

IMPORTANT ACCOUNT INFORMATION FOR OUR CUSTOMERS

from

COLEMAN COUNTY STATE BANK

118 WEST PECAN ST

P O BOX 940

COLEMAN, TX 76834-0940

(325)625-2172

FREE CHECKING

Minimum balance to open - The minimum balance required to open this account is \$100.00.

Deposit limitations - You may make an unlimited number of deposits into your account.

Additional Terms - The following additional terms apply to this account: No monthly maintenance fee, monthly statements will NOT contain any original check items or images, unlimited check writing ability, one free ATM or check card, and free online banking.

DISCRETIONARY OVERDRAFT PRIVILEGE: You are expected to maintain sufficient available funds in any account to cover payment of all withdrawals and debits. If there are non-sufficient available funds to cover some of the withdrawals or debits presented against your account, we may pay one or more of the withdrawals or debits (as we may select) creating an overdraft of your account. For a personal account we may pay overdrafts up to \$300.00. In the event we pay a withdrawal or debit which results in an overdraft of your account, you are expected to deposit sufficient funds within 30 days into your account to cover the overdrawn amount. If we pay a withdrawal or debit which results in an overdraft of your account, such payment shall not be a loan, and you agree to pay the non-sufficient funds fee as established by the Bank for the overdraft privilege.

We may refuse to honor any withdrawal or debit which would result in an overdraft of your account at any time without notice to you, subject to your right to overdraw your account up to \$300.00, which right may be terminated by us at any time upon reasonable notice. For all accounts, we specifically reserve the right to refuse to honor, without notice to you, any withdrawal or debit which would result in an overdraft of your account in the following circumstances:

- (a) you fail to pay any payment due and owing on any obligation to us;
- (b) you die;
- (c) you violate any provision of any agreement with us;
- (d) you file for bankruptcy or other insolvency relief, or an involuntary petition under the provisions of the Federal Bankruptcy Act is filed against you;
- (e) you default on any obligation or agreement with us; or
- (f) you have an excessive number of overdrafts on your account.

You agree to hold us harmless for refusing to honor any check drawn on your account, which if honored, would create an overdraft.

REQUIREMENT OF MORE THAN ONE (1) SIGNATURE. If you (the depositor) require more than one (1) signature to authorize withdrawals by check or other debit from your deposit account, we may honor any such check or debit from the Deposit Account, even if the check or debit is executed by only one Authorized Individual. We are not liable for, and you agree to hold us harmless for, payment on any properly presented check or debit which contains only one (1) authorized signature, or is otherwise approved by only one Authorized Individual, and you agree to

indemnify us for any and all cost or liability incurred, including attorney's fees, court costs and any other costs, as a result of our payment of a check or debit which is executed or approved by at least one (1) Authorized Individual.

NOTICE OF NEGATIVE INFORMATION

Federal law requires us to provide the following notice to customers before any "negative information" may be furnished to a nationwide consumer reporting agency. "Negative information" means information concerning delinquencies, late payments, insolvency, or any form of default.

This notice does not mean that we will be reporting such information about you, only that we may report such information about customers that have not done what they are required to do under our agreement.

After providing this notice, additional negative information may be submitted without providing another notice.

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to all deposit accounts.

Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that 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.

Determining the Availability of a Deposit

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 3:00 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 3:00 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open. If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in one of your accounts. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

If we accept for deposit a check that is drawn on another bank, 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 the account to which the deposit is made, or any other account you may have with us. The funds in the account would then not be available for withdrawal until after the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

Longer Delays May Apply

Case-By-Case Delays - In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the fifth business day after the day of your deposit. The first \$100 of your deposits, however, may be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, after we receive your deposit, 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 first business 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.

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

We believe a check you deposit will not be paid.

You deposit checks totaling more than \$5,000 on any one day.

You re-deposit a check that has been returned unpaid.

You have overdrawn your account repeatedly in the last six months.

There is an emergency, such as 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 eleventh business day after the day of your deposit.

Special Rules for New Accounts

If you are a new customer, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000.00 of a day's total deposits of cashier's certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposits if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$ 5,000.00 will be available on the ninth business day after the day of the deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$ 5,000.00 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the eleventh business day after the day of your deposit.

SUBSTITUTE CHECKS AND YOUR RIGHTS

As our customer we think it's important for you to know about substitute checks. As a result, we want to advise you that you may begin to see differences when you receive your account statement with copies of your checks, view your account information online, or request a copy of your original check for proof of payment. The following Substitute Check Disclosures provides information about 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 day(s) after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar day(s) 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 at:

COLEMAN COUNTY STATE BANK
118 WEST PECAN ST
P O BOX 940
COLEMAN, TX
76834-0940
Phone: (325)625-2172

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: the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later.

Substitute check image:

68-4567123 4321
DATE Oct 28, 2004

Pat Payor
101 Your Street
Your City, USA 10101

PAY TO THE ORDER OF ABC Company \$ 147.50
one hundred forty-seven and 50/100 DOLLARS

Your Financial Institution
Your City, USA 10101

Memo School supplies Pat Payor MP

051000033
10/28/2004
3112003355102116

This is a LEGAL COPY of
your check. You can use it
the same way you would
use the original check.

[121000374] 10/28/2004 0025671467874451

① ② ③ ④ ⑤ ⑥

1. An image of the original check appears in the upper right-hand corner of the substitute check.
2. A substitute check is the same size as a standard business check.
3. The information in asterisks relates to the "reconverting bank" - the financial institution that created the substitute check.
4. The information in brackets (appears sideways facing check image) relates to the "truncating bank" - the financial institution that took the original check out of the check processing system.
5. The Legal Legend states: *This is a legal copy of your check. You may use it the same way you would use the original check.*
6. The MICR lines at the bottom of the image of the original and at the bottom of the substitute check are the same except for the "4" at the beginning of the substitute check number, which indicates that it is a

substitute check being moved forward for collection purposes. It is also possible for a substitute check number to begin with a "5" if the item is being returned. The rest of the MICR line is the same as the original check to ensure that it is processed as though it were the original.

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

Electronic Fund Transfers Initiated By Third Parties - You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and financial institution information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your financial institution and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits** - You may make arrangements for certain direct deposits to be accepted into your checking, savings or Direct Payment Accounts.
- **Preauthorized payments** - You may make arrangements to pay certain recurring bills from your checking, savings or Direct Payment Accounts.
- **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 pay bills.
- **Electronic returned check charge** - You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

Teller 24 Card transactions - types of transactions - You may access your account(s) by ATM at any Pulse or Cirrus ATM

118 West College - Coleman, TX

2206 Commercial Avenue - Coleman, TX

4609 Southwest Drive - Abilene, TX using your Teller 24 Card and your personal identification number (PIN) to:

- withdraw cash from checking or savings
- get balance information about checking
- No more than two Debit cards per account will be issued.
Debit cards will not be issued to Direct Payment account holders.

Some of these services may not be available at all terminals.

Coleman County State Bank Check Card ATM transactions - types of transactions - You may access your account(s) by ATM using your Coleman County State Bank Check Card and your personal identification number (PIN) (as applicable) to:

- withdraw cash from checking
- get balance information about checking

Some of these services may not be available at all terminals.

Coleman County State Bank Check Card point-of-sale transactions - types of transactions - You may access your checking account(s) by debit card to do transactions that participating merchants will accept, including:

- purchase goods in person, by phone, or online
- pay for services in person, by phone, or online
- get cash from a participating merchant or financial institution

Internet Banking - types of transfers - You may access your accounts by computer at colemanbank.com and using your personal identification number (PIN) and social security number to:

- transfer funds from checking to savings
 - transfer funds from savings to checking
 - transfer funds from checking to checking
 - make payments from checking to loans
 - make payments from savings to loans
-
- get balance information about checking, savings, certificate of deposit or loans
 - get withdrawal history about checking or savings
 - get deposit history about checking or savings
 - get transaction history about checking or savings

FIDELITY EPAYMENTS - types of transfers -

You may access this service by computer at WWW.COLEMANBANK.COM and using your user name and password.

You may access this service to:

- make payments from your checking account(s) to

Limits and fees - Please refer to our fee disclosure for information about fees and limitations that may apply to these electronic fund transfers.

ATM Operator/Network 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).

Documentation

Terminal transfers - You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.

Preauthorized credits - If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company:

- the person or company making the deposit will tell you every time they send us the money.
- you can call us at (325)625-2172 to find out whether or not the deposit has been made.

Periodic statements - You will get a monthly account statement from us for your checking account(s).

You will get a quarterly account statement from us for your savings account(s), if the only possible electronic transfers to or from the account are preauthorized credits.

For passbook accounts, if the only possible electronic transfers to or from your account are preauthorized credits, we do not send periodic statements. You may bring your passbook to us and we will record any electronic deposits that were made since the last time you brought in your passbook.

You will get a monthly account statement from us for your savings account(s), unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

Preauthorized Payments

Right to stop payment and procedure for doing so - If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this disclosure in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

Notice of varying amounts - If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

Liability for failure to stop payment of preauthorized transfer - If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Financial Institution's Liability

Liability for failure to make transfers - 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. However, there are some exceptions. We will not be liable, for instance:

- (1) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- (2) If you have an overdraft line and the transfer would go over the credit limit.
- (3) If the automated teller machine where you are making the transfer does not have enough cash.
- (4) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- (6) There may be other exceptions stated in our agreement with you.

Confidentiality

We will disclose information to third parties about your account or the transfers you make:

- (1) where it is necessary for completing transfers; or
- (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (3) in order to comply with government agency or court orders; or
- (4) if you give us written permission.

Unauthorized Transfers

(a) Consumer liability. Tell us AT ONCE if you believe your card and/or 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 (plus your maximum overdraft line of credit). If you tell us within two business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do not tell us within two business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time period.

(b) Contact in event of unauthorized transfer. If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the information from your check without your permission.

Error Resolution Notice

In case of errors or questions about your electronic transfers, call or write us at the telephone number or address listed in this disclosure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and account number (if any).
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before the account is opened.

We will tell you the results within three 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.

If you have inquiries regarding your account, please contact us at:

Coleman County State Bank

118 West Pecan Street

P.O. Box 940

Coleman, TX 76834-0940

BUSINESS DAYS: Monday, Tuesday, Wednesday, Thursday and Friday

Holidays are not included.

PHONE: (325)625-2172

Notice Of ATM/Night Deposit Facility User Precautions

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.

2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don't leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements you receive.
4. Don't lend your ATM card to anyone.
5. Remember, do not leave your card at the ATM. Do not leave any documents at a night deposit facility.
6. Protect the secrecy of your Personal Identification Number (PIN). Protect your ATM card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your ATM card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. If you lose your ATM card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.
9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
10. Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
12. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
13. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

Other Terms

If you believe your Coleman County State Bank Check Card has been lost or stolen and it is after regular business hours, call 1-800-754-4128 immediately to report it.

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

COMMON FEATURES

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

Replace debit card or PIN	10.00
Debit card purchase	NO CHARGE

Personal Debit Card	
Transaction, balance inquiry, or transfer at foreign ATM	NO CHARGE
Dollar limit at ATM	\$300.00 daily
Dollar limit for POS purchase	\$1000.00 daily
Business Debit Card	
Transaction, balance inquiry, or transfer at foreign ATM	NO CHARGE
Dollar limit at ATM	\$500.00 daily
Dollar limit for POS purchase	\$3000.00 daily
Check printing	Fee depends on style of check ordered
Cashier's check	
\$.01 - \$500.00	\$2.50
\$500.01 and over	\$5.00
Phone transfers/Cashiers Checks	\$5.00
No charge on cashier's checks for Check Club members.(limited to three per month)	
Traveler's checks	1.50 PER 100.00
No charge on traveler's checks for Check Club members(limited to three per month)	
Traveler's checks for two	\$1.75 per \$100.00
Nonsufficient funds (each)	\$20.00
Deposited checks returned unpaid and charged back	\$2.00
Account research	\$20.00 per hour
Account balancing assistance	\$20.00 per hour
Bank Statement Reconciliation	\$20.00 per hour with a \$10.00 minimum charge
Accidental Death & Dismemberment Insurance	
Coverage for Check Club members only.	
Free personalized checks	
Available for Check Club members only.	
Stop payment - all items	15.00

RENEWAL FEE OF \$15.00 PER ITEM FOR AN ADDITIONAL SIX MONTHS.

A FEE \$15.00
PER ITEM
(EFFECTIVE
FOR SIX
MONTHS)

Wire transfer (incoming not crediting to account)

\$10.00

No charge if
credited to
customer
account

Wire transfer (outgoing)

\$15.00

Wire transfer (international)

\$40.00

Garnishments

50.00

Levies

50.00

Freeze

50.00