

YOUR DEPOSIT ACCOUNT

Terms and Conditions
Electronic Transfers
Funds Availability
Truth in Savings

TERMS AND CONDITIONS OF YOUR ACCOUNT

AGREEMENT — This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully. If you sign the signature card or open or continue to use the account, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please call us. This agreement is subject to applicable federal laws and the laws of the state of Texas (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement;
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. As used in this document the words “we,” “our,” and “us” mean the financial institution and the words “you” and “your” mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular. “Party” means a person who, by the terms of an account, has a present right, subject to request, to payment from the account other than as a beneficiary or agent.

LIABILITY — You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement. Each of you also agrees to be jointly and severally (individually) liable for any

account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. You will also be liable for our costs to collect the deficit as well as for our reasonable attorneys’ fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account including, but not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account.

DEPOSITS — We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn “on us”). Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our “daily cutoff time” on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open.

WITHDRAWALS — Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us. You agree that, as to any item that we have no opportunity to examine the signatures, such as an electronic check conversion transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation, you waive any requirement of multiple signatures for withdrawal. We may charge your account for a check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in 1 number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. You agree that we may charge fees for overdrafts and use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees. If we are presented with an item drawn against your account that would be a “substitute check,” as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item. See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts for which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will

be available for withdrawal. We may require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D. Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

ACCOUNT SELECTION FORM NOTICE — The type of account you select may determine how property passes on your death. Your will may not control the disposition of funds held in some of the following accounts. You may choose to designate one or more convenience signers on an account, even if the 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.

SINGLE-PARTY ACCOUNT WITHOUT "P.O.D." (PAYABLE ON DEATH) DESIGNATION — The party to the account owns the account. On the death of the party, ownership of the account passes as a part of the party's estate under the party's will or by intestacy.

SINGLE-PARTY ACCOUNT WITH "P.O.D." (PAYABLE ON DEATH) DESIGNATION — The party to the account owns the account. On the death of the party, ownership of the account passes to the P.O.D. beneficiaries of the account. The account is not a part of the party's estate.

MULTIPLE-PARTY ACCOUNT WITHOUT RIGHT OF SURVIVORSHIP — The parties to the account own the account in proportion to the parties' net contributions to the account. The financial institution may pay any sum in the account to a party at any time. On the death of a party, the party's ownership of the account passes as a part of the party's estate under the party's will or by intestacy.

MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP — The parties to the account own the account in proportion to the parties' net contributions to the account. The financial institution may pay any sum in the account to a party at any time. On the death of a party, the party's ownership of the account passes to the surviving parties.

MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP AND "P.O.D." (PAYABLE ON DEATH) DESIGNATION — The parties to the account own the account in proportion to the parties' net contributions to the account. The financial institution may pay any sum in the account to a party at any time. On the death of the last surviving party, the ownership of the account passes to the P.O.D. beneficiaries.

CONVENIENCE ACCOUNT — The parties to the account own the account. One or more convenience signers to the account may make account transactions for a party. A convenience signer does not own the account. On the death of the last surviving party, ownership of the account passes as a part of the last surviving party's estate under the last surviving party's will or by intestacy. The financial institution may pay funds in the account to a convenience signer before the financial institution receives notice of the death of the last surviving party. The payment to a convenience signer does not affect the parties' ownership of the account.

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.

BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS — Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

STOP PAYMENTS — You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. To be effective, your stop-payment order must precisely identify the number, date and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. A release of the stop-payment request may be made only by the person who initiated the stop-payment order. Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

TELEPHONE TRANSFERS — A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account transfer restrictions may be described elsewhere.

AMENDMENTS AND TERMINATION — We may change any term of this agreement. Rules governing changes in interest rates are provided separately. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Notice from us to any one of you is notice to all of you.

STATEMENTS — Your duty to report unauthorized signatures, alterations and forgeries - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether

we contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer. You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you. You further agree that if you fail to report any unauthorized signatures, alterations or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

Your duty to report other errors — In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error - such as an encoding error. You agree that the time you have to examine your statement and report to us will depend on the circumstances. However, such time period shall not exceed 60 days. Failure to examine your statement and report any such errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any such errors on items identified in that statement and as between you and us the loss will be entirely yours.

Errors relating to electronic fund transfers or substitute checks — For information on errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

ACCOUNT TRANSFER — This account may not be transferred or assigned without our prior written consent.

DIRECT DEPOSITS — If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

TEMPORARY ACCOUNT AGREEMENT — If this option is selected, this is a temporary account agreement. Each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact 3 business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

SETOFF — We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt you owe us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the

time we set off, including any balance the due date for which we properly accelerate under the note. This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), (c) the debtor's right of withdrawal only arises in a representative capacity, or (d) the debt is created by a home equity loan. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

RESTRICTIVE LEGENDS — We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000.00."

PAYMENT ORDER OF ITEMS — The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items. Our policy is to process in-house transfers, payments, phone and online banking first - according to the dollar amount with the smallest items being processed first for the day on which they are processed. We process ATM, debit card transactions second - according to the dollar amount with the smallest items being processed first for the day on which they are processed. We process ACH transactions third - according to the dollar amount with the smallest items being processed first for the day on which they are processed. We process on us checks and debit transactions fourth - largest items first for the day on which they are processed. We process in clearing checks and similar items fifth - largest items first for the day on which they are processed. If a check, item or transaction (other than an ATM or everyday debit card transaction) is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item for insufficient funds (NSF). The amounts of the overdraft and NSF fees are disclosed elsewhere, as are your rights to opt in to overdraft services for ATM and everyday debit card transactions, if applicable. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees.

CHECK PROCESSING — We may process items mechanically by relying on the information encoded along the bottom of the items. This means that we may not individually examine all of your items to determine if the item is properly completed, signed and indorsed. You agree that we have not failed to exercise ordinary care solely because we use an automated system to process items and do not inspect all items processed in such a manner. We reserve the right not to inspect each item because using an automated process helps us keep costs down for you and all account holders. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the time we receive the item and when we return

the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

CHECK CASHING — We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash such a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

ACH AND WIRE TRANSFERS — This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer for which FedLine 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 financial 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 4 account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

This Electronic Fund Transfer disclosure does not apply to any accounts other than consumer accounts, as defined by Regulation E. 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 bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank 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 (such as social security, automatic bill payments, or payroll) to be accepted into your checking, savings, or money market account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your checking, savings, or money market account(s).
- **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.

Pulse ATM Transfers — types of transfers, dollar limitations and charges — You may access your account(s) by ATM using your Pulse card and personal identification number (PIN) or debit card and personal identification number (PIN), to:

- make deposits to checking or savings account(s) with an ATM or debit card
- get cash withdrawals from checking or savings account(s) with an ATM or debit card
 - you may withdraw no more than \$1,000.00 per 24 hour period
 - there is a charge of \$1.00 for off premises withdrawals
- transfer funds from savings to checking account(s) with an ATM or debit card
- transfer funds from checking to savings account(s) with an ATM or debit card
- get information about:
 - the account balance of your checking or savings accounts
 - with an ATM or debit card
 - there is a charge of \$.50 for off premises inquiries

Some of these services may not be available at all terminals. Please also see **Limitations on frequency of transfers** section regarding limitations that apply to ATM transfers.

Types of ATM Card Point-of-Sale Transactions — You may access your checking, savings, or money market account(s) to purchase goods (in person), pay for services (in person), and get cash from a merchant, if the merchant permits, or from a participating financial institution.

Point-of-Sale Transactions — dollar limitations — Using your card:

- you may not exceed \$1,000.00 in transactions per 24 hour period

Types of Visa@Check Card Point-of-Sale Transactions - You may access your checking account(s) to purchase goods (in person or by phone), pay for services (in person or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

Point-of-Sale Transactions — dollar limitations — Using your card:

- you may not exceed \$1,000.00 in transactions per 24 hour period

Please also see **Limitations on frequency of transfers** section regarding limitations that apply to debit card transactions.

Currency Conversion and International Transactions. When you use your Visa® Check Card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

Visa USA charges us a .8% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, the International Service Assessment is 1% of the transaction. In either case, we pass this international transaction fee on to you. An international transaction is a transaction where the country of the merchant is outside the USA.

Advisory Against Illegal Use. You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

Non-Visa Debit Transaction Processing. We have enabled non-Visa debit transaction processing. This means you may use your Visa-branded debit card on a PIN-Debit Network* (a non-Visa network) without using a PIN. The non-Visa debit network(s) for which such transactions are enabled are: PULSE Network.

Examples of the types of actions that you may be required to make to initiate a Visa transaction on your Visa-branded debit card include signing a receipt, providing a card number over the phone or via the Internet, or swiping the card through a point-of-sale terminal.

Examples of the types of actions you may be required to make to initiate a transaction on a PIN-Debit Network include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through use of a PIN. The provisions of your agreement with us relating only to Visa transactions are not applicable to non-Visa transactions. For example, the additional limits on liability (sometimes referred to as Visa's zero-liability program) and the streamlined error resolution procedures offered on Visa debit card transactions are not applicable to transactions processed on a PIN-Debit Network.

*Visa Rules generally define **PIN-Debit Network** as a non-Visa debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card program.

Internet Banking Computer Transfers — types of transfers — You may access your account(s) by computer through the Internet at www.cnboftexas.com and using your user ID and password, to:

- transfer funds between checking and savings
- make payments from checking or savings to loan accounts with us

- make payments from checking to third parties
- get information about:
 - the account balance of checking or savings accounts
 - deposits to checking or savings accounts
 - withdrawals from checking or savings accounts

Please also see **Limitations on frequency of transfers** section regarding limitations that apply to computer transfers.

Limitations on frequency of transfers — In addition to those limitations on transfers elsewhere described, if any, the following limitations apply:

- Transfers from a savings account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer or by debit card, or similar order to third parties are limited to six per statement cycle.
- Transfers from a money market account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer or by check, debit card, or similar order to third parties are limited to six per statement cycle.
- For security reasons, there are other limits on the number of transfers you can make by ATM.

FEES

- We do not charge for direct deposits to any type of account.

Except as indicated elsewhere, we do not charge for 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, you can call us at (972) 938-4300 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 or money market accounts. You will get a monthly account statement from us for your savings accounts, 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 brochure in time for us to receive your request 3 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. We will charge you \$28.00 for each stop-payment order you give.
- **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 3 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) as explained in the separate Privacy Disclosure.

UNAUTHORIZED TRANSFERS

(a) Consumer liability.

• Generally, 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 2 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 2 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 periods.

• **Additional Limit on Liability for Visa®Check Card.** Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Visa®Check Card. This additional limit on liability does not apply to ATM transactions or to transactions using your Personal Identification Number which are not processed by VISA®.

(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 brochure. You should also call the number or write to the address listed in this brochure 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 brochure, 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 (5 business days for Visa®Check Card point-of-sale transactions processed by Visa and 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 (5 business days for Visa® Check Card point-of-sale transactions processed by Visa and 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 this 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.

CITIZENS NATIONAL BANK OF TEXAS
200 NORTH ELM STREET WAXAHACHIE, TEXAS 75165
Business Days: Monday through Friday
Phone: (972) 938-4300

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

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

12. 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.

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to "transaction" accounts and savings accounts. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Checking accounts are the most common transaction accounts. Feel free to ask us whether any of your other accounts might also be under this policy.

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.

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. (cutoff times may be later on some days or at some locations) 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 you make a deposit at an ATM before 2:00 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 at an ATM after 2:00 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.

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 second business day after the day of your deposit. The first \$200 of your deposits, however, will 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, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

Safeguard exceptions. In addition, 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 redeposit 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 seventh 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 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 deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the ninth business day after the day of your 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 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.

TRUTH-IN-SAVINGS DISCLOSURE

CNB SAVINGS ACCOUNT

Rate Information — Your interest rate and annual percentage yield may change.

Frequency of rate changes — We may change the interest rate on your account at any time.

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

Compounding and crediting frequency — Interest will be compounded every day. Interest will be credited to your account every quarter.

Effect of closing an account — If you close your account before interest is credited, you will not receive the accrued interest.

Minimum balance to open the account — You must deposit \$200.00 to open this account.

Minimum balance to avoid imposition of fees — A service charge fee of \$10.00 will be imposed every statement cycle if the balance in the account falls below \$200.00 any day of the cycle.

Minimum balance to obtain the annual percentage yield disclosed — You must maintain a minimum balance of \$200.00 in the account each day to obtain the disclosed annual percentage yield.

Daily balance computation method — We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on non cash deposits — Interest begins to accrue no later than the business day we receive credit for the deposit of non cash items (for example, checks).

Transaction limitations:

Transfers from a CNB Savings account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer or by debit card, or similar order to third parties are limited to six per statement cycle.

Fees: An excessive item charge fee of \$3.00 will be charged for each withdrawal in excess of six during a quarter. An early closing fee of \$25.00 will be charged if you close your account within 90 days of opening. Receiving statement by e-mail is a requirement of this account. See Fee Schedule for Consumer Paper Statement Fee.

CNB HEALTH SAVINGS ACCOUNT

Rate Information — Your interest rate and annual percentage yield may change.

Frequency of rate changes — We may change the interest rate on your account at any time.

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

Compounding and crediting frequency — Interest will be compounded every day. Interest will be credited to your account every month.

Effect of closing an account — If you close your account before interest is credited, you will not receive the accrued interest.

Minimum balance to open the account — You must deposit \$50.00 to open this account.

Minimum balance to avoid imposition of fees — A service charge fee of \$3.00 will be imposed every statement cycle if the balance in the account falls below \$1,500.00 any day of the cycle.

Minimum balance to obtain the annual percentage yield disclosed — You must maintain a minimum balance of \$1,500.00 in the account each day to obtain the disclosed annual percentage yield.

Daily balance computation method — We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on non cash deposits — Interest begins to accrue no later than the

business day we receive credit for the deposit of non cash items (for example, checks). Receiving statement by e-mail is a requirement of this account. See Fee Schedule for Consumer Paper Statement Fee.

ValYou ACCOUNT

Rate Information — Your interest rate and annual percentage yield may change.

Frequency of rate changes — We may change the interest rate on your account at any time.

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

Compounding and crediting frequency — Interest will be compounded every month. Interest will be credited to your account every month.

Effect of closing an account — If you close your account before interest is credited, you will not receive the accrued interest.

Minimum balance to open the account — You must deposit \$100.00 to open this account.

Minimum balance to avoid imposition of fees — A service charge fee of \$9.00 will be imposed every statement cycle if the balance in the account falls below \$200.00 any day of the cycle.

Minimum balance to obtain the annual percentage yield disclosed — You must maintain a minimum average daily balance of \$.01 to obtain the disclosed annual percentage yield. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the monthly statement cycle.

Average daily balance computation method — We use the average daily balance method to calculate the interest on your account. This method applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the monthly statement cycle.

Accrual of interest on non cash deposits — Interest begins to accrue no later than the business day we receive credit for the deposit of non cash items (for example, checks).

Additional benefits — Additional benefits are provided with this account. Please refer to our separate product brochure for details. Receiving statement by e-mail is a requirement of this account. See Fee Schedule for Consumer Paper Statement Fee.

CNB MONEY MARKET ACCOUNT

Rate Information — Your interest rate and annual percentage yield may change.

Frequency of rate changes — We may change the interest rate on your account at any time.

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

Compounding and crediting frequency — Interest will be compounded every month. Interest will be credited to your account every month.

Effect of closing an account — If you close your account before interest is credited, you will not receive the accrued interest.

Minimum balance to open the account — You must deposit \$2,500.00 to open this account.

Minimum balance to avoid imposition of fees — A service charge fee of \$15.00 will be imposed every statement cycle if the balance in the account falls below \$2,500.00 any day of the cycle.

Minimum balance to obtain the annual percentage yield disclosed — You must maintain a minimum average daily balance of \$1,000.00 to obtain the disclosed annual percentage yield. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the monthly statement cycle.

Average daily balance computation method — We use the average daily balance method to calculate the interest on your account. This method applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the monthly statement cycle.

Accrual of interest on non cash deposits — Interest begins to accrue no later than the business day we receive credit for the deposit of non cash items (for example, checks).

Transaction limitations:

Transfers from a CNB Money Market account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer or by check, draft, debit card, or similar order to third parties are limited to six per statement cycle.

Fees: A excess debit charge fee of \$5.00 will be charged for each excessive transaction in excess of six during a statement cycle. Receiving statement by e-mail is a requirement of this account. See Fee Schedule for Consumer Paper Statement Fee.

CNB PREFERRED MONEY MARKET ACCOUNT

Rate Information — Your interest rate and annual percentage yield may change.

Frequency of rate changes — We may change the interest rate on your account at any time.

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

Compounding and crediting frequency — Interest will be compounded every month. Interest will be credited to your account every month.

Effect of closing an account — If you close your account before interest is credited, you will not receive the accrued interest.

Minimum balance to open the account — You must deposit \$25,000.00 to open this account.

Minimum balance to avoid imposition of fees — A service charge fee of \$15.00 will be imposed every statement cycle if the balance in the account falls below \$25,000.00 any day of the cycle.

Minimum balance to obtain the annual percentage yield disclosed — You must maintain a minimum average daily balance of \$25,000.00 to obtain the disclosed annual percentage yield. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the

period. The period we use is the monthly statement cycle.

Average daily balance computation method — We use the average daily balance method to calculate the interest on your account. This method applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the monthly statement cycle.

Accrual of interest on non cash deposits — Interest begins to accrue no later than the business day we receive credit for the deposit of non cash items (for example, checks).

Transaction limitations:

Transfers from a CNB Preferred Money Market account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer or by check, draft, debit card, or similar order to third parties are limited to six per statement cycle.

Fees: An excess debit charge fee of \$5.00 will be charged for each excessive transaction in excess of six per statement cycle. Receiving statement by e-mail is a requirement of this account. See Fee Schedule for Consumer Paper Statement Fee.

COMMON FEATURES

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

Monthly debit card fee	\$5.00
Monthly Fee - Debit Card Balance Alerts.....	\$2.00
ATM/Debit Card Issue Fee	\$3.00
ATM cash withdrawal from checking, savings, or money market account(s) (off premises use).....	\$1.00
Dollar limit.....	\$1,000.00 per day
Balance inquiry at ATMs for checking, savings, or money market account(s) (off premises use).....	\$.50
Check printing	(fee depends on style of check ordered)
Temporary checks.....	\$.25 each
Cashier's checks	
Customers	\$5.00
Non-customers	\$8.00

The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal, or other electronic means.

Overdraft - each overdraft paid	\$28.00
Deposited item returned.....	\$5.00
Returned check charge.....	\$28.00
Non sufficient funds (NSF) - each.....	\$28.00
Account activity printout.....	\$2.00
Account research	\$25.00 per hour (one hour minimum)
First page.....	\$1.00
Each additional page.....	\$.25
Account balancing assistance.....	\$25.00 per hour (\$12.50 minimum)

Monitoring accounts with two signatures	\$25.00 per month
Loan history printouts.....	\$5.00
Stop payments - each	\$28.00
Domestic wire transfers (outgoing)	
Customers	\$25.00
Non-customers.....	\$50.00
Foreign wire transfers	
Outgoing.....	\$50.00
Draft collection fee	\$50.00
Fax 1st page.....	\$1.00
Each additional page	\$.50
Notary service (non-customer ... fees charged according to state allowed fees	
Signature guarantee	
Customers	N/C
Non-customers.....	\$25.00
Garnishments or levies	\$150.00
Funds transfer via phone.....	\$2.00
Special statement request.....	\$5.00
Consumer paper statement monthly fee	\$5.00
Business paper statement monthly fee.....	\$10.00
Deposit correction fee.....	\$25.00 if greater than 5 per month
Item processing rejects.....	\$25.00 if greater than 5 per month
Written loan pay-off request	\$25.00
Return mail due to non-notification.....	\$5.00
Special handling fee (limited, lost checkbook, watch on account.....	\$25.00
Check cashing (non-customer)	2% of amount - minimum fee \$10.00
Coin Machine Fee - customers.....	10% of total coin counted
Coin Machine Fee - non customers	20% of total coin counted

We may require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D. Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

YOUR ACCOUNT

These are the accounts you have opened or inquired about. Further details about these accounts are inside this brochure. If the figures are not filled in, please see the insert that is with this disclosure or your periodic statement.

• CNB SAVINGS ACCOUNT

The interest rate for your account is _____% with an annual percentage yield of _____%.

• CNB HEALTH SAVINGS ACCOUNT

The interest rate for your account is _____% with an annual percentage yield of _____%.

• Val You ACCOUNT

Rate Information:

- Tier 1 - If your average daily balance is \$50,000.00 or more, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- Tier 2 - If your average daily balance is more than \$24,999.99, but less than \$50,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- Tier 3 - If your average daily balance is more than \$7,499.99, but less than \$25,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- Tier 4 - If your average daily balance is more than \$.01, but less than \$7,500.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

• CNB MONEY MARKET ACCOUNT

Rate Information:

- Tier 1 - If your average daily balance is \$10,000.00 or more, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- Tier 2 - If your average daily balance is more than \$999.99, but less than \$10,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

• CNB PREFERRED MONEY MARKET ACCOUNT

Rate Information:

- Tier 1 - If your average daily balance is \$100,000.00 or more, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- Tier 2 - If your average daily balance is more than \$49,999.99, but less than \$100,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- Tier 3 - If your average daily balance is more than \$24,999.99, but less than \$50,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

CUSTOMER CONTACT CENTER HOURS

Monday thru Friday 7:00 A.M. to 10:30 P.M.
Saturday 9:00 A.M. to 5:00 P.M.
Sunday 1:00 P.M. to 5:00 P.M.
Our Call Center is staffed with Personal Bankers

(972) 938-4300 • 1-877-938-4300
Tele Banking (972) 938-4344
www.cnboftexas.com
Your Bank Since 1868

