

## DEPOSIT ACCOUNT AGREEMENT

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**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](mailto:consumer.complaints@dob.texas.gov)  
Website: [www.dob.texas.gov](http://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 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 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.

**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?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	No	We don't share
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

**Questions?**

Call 940-665-1711 or go to [FirstState.Bank](http://FirstState.Bank)

What we do	
<b>How does First State Bank protect my personal information?</b>	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.
<b>How does First State Bank collect my personal information?</b>	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>■ open an account or deposit money</li> <li>■ pay your bills or apply for a loan</li> <li>■ use your credit or debit card or cash checks</li> </ul> We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
<b>Why can't I limit all sharing?</b>	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

Definitions	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ <i>Our affiliates include a financial company, First State Bank Insurance Agency.</i></li> </ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ <i>First State Bank does not share with nonaffiliates so they can market to you</i></li> </ul>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>■ <i>Our joint marketing partners include financial companies</i></li> </ul>

Other important information	
<b>TEXAS NOTICE</b>	
<p>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:</p> <ul style="list-style-type: none"> <li>• In Person or U.S. Mail: Texas Department of Banking, 2601 North Lamar Boulevard, Suite 300 Austin, TX 78705-4294;</li> <li>• Telephone No.: 877/276-5554 (toll free);</li> <li>• Fax No.: 512/475-1313;</li> <li>• E-mail: <a href="mailto:consumer.complaints@dob.texas.gov">consumer.complaints@dob.texas.gov</a></li> <li>• Website: <a href="http://www.dob.texas.gov">www.dob.texas.gov</a></li> </ul>	

**TRUTH IN SAVINGS**  
**12 Month CD**



**RATE INFORMATION.** Please refer to our rate sheet for the interest rate and annual percentage yield (APY) on this account. You will be paid this interest rate until next maturity.

**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 be compounded monthly and will be added back to the CD monthly.

The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings. If interest is credited to another account or paid to you by check, this may reduce earnings and may negate the effect of interest compounding. If you close your account before interest is credited, you will not receive the accrued interest.

**MINIMUM BALANCE REQUIREMENTS.** You must deposit \$1,000.00 to open this account.

You must maintain a minimum daily balance of \$1,000.00 in the account each day to obtain the disclosed annual percentage yield.

**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.** You may not make deposits into or withdrawals from your account until the maturity date.

**MATURITY DATE.** 12 months after date of CD.

**EARLY WITHDRAWAL PROVISIONS.**

A penalty may be imposed for withdrawals before maturity. The penalty will be an amount equal to 180 days' interest on the amount withdrawn.

**RENEWAL POLICIES.** Your account will automatically renew at maturity. You will have a grace period of 10 calendar days after the maturity date to withdraw the funds in the account without being charged an early withdrawal penalty.

The interest rate will be the same as we offer on new Certificate of Deposit Accounts on the maturity date which have the same term and other features as the renewal Certificate.

This account will not renew if you withdraw the funds on the maturity date or if we receive written notice from you on or before the maturity date of your intention not to renew.

## **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.

**SCHEDULE OF FEES** v. 2.14.25

**Limits and fees** – The following fees may be assessed against 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
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
Digital Wallet – Apple© /Google© /Samsung©	No Charge
Inactivity Fee (After no customer activity for 6 months)	\$5.00 per Month
International Check Processing, each	\$15.00
Loan Coupon Book Replacement	\$5.00
Mobile Deposit Access (10 Free per Month)	\$0.65
Non-Machine Readable Items, each	\$0.75
NSF and Overdraft Fees	
Overdraft Item Fee (per item)	\$29.00
Return Item Fee (per item)	\$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
Paper Statement Fee (if not enrolled in eStatements)	\$5.00
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
Statement Copies (Per statement)	\$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