transaction (unless you choose not to get a paper receipt). These receipts (or the transaction number given in place of the paper receipt) should be retained to verify that a transaction was performed. A receipt will be provided for any transaction of more than $15.00 made with your Debit Card at a Participating Merchant. If the transaction is $15.00 or less, the Participating Merchant is not required to provide a receipt.

PERIODIC STATEMENTS. If your account is subject to receiving a monthly statement, all EFT transactions will be reported on it. If your account is subject to receiving a statement less frequently than monthly, then you will continue to receive your statement on that cycle, unless there are EFT transactions, in which case you will receive a monthly statement. In any case you will receive your statement at least quarterly.

PREAUTHORIZED DEPOSITS. If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company:

- you can call us at (940)665-1711 to find out whether or not the deposit has been made.

USING YOUR CARD AND PERSONAL IDENTIFICATION NUMBER ("PIN"). In order to assist us in maintaining the security of your account and the terminals, the Debit Card remains our property and may be revoked or canceled at any time without giving you prior notice. You agree not to use your Debit Card for a transaction that would cause your account balance to go below zero, or to access an account that is no longer available or lacks sufficient funds to complete the transaction, including any available line of credit. We will not be required to complete any such transaction, but if we do, we may, at our sole discretion, charge or credit the transaction to another account; you agree to pay us the amount of the improper withdrawal or transfer upon request.

Certain transactions involving your Debit Card require use of your PIN. Your PIN is used to identify you as an authorized user. Because the PIN is used for identification purposes, you agree to notify First State Bank immediately if your Debit Card is lost or if the secrecy of your PIN is compromised. You also agree not to reveal your PIN to any person not authorized by you to use your Debit Card or to write your PIN on your Debit Card or on any other item kept with your Debit Card. We have the right to refuse a transaction on your account when your Debit Card or PIN has been reported lost or stolen or when we reasonably believe there is unusual activity on your account.

The security of your account depends upon your maintaining possession of your Debit Card and the secrecy of your PIN. You may change your PIN if you feel that the secrecy of your PIN has been compromised. You may change your PIN via telephone by calling (940) 665-1711.

RIGHTS REGARDING PREAUTHORIZED TRANSFERS.

RIGHTS AND PROCEDURES TO STOP PAYMENTS. If you have instructed us to make regular preauthorized transfers out of your account, you may stop any of the payments. To stop a payment,

call us at: (940)665-1711
or
write to: FIRST STATE BANK
P.O. BOX 10
GAINESVILLE, TEXAS 76241-0010

We must receive your call or written request at least three (3) business days prior to the scheduled payment. If you call, please have the following information ready: your account number, the date the transfer is to take place, to whom the transfer is being made and the amount of the scheduled transfer. If you call, we may require you to put your request in writing and deliver it to us within fourteen (14) days after you call.

NOTICE OF VARYING AMOUNTS. If you have arranged for automatic periodic payments to be deducted from your checking or savings account and these payments vary in amount, you will be notified by the person or company you are going to pay ten days prior to the payment date of the amount to be deducted.

OUR LIABILITY FOR FAILURE TO STOP PREAUTHORIZED TRANSFER PAYMENTS. If you order us to stop one of the payments and have provided us with the information we need at least three (3) business days prior to the scheduled transfer, and we do not stop the transfer, we will be liable for your losses or damages.

YOUR RESPONSIBILITY TO NOTIFY US OF LOSS OR THEFT. If you believe your Debit Card or PIN or internet banking access code has been lost or stolen,

call us at: (940)665-1711 (24 hours a day, 7 days a week)
or
write to: FIRST STATE BANK
P.O. BOX 10
GAINESVILLE, TEXAS 76241-0010

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

CONSUMER LIABILITY. Tell us AT ONCE if you believe your Debit Card or PIN or internet banking access code has been lost or stolen or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account

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(plus your maximum overdraft line of credit, if applicable). If you tell us within two (2) business days after you learn of the loss or theft of your Debit Card or PIN or internet banking access code you can lose no more than fifty dollars ($50) if someone used your Debit Card or PIN or internet banking access code without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your Debit Card or PIN or internet banking access code and we can prove we could have stopped someone from using your Debit Card or PIN or internet banking access code without your permission if you had given us notice, you can lose as much as fifty dollars ($50.00).

Also, if your statement shows transfers you did not make, including those made by card, code, or other means, tell us at once. If you do not tell us within sixty (60) days after the statement was transmitted to you, you may not receive back any money you lost after the sixty (60) days, and therefore, you may not get back any money in your account (including your maximum overdraft line of credit, if applicable), if we can prove that we could have stopped someone from taking the money had you given us notice in time. If a good reason (such as a long trip or hospital stay) keeps you from giving the notice, we will extend the time periods.

CONSUMER LIABILITY FOR UNAUTHORIZED TRANSACTIONS INVOLVING DEBIT CARD. The limitations on your liability for unauthorized transactions described above generally apply to all electronic fund transfers. However, different limitations apply to certain transactions involving your card with the Mastercard® branded card.

If you promptly notify us about an unauthorized transaction involving your card and the unauthorized transaction took place on your Mastercard® branded card, including any PIN-based ATM or POS transactions, zero liability will be imposed on you for the unauthorized transaction. In order to qualify for the zero liability protection, you must have exercised reasonable care in safeguarding your card from the risk of loss or theft and, upon becoming aware of such loss or theft, promptly reported the loss or theft to us.

ILLEGAL USE OF DEBIT CARD. You agree not to use your Debit Card for any illegal transactions, including internet gambling and similar activities.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR TRANSACTIONS. In case of errors or questions about your electronic fund transfers,

call us at: (940)665-1711
or
write to: FIRST STATE BANK
P.O. BOX 10
GAINESVILLE, TEXAS 76241-0010
or
email us at: DigitalSupport@FirstState.Bank
or

use the current information on your most recent account statement.

Notification should be made as soon as possible if you think your statement or receipt is wrong or if you need more information about a transaction listed on the statement or receipt. You must contact First State Bank no later than 60 days after we sent you the first statement on which the problem or error appears. You must be prepared to provide the following information:

- Your name and account number.
- A description of the error or transaction you are unsure about along with an explanation as to why you believe it is an error or why you need more information.
- The dollar amount of the suspected error.

If you provide oral notice, you will be required to send in your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days (twenty (20) business days for new accounts) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days (ninety (90) days for new accounts and foreign initiated or Point of Sale transfers) to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days (twenty (20) business days for new accounts) for the amount which you think is in error, so that you will have the use of the money during the time it takes 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. The extended time periods for new accounts apply to all electronic fund transfers that occur within the first thirty (30) days after the first deposit to the account is made, including those for foreign initiated or Point of Sale transactions.

We will tell you the results within three (3) 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.

LIABILITY FOR FAILURE TO COMPLETE TRANSACTION. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages as provided by law. However, there are some exceptions. We will NOT be liable, for instance:

- If through no fault of ours, you do not have enough money in your account to make the transfer.

- If the transfer would result in your exceeding the credit limit on your line of credit, if you have one.
- If the electronic terminal was not working properly and you knew about the breakdown before you started the transfer.
- If circumstances beyond our control (such as fire or flood, computer or machine breakdown, or failure or interruption of communications facilities) prevent the transfer, despite reasonable precautions we have taken.
- If we have terminated our Agreement with you.
- When your Debit Card has been reported lost or stolen or we have reason to believe that something is wrong with a transaction.
- If we receive inaccurate or incomplete information needed to complete a transaction.
- In the case of preauthorized transfers, we will not be liable where there is a breakdown of the system which would normally handle the transfer.
- If the funds in the account are subject to legal action preventing a transfer to or from your account.
- If the electronic terminal does not have enough cash to complete the transaction.

There may be other exceptions provided by applicable law.

CHARGES FOR TRANSFERS OR THE RIGHT TO MAKE TRANSFERS.

PER TRANSACTION CHARGE. We may assess a fee for each preauthorized transfer, ATM transaction, telephone transaction or Point of Sale purchase you make. Please see the applicable Fee Schedule to determine the applicable amount.

FEES. You may be charged a fee for withdrawals of cash under certain circumstances, whether they take place at proprietary machines or through a network or are Point of Sale transfers or transfers made without the use of your Debit Card. The circumstances under which such charges will be assessed, as well as the amount of the charge, are included in the current Fee Schedule, which is hereby incorporated into this document.

FEE SCHEDULE. The Fee Schedule referred to above is being provided separately and is incorporated into this document by reference. Additional copies of the schedule may be obtained from First State Bank upon request.

PREAUTHORIZED TRANSACTIONS. There are no additional charges for your use of preauthorized electronic fund transfers except as stated in our Fee Schedule, which is incorporated into this document by reference.

DISCLOSURE OF ACCOUNT INFORMATION. You agree that merchant authorization messages transmitted in connection with Point of Sale transactions are permissible disclosures of account information, and you further agree to release First State Bank and hold it harmless from any liability arising out of the transmission of these messages.

We will disclose information to third parties about your account or electronic fund transfers made to your account:

1. Where necessary to complete a transfer or to investigate and resolve errors involving the transfer(s); 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; or
4. If you give us your permission in a record or writing.

AMENDING OR TERMINATING THE AGREEMENT. We may change this agreement from time to time. You will be notified at least 21 days before a change will take effect if it will cause you an increase in costs or liability or it will limit your ability to make electronic fund transfers. No notice will be given if the change is necessary for security reasons. We also have the right to terminate this agreement at any time.

SAFETY PRECAUTIONS FOR ATM TERMINAL USAGE. Please keep in mind the following basic safety tips whenever you use an ATM:

- Have your Debit Card ready to use when you reach the ATM. Have all of your forms ready before you get to the machine. Keep some extra forms (envelopes) at home for this purpose.
- If you are new to ATM usage, use machines close to or inside a financial institution until you become comfortable and can conduct your usage quickly.
- If using an ATM in an isolated area, take someone else with you if possible. Have them watch from the car as you conduct your transaction.
- Do not use ATMs at night unless the area and machine are well-lighted. If the lights are out, go to a different location.
- If someone else is using the machine you want to use, stand back or stay in your car until the machine is free. Watch out for suspicious people lurking around ATMs, especially during the times that few people are around.
- When using the machine, stand so you block anyone else's view from behind.
- If you observe suspicious persons or circumstances while approaching or using an ATM, you should not use the ATM at that time or, if you are in the middle of a transaction you should cancel the transaction, take your Debit Card, leave the area, and come back at another time, or use an ATM at another location.

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- Do not stand at the ATM counting cash. Check that you received the right amount later in a secure place, and reconcile it to your receipt then.
- Keep your receipts and verify transactions on your account statement. Report errors immediately. Do not leave receipts at an ATM location.
- When using our walk-up or drive-up ATMs, you should remain aware of your surroundings and exercise caution when withdrawing funds, inspect the ATM before use for possible tampering or for the presence of an unauthorized attachment that could capture information from your Debit Card or your PIN, and refrain from displaying cash and put it away as soon as the transaction is completed.
- Protect your PIN to ensure that no one can observe entry of your PIN.
- Treat your Debit Card as if it were cash and if your Debit Card has an embedded chip keep it in a safety envelope to avoid undetected and unauthorized scanning.
- Do not communicate information about your Debit Card over the phone or internet unless you trust the merchant with the information over the phone or you initiated the transaction.
- To protect against internet fraud, if you are making an online purchase with your Debit Card you should end the transaction by logging out of the website instead of just closing the web browser.

ADDITIONAL PROVISIONS

Your account is also governed by the terms and conditions of other applicable agreements between you and First State Bank.

FUNDS AVAILABILITY POLICY DISCLOSURE

First State Bank
P O Box 10 Gainesville, TX 76241
FirstState.Bank 940-665-1711

YOUR ABILITY TO WITHDRAW FUNDS

PURPOSE OF THIS DISCLOSURE. Our general policy is to allow you to withdraw funds deposited in a transaction account by the first Business Day after the day of deposit. Funds from electronic direct deposits will be available on the day we receive the deposit. In some cases, we may delay your ability to withdraw funds beyond the first Business Day after the day of deposit. Our complete policy is summarized below.

For purposes of this disclosure, the terms "you"/"your" refer to the customer and the terms "our"/"we"/"us" refer to FIRST STATE BANK.

Generally, transaction accounts are accounts which would permit an unlimited number of payments by check to third persons, and also an unlimited number of telephonic and preauthorized transfers to third persons or other accounts you may have with us.

DETERMINING THE AVAILABILITY OF YOUR DEPOSIT. The length of the delay varies depending on the type of deposit and is explained below. When we delay your ability to withdraw funds from a deposit, you may not withdraw the funds in cash, and we will not pay checks you have written on your account by using these funds. 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.

When we delay your ability to withdraw funds, the length of the delay is counted in Business Days from the day of your deposit. The term "Business Day" means any day other than a Saturday, Sunday or federally declared legal holiday, and the term "Banking Day" means that part of any Business Day on which we are open to the public for carrying on substantially all of our banking functions.

If you make a deposit before 4:00 p.m. on a Business Day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 4:00 p.m. or on a day that we are not open, we will consider the deposit made on the next Business Day we are open.

AVAILABILITY SCHEDULE

Same Day Availability. Funds from deposits of:

- electronic direct deposits
- cash*
- wire transfers
- U.S. Treasury checks**
- U.S. Postal Service money orders**
- Federal Reserve Bank or Federal Home Loan Bank checks**
- State or Local Government checks**
- Cashier's, Certified, or Teller's checks**
- checks drawn on us

will be available on the day of deposit.

Other Check Deposits. Funds from all other check deposits will be available by the first Business Day after the day of your deposit.

*** Cash Deposits.** If the cash deposits are made in person to an employee of FIRST STATE BANK, then the funds will be made available on the day we receive your deposit. If they are not made in person to an employee, then the funds will be made available no later than the next Business Day after the day of your deposit.

**** Check Deposits.** Check deposits include U.S. Treasury checks; U.S. Postal Service money orders; Federal Reserve Bank or Federal Home Loan Bank checks; State or Local Government checks; and Cashier's, Certified, or Teller's checks. In order for these check deposits to be made available according to the funds availability schedule above, the following conditions are required:

U.S. Treasury Checks. These checks must be made payable to you and deposited into your account.

U.S. Postal Service Money Orders; Federal Reserve Bank or Federal Home Loan Bank Checks; State or Local Government Checks; or Cashier's, Certified, or Teller's Checks. These checks must be made payable to you, made in person to one of our employees, and deposited into your account.

If any of these conditions are not satisfied, then the funds from these check deposits will be made available no later than the second Business Day after the day of your deposit.

LONGER DELAYS MAY APPLY. In some cases, we will not make all of the funds that you deposit by check available to you according to the previously stated availability schedule. Depending on the type of check that you deposit, funds may not be available until the second Business Day after the day of your deposit. The first $225.00 of your deposits, however, may be available by the first Business Day after the day of deposit.

If we are not going to make all of the funds from your deposit available to you according to the previously stated availability schedule, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

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

(a) if we believe a check you deposit will not be paid;
(b) if you deposit checks totaling more than $5,525 on any one day;
(c) if you redeposit a check that has been returned unpaid;
(d) if you have overdrawn your account repeatedly in the last six months; or

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(e) if an emergency condition arises that would not enable us to make the funds available to you, such as the failure of computer or communications equipment.

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 no later than the seventh Business Day after the day of your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

HOLDS ON OTHER FUNDS FOR CHECK CASHING. If we cash a check for you that is drawn on another financial institution, 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.

HOLDS ON OTHER FUNDS IN ANOTHER ACCOUNT. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

SPECIAL RULES FOR NEW ACCOUNTS. If you are a new customer, the following special rules may apply during the first 30 days your account is open.

Same Day Availability. Funds from cash*, wire transfers, and electronic direct deposits made to your account, and checks drawn on us will be available on the day we receive the deposit. In addition, the first $5,525 of a day's total deposits of:

- U.S. Treasury checks**
- U.S. Postal Service money orders**
- Federal Reserve Bank or Federal Home Loan Bank checks**
- State or Local Government checks**
- Cashier's, Certified, or Teller's checks**
- Traveler's Checks**

will also be available the day of deposit.

Funds Exceeding $5,525. The excess over $5,525 of a day's total check deposits will be available by the seventh Business Day after the day of your deposit.

Other Check Deposits. Funds from all other check deposits will be available by the seventh Business Day after the day of deposit.

*** Cash Deposits.** If the cash deposits are made in person to an employee of FIRST STATE BANK, then the funds will be made available on the day we receive your deposit. If the deposits are not made in person to an employee, then the funds will be made available no later than the second Business Day after the day of your deposit.

**** Check Deposits.** Check deposits include U.S. Treasury checks; U.S. Postal Service money orders; Federal Reserve Bank or Federal Home Loan Bank checks; State or Local Government checks; Cashier's, Certified, or Teller's checks; and Traveler's checks. In order for these check deposits to be made available according to the funds availability schedule above, the following conditions are required:

U.S. Treasury Checks. These checks must be made payable to you and deposited into your account.

U.S. Postal Service Money Orders; Federal Reserve Bank or Federal Home Loan Bank Checks; State or Local Government Checks; Cashier's, Certified, or Teller's Checks; or Traveler's checks. These checks must be made payable to you, made in person to one of our employees, and deposited into your account.

If any of these conditions are not satisfied, then the first $5,525 of a day's total check deposits will be made available no later than the second Business Day after the day of your deposit.

DEPOSITS AT AUTOMATED TELLER MACHINES. If you make a deposit at an automated teller machine (ATM) that is owned and operated by us before 3:00 Central on a Business Day that we are open, we will consider the deposit made that day. However, if you make a deposit at an ATM that is owned and operated by us after 3:00 Central or on a day that we are not open, we will consider the deposit made on the next Business Day we are open.

We only allow deposits to be made at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

ADDITIONAL ATM INFORMATION. Interactive Teller Machine (ITM) Deposits: Deposits made at our Interactive Teller Machine (ITM before 4:00PM (CST) on a Business day we are open, we will consider the deposit made that day. However, if you make a deposit at an ITM after 4:00 PM (CST) or on a day we are not open, we will consider that deposit made on the next Business day we are open.

FOREIGN CHECKS. Checks drawn on financial institutions outside of the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds from deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which they are drawn.

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SUBSTITUTE CHECK POLICY DISCLOSURE

First State Bank
P O Box 10 Gainesville, TX 76241
FirstState.Bank 940-665-1711

IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

Substitute Checks and Your Rights

WHAT IS A SUBSTITUTE CHECK? To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

WHAT ARE MY RIGHTS REGARDING SUBSTITUTE CHECKS? In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to $2,500.00 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim. We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

HOW DO I MAKE A CLAIM FOR A REFUND? If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us by:

Phone at: (940)665-1711 or
Mail at: FIRST STATE BANK
P O BOX 10
GAINESVILLE TX 76241-0010

You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check and/or the following information to help us identify the substitute check such as the check number, the name of the person to whom you wrote the check, the amount of the check.

An expedited recredit claim must be submitted in writing. When a claim has been submitted orally, we must receive that written claim within 10 business days of the oral claim.

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Rev. July 2021

FACTS

WHAT DOES FIRST STATE BANK DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and transaction history
- credit history and credit scores

When you are *no longer* our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons First State Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does First State Bank share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions? Call 940-665-1711 or go to FirstState.Bank

What we do

How does First State Bank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does First State Bank collect my personal information?	We collect your personal information, for example, when you ▪ open an account or deposit money ▪ pay your bills or apply for a loan ▪ use your credit or debit card or cash checks We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only ▪ sharing for affiliates' everyday business purposes—information about your creditworthiness ▪ affiliates from using your information to market to you ▪ sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. ▪ *Our affiliates include a financial company, First State Bank Insurance Agency.*
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. ▪ *First State Bank does not share with nonaffiliates so they can market to you*
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ▪ *Our joint marketing partners include financial companies*

Other important information

TEXAS NOTICE

This institution is chartered under the laws of the State of Texas and by state law is subject to regulatory oversight by the Texas Department of Banking. Any consumer wishing to file a complaint against this institution should contact the Texas Department of Banking. Consumers may file complaints with the Texas Department of Banking by contacting the Department through one of the means indicated below:

- In Person or U.S. Mail: Texas Department of Banking, 2601 North Lamar Boulevard, Suite 300 Austin, TX 78705-4294;
- Telephone No.: 877/276-5554 (toll free);
- Fax No.: 512/475-1313;
- E-mail: consumer.complaints@dob.texas.gov
- Website: www.dob.texas.gov

SCHEDULE OF FEES v. 7.10.23

Limits and fees – The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account:

Account Closing Fee (If account is closed within 6 months after opening)	$25.00
ATM/Debit Card Services	
Debit Card Replacement	$5.00
Foreign ATM Fee (Inquiry, Transaction or Transfer)	$1.50
FSB ATM Fee	No Charge
Cashier Checks	$5.00
Check Cashing (Non-Customer)	3%, $5.00 Minimum
Check Printing Charges	vary depending on style and quantity ordered
Collection Items	
Incoming	$15.00
Outgoing (Plus charges of outside banks)	$15.00
Copies of Check Images, per page	$3.00
Deposit Items Returned (Chargebacks or Special Handling)	$5.00
Digital Wallet – Apple© /Google© /Samsung©	No Charge
Hold Statements at Bank	$5.00 per Month
Inactivity Fee (After no customer activity for 6 months)	$5.00 per Month
International Check Processing, each	$15.00
Internet Banking & Bill Pay	No Charge
Loan Coupon Book Replacement	$5.00
Mobile Deposit Access (10 Free per Month)	$0.65
Non-Machine Readable Items, each	$0.75
NSF Fees	
*Overdraft Item Fee	$29.00
Return Item Fee	$29.00
P2P Payments (Sender)	No Charge
P2P Payments (Receiver)	
ACH or First State Bank Direct (FSB account to FSB account)	No Charge
Instant via debit card	$1.00
Personal Money Order	$3.00
Phone Teller Service	No Charge
Photocopies	$1.00
Research Fees on Account (Customer Request)	$32.00 Per Hour
Research Fees (Response to Legal Inquiries/Subpoenas)	$78.00 Per Hour
Returned Mail Fee (Per item)	$5.00
Service of Levy/Garnishments	$100.00
Snapshot Statement	$3.00
Special Statement with Items	$10.00
Statement (Print of electronic statements- per stmt)	$10.00
Stop Payment Order	
Checks/Paper Drafts (6 months unless renewed)	$30.00
ACH Items (Per 6 months until cancelled)	$30.00
Sweep Transfers, each	$10.00
Telephone Transfers, each	$5.00
Temporary Checks, each	$0.50
Wire Transfers	
Outgoing Domestic	$20.00
Outgoing International	$50.00
Incoming	$15.00

*A fee may be imposed per presentment, for covering overdrafts created by check, in-person withdrawal, ATM withdrawal, or other electronic means.

First State Bank

ATM SAFETY NOTICE

At ATMs:

- Be aware of your surroundings and exercise caution when withdrawing funds.
- Inspect ATMs for tampering or for unauthorized attachments that capture information.
- Make sure no one is watching you enter your code or PIN.
- Put cash away immediately and do not count it until you're in a locked enclosure (e.g., your car or home).
- Confirm that no one is following you after leaving the ATM. If you think you are being followed, drive straight to a police station or a crowded, well-lit location.

Do not use the ATM if you see anyone or anything suspicious!

If you begin a transaction and suspicion arises, cancel it, take your card, and leave.

Important Tips

- Store ATM receipts in a secure location or shred them.
- Compare your ATM receipts against your statement or your online account.
- Review your bank statement immediately, and periodically review your account online.
- Do not give information about your cards over the telephone or the Internet, unless it is a trusted merchant, and you initiated the contact.
- When finished using a card online, log out of the website rather than merely closing the web browser.

Protect your debit card:

- Treat your card as if it were cash.
- Safety envelopes may prevent unauthorized scanning of debit cards with imbedded chips.

Lost or Stolen Debit Cards

- Your liability may increase the longer the loss or theft goes unreported, so notify FSB as soon as possible.
- After reporting the loss/theft to us, you will need to obtain a new card and PIN.
- If your checkbook, social security card or number, driver's license or number, etc. was also lost or stolen, close your account and open a new one.

To report a lost or stolen debit card

By Phone

- Call (940) 665-1711 or (833) FSB-BANK.

Access CARD LOCK to temporarily turn your debit card on and off.

Online

- Log into your account at www.FirstState.Bank and select ***Card Lock*** from the **Services** tab.

FSB Mobile App

- Select the app menu and then **Card Lock** in the Internet Banking menu.

The card must be reported as lost or stolen for it to be permanently canceled.

If a crime was committed, file a report with law enforcement where the crime occurred and obtain a copy or the offense number.

WELCOME MESSAGE - Key 1 English, Key 2 Spanish. Will default to English Note: # after numeric entry is a speed "complete entry" key .....

940-668-8888	Gainesville
940-243-8808	Metro
940-995-2300	Saint Jo
844-200-8808	Toll Free

MAIN MENU

KEY	Function	Voice Response
1	Account Information	"Account Information"
2	Funds Transfer	"Funds Transfer"
3	Lost Card Reporting	
4	Military Lending Act Disc.	
0	Operator	"Operator"

Please Say an option now or now or say "Repeat" to hear your choices again.

ACCOUNT INFORMATION – (Option 1)

KEY	Function	Voice Response
1	Checking	"Checking"
2	Savings	"Savings"
3	CD / IRAs	"CD" or "IRA"
4	Loan	"Loan"

Say Cancel or Press * to return to the Previous Menu

CHECKING and SAVINGS (Options 1 & 2)

Enter Checking # or Savings #
Enter Last 4 Digits of SSN or Tax ID
Enter Your PIN #
Balance Information Provided

CHECKING & SAVINGS MENU

Press 1 - WITHDRAWALS

Previous	Press 7
Repeat	Press 8
Next	Press 9
Cancel	Press *

Press 2 - DEPOSITS

Previous	Press 7
Repeat	Press 8
Next	Press 9
Cancel	Press *

Press 3 -FUNDS TRANSFER

$ Available for Transfer
Type to Transfer **TO**

Checking	Press 1
Saving	Press 2
Loan	Press 3

Press 4 - FIND TRANSACTIONS

Search for ?

Check #	Press 1
Debit $	Press 2
Deposit $	Press 3
Previous	Press 7
Repeat	Press 8
Next	Press 9
Cancel	Press *

Press 5 - MORE OPTIONS

Balance	Press 1
Interest	Press 2
Interest Rate	
Interest YTD	
Interest Last Year	
Change PIN	Press 3
Enter PIN	
Confirmation Status	

Press 0 - OPERATOR

CD / IRA (Option 3)

Enter CD # or IRA #
Enter Last 4 Digits of SSN or Tax ID
Enter Your PIN #
Balance Information Provided

CD MENU

Press 1 - BALANCE

Balance & Maturity Date

Press 2 - INTEREST

Interest Rate
Interest YTD
Interest Last Year
Last Interest Payment

Press 3 - CHANGE PIN

Enter PIN
Confirmation Status

Press 0 - OPERATOR

LOAN (Option 4)

Enter Loan #
Enter Last 4 Digits of SSN or Tax ID
Enter Your PIN #
Balance Information Provided

LOAN MENU

Press 1 - ADVANCES

Previous	Press 7
Repeat	Press 8
Next	Press 9
Cancel	Press *

Press 2 - PAYMENTS

Previous	Press 7
Repeat	Press 8
Next	Press 9
Press * when finished	

Press 5 - MORE OPTIONS

Balance	Press 1 ->
Interest	Press 2 ->
Change PIN	Press 3 ->

Press 0 - OPERATOR

Say Cancel or Press * to return to the Previous Menu

FUNDS TRANSFER (Option 2)

KEY	Voice Response	Prompts
1	"Checking"	Checking, Checking #, SSN or TAX ID, PIN
2	"Savings"	Savings, Savings #, SSN or TAX ID, PIN
*	"Cancel"	Cancel

What You Need to Know About Overdrafts and Overdraft Fees rev 12-2021

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdraft in two different ways:

1. We have standard overdraft practices that come with your account.

2. We also offer overdraft protection plans, such as a link to another deposit account, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our standard overdraft practices.

➢ **What are the standard overdraft practices that come with my account?**

We do authorize and pay overdrafts for the following types of transactions.
- Checks and other transactions made using your checking account number
- Automatic bill payments

We do not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):
- ATM transactions
- Everyday debit card transactions

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.

If we do not authorize or pay an overdraft, your transaction will be declined.

➢ **What fees will I be charged if First State Bank pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of **$29** each time we pay an overdraft.

- There is no limit on the total fees we can charge you for overdrawing your account.

➢ **What if I want First State Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call 940-665-1711 or Metro 940-349-5444 and ask for "OPT-IN" assistance **or** complete the form below and mail it to: First State Bank, P O Box 10, Gainesville TX, 76241-0010.

_____ I **do not** want First State Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.
_____ I want First State Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Print Name: _____ Date: _____

Signature: _____

Account Number (s): _____

First State Bank
P.O Box 10
Gainesville, TX 76241- 0010

Last 4 Digits of Card #'s: _____
(if available)
Employee Processing Form: _____

'OVERDRAFT SERVICE'
CUSTOMER OVERDRAFT DISCLOSURE rev 6-2019

An insufficient balance can result from several events, such as:
(1) the payment of checks, electronic funds transfers, debit card transactions, ATM withdrawals, or other withdrawal requests;
(2) payments authorized by you;
(3) the return of unpaid items deposited by you;
(4) bank service charges or
(5) the deposit of items which, according to the bank's Funds Availability Policy, are treated as not yet available or finally paid.

We are not obligated to pay any item presented for payment if your account does not contain sufficient funds. However, if you maintain your account in good standing, we may approve your overdrafts within your current available Overdraft Service limit as a non-contractual courtesy. Your account is in good standing if you:
(1) demonstrate responsible account management – such as making regular deposits to bring your account to a positive balance at least once every 30 days (including the payment of all bank fees and charges);
(2) avoid excessive overdrafts suggesting the use of Overdraft Service as a continuing line of credit and
(3) there are no legal orders, levies or liens against your account.

In addition, based upon our review of your account management, if we determine you may be using Overdraft Service as a regular line of credit by creating excessive overdrafts, we may suspend the privilege without any prior notice. Example: your account is determined not to be in good standing if it remains overdrawn 30 days at which time Overdraft Service will be suspended.

In the normal course of business, transactions are typically paid in the following order in low to high transaction amount unless otherwise stated:
(1) ATM Debits
(2) Electronic Debits
- Point of Sale (POS)
- Debit Card
- ACH Debits
- ACH Electronic Checks (converted checks processed through the ACH System)

(3) Checks presented for payment (low to high serial number)

We reserve the right to change the order of payment without notice to you. Also, please be aware that the order of item payment may create multiple overdrafts during a single banking day for which you will be charged our standard overdraft fee of $29 for each overdraft (paid or returned). More than one overdraft fee will be charged against your account per day, depending on the number of transactions presented (daily limits may apply).

Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft plus the bank's standard overdraft fee of $29 (per item) will be deducted from the overdraft limit.

We may refuse to pay an overdraft for you at any time even though we may have previously paid overdrafts for you. You will be notified by mail of any non-sufficient funds items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item.

The amount of any overdraft plus our standard overdraft fee of $29 that you owe us shall be due and payable upon demand. If there is an overdraft paid by us on an account with more than one owner on the signature card, each owner and agent, if applicable, drawing/presenting the item creating the overdraft, shall be jointly and severally liable for such overdraft plus our standard overdraft fee of $29.

Overdraft Service should not be viewed as an encouragement to overdraw your account. As always, we encourage you to manage your finances responsibly. We offer sweep (auto funds-transfer) services between customer accounts that may provide opportunities to reduce fees in contrast to overdraft fees. If you have difficulty repaying an overdraft balance, you may qualify for a special repayment program. Also, more economical credit services may be available for your credit needs. Contact one of our loan representatives for more information on bank lending services.

You may decline "Overdraft Service" at any time, but you are responsible for any overdrawn balances (if applicable). If you would like to have this service removed from your account, please call (940) 665-1711 or Metro (940) 349-5444 or contact any of our bank locations.

After 45 days from account opening, access to Overdraft Service and limits are reviewed. Limits are based upon account type, deposits, and account activity. Depending on your account activity, limits may be changed. We will notify you of your approved limits as they apply. Balance inquiry information standards do not include Overdraft Service limits; however, Overdraft Service limits are normally made available for transactions by check, in-person withdrawal, ATM withdrawal, or other electronic means. Overdrafts created by ATM or everyday debit card transactions require separate "OPT-IN" consent.

LIMITATIONS:
Overdraft Service is a non-contractual courtesy that is available to transaction accounts in good standing. First State Bank reserves the right to limit participation to one account per household/business and to discontinue this service without prior notice.

Rev 6-2019

TRUTH IN SAVINGS
Reward Checking

First State Bank
P O Box 10 Gainesville, TX 76241
FirstState.Bank 940-665-1711

RATE INFORMATION. Please refer to our rate sheet for the interest rate and annual percentage yield (APY) on this account.

Your interest rate and annual percentage yield may change.

Determination of Rate. At our discretion, we may change the interest rate on your account.

Accounts meeting Minimum Monthly Activity Requirements will be paid Reward rates listed on the Truth In Savings Addendum.

Frequency of Rate Changes. We may change the interest rate on your account at any time.

Limitations on Rate Changes. There are no maximum or minimum interest rate limits for this account.

Additional Rate Information.
The interest rate and annual percentage yield stated above are accurate as of today. If you would like more current rate and yield information, please call us at (940) 665-1711.

COMPOUNDING AND CREDITING. Interest will compound monthly and will be credited into this account monthly. If you close your account before interest is credited, you will not receive the accrued interest.

MINIMUM BALANCE REQUIREMENTS. You must deposit $50.00 to open this account.

BALANCE COMPUTATION METHOD. We use the daily balance method to calculate interest on your account. This method applies a daily periodic rate to the principal in the account each day.

ACCRUAL ON NONCASH DEPOSITS. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks).

TRANSACTION LIMITATIONS. No transaction limitations apply to this account.

CHECKING ACCOUNT WITH SUBACCOUNTS. This provision only applies to Checking and Negotiable Order of Withdrawal ("NOW") accounts. Your account consists of two subaccounts; a checking subaccount and a savings subaccount. The checking subaccount is your transaction account.

If the amount of money in your checking subaccount exceeds a certain threshold amount, we will transfer the amount above the threshold amount into your savings subaccount. We will make the transfer at the beginning of each monthly statement period. We determine the threshold amount in our sole discretion. If on any day the daily beginning balance in your checking subaccount is less than the total of the new debits (such as checks and other withdrawals), then money will be automatically transferred from your savings subaccount back to your checking subaccount. The amount transferred back to the checking subaccount will be the total of the debits minus the daily beginning balance, but will not exceed the amount of money in the savings subaccount. If six transfers from the savings subaccount to the checking subaccount occur during any statement period, then the entire balance of the savings subaccount will be transferred to your checking subaccount for the remainder of that statement period.

The transfers between the subaccounts will occur only on our books. Other than as described above, the Agreement controls your account as if there were no subaccounts.

ADDITIONAL INFORMATION REGARDING YOUR ACCOUNT.

MINIMUM MONTHLY ACTIVITY REQUIREMENTS:
- At least ten (10) debit card signature-based and/or Point of Sale (POS) PIN-based transactions (excluding ATM transactions)
- Enroll and access monthly statements via Internet Banking
- Provide and maintain a valid email address

Minimum Monthly Activity Requirements will consider items "posted and cleared" on your account per qualification period. The qualification period generally begins on the day following the third Tuesday of the month and runs through the third Tuesday of the following month. Reward interest bonus will be paid on the account only if the Minimum Monthly Activity Requirements occur.

ATM FEE REFUNDS
If you have met your Minimum Monthly Activity Requirements, we will refund up to $25.00 in ATM transaction fees within the USA.

FEES AND CHARGES. Please refer to the separate Fee Schedule provided to you with this disclosure for information about fees and charges associated with this account. A Fee Schedule will be provided to you at the time you open an account, periodically when fees or charges change, and upon request.

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Paper Statement Fee: $5.00 (if not enrolled in eStatements)
Account Closing Fee: $25.00 (if account is closed within 6 months of opening)

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Truth In Savings - DD8106

www.compliancesystems.com

ACKNOWLEDGEMENT AND CONSENT FOR ELECTRONIC SIGNATURES, DISCLOSURES AND NOTICES

This Acknowledgement and Consent for Electronic Signatures, Disclosures and Notices form is to be called/used in conjunction with the use of digital signatures on forms and the following provisions apply to your election to receive electronic records. It also documents authorization for and establishes the reliability of the digital signature. This Acknowledgement and Consent for Electronic Signatures, Disclosures and Notices (the "Agreement") constitutes the entire agreement by and between Financial Institution, each account owner and the consumers signing below (each a "Consenting Party"), with respect to the use of electronic signatures and electronic records. For joint accounts, the consent to this Agreement by any account owner applies to all account owners and any other parties to the account.

1. **DEFINITIONS.** In the provisions hereof, the terms "you", "your" and "Consenting Party" refer to the person(s) opening this account electronically, and the terms "we" and "us" refer to the financial institution ("Financial Institution") listed above. Also, the use of "you" and "your" are to be construed in the singular and plural, as the text requires.

2. **SCOPE AND DURATION.** You have elected to receive all available disclosures, notices and other records ("records") from us in electronic form, until you close the account(s) or until such time the events described in Changing Your E-Mail Address or Withdrawal Of Consent provisions occur. We may exercise our right to deliver disclosures, notices and other records in writing, rather than electronically. All written documents will be sent to the primary address we have on file for you at the time of delivery.

3. **SYSTEM REQUIREMENTS.** Below are the necessary hardware and software requirements you must have in order to receive and retrieve records electronically. We will notify you of any change in the hardware or software requirements needed for access to or retention of electronic records.
The latest version of Internet Explorer, FireFox, Chrome, or Safari with current patches and 128 bit encryption.

4. **CONFIRMATION.** By electing to have your records provided to you in an electronic form, you agree to confirm your ability to receive these records electronically by following any procedures specified by us, from time to time. When we notify you of any system changes, you must reconfirm your consent according to the instructions provided at the time, or withdraw your consent.

5. **REQUESTING PAPER COPIES.** You may request paper copies of your records.

6. **CHANGING YOUR E-MAIL ADDRESS.** If you change your e-mail address or other contact information, you must provide us with your new e-mail address or other contact information. The change will not be effective until we receive it and have had a reasonable opportunity to act upon it. If you fail to provide us with this information and electronic records are returned undelivered, then we will take the following action(s):
Mail (via USPS) any undelivered documents.

7. **BINDING EFFECT.** The obligations hereof bind your heirs, executors, administrators, successors and assigns and all rights, benefits and privileges hereby conferred on Financial Institution are hereby extended to and conferred upon and may be enforced by its successors and assigns. Further, if any Consenting Party is a partnership, the obligations hereof will continue in force, and apply, notwithstanding any change in the membership of such partnership, whether arising from the death or retirement of one or more partners or the accession of one or more new partners.

8. **ENFORCEABILITY.** Whenever possible each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. If any provision of this Agreement is prohibited by or invalidated under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

9. **HEADINGS.** Section headings/titles are for convenience only and are not to be used in construing or interpreting this Agreement.

10. **GOVERNING LAW.** This Agreement is governed by the laws of the state in which the account(s) is opened except to the extent that federal law is controlling.

11. ELECTRONIC SIGNATURES:

a. You authorize us to use your electronic signature for all documents, agreements, attachments, addendums including, without limitation, all deposit and lending related documents such as account agreements, loan agreements, security agreements, mortgages, deeds of trust, guaranties and hypothecations (collectively, the "Documents") in any way connected to the transaction ("Transaction") being entered into between you and the Financial Institution until you close the account(s) or until such time the events described in the Withdrawal of Consent provision occurs. This consent is specifically to permit an electronic signature (as of the nature then in use by the Financial Institution) in lieu of hand-written signatures on any one or more of the Documents.

b. Financial Institution consents to accept such signatures as true, correct and binding signatures of any Consenting Party and to enter into the Transaction in reliance thereon.

c. You agree that your electronic signature will be enforceable as and to the full extent of a hand-written signature as an original for enforcement/enforceability of the Documents containing the electronic signature(s), whether in court (state or federal), arbitration or otherwise. You will not raise any defenses or invoke regulatory or statutory claims attempting to invalidate the enforceability of the Documents to which the electronic signature is affixed.

12. WITHDRAWAL OF CONSENT. Any authorized signer, for the account(s) listed on this Agreement, has the right to withdraw at any time the consent to the use of electronic signatures and to have records provided in electronic form, either using the Withdrawal of Consent document or in any notification approved by us. Your withdrawal of consent will not be effective until we receive it and have had a reasonable opportunity to act upon it.

13. APPLICABLE FEES (if any)

14. ADDITIONAL TERMS (if any)

15. ACKNOWLEDGMENT. By signing this Acknowledgement and Consent for Electronic Signatures, Disclosures and Notices, you acknowledge that you have read, understood and agree to the above provisions, and request and authorize us to use your electronic signature as well as provide you with records for the account(s) indicated above in an electronic form.

16. ACCEPTANCE. I accept this Acknowledgement and Consent for Electronic Signatures, Disclosures and Notices form as of the date signed below on behalf of this Financial Institution.