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Carmine State Bank INTERNET BANKING AGREEMENT & DISCLOSURE

INTRODUCTION

This Internet Banking Services Agreement is a contract, which establishes the rules, which cover your electronic access to your accounts at Carmine State Bank through Carmine State Bank's Internet Banking Service. By using Carmine State Bank's Internet Banking Service, you accept all the terms and conditions of this Agreement. Please read it carefully.

The terms and conditions of the deposit agreements and disclosures for each of your Carmine State Bank accounts as well as your other agreements with Carmine State Bank such as loans continue to apply notwithstanding anything to the contrary in this Agreement. This Agreement is also subject to applicable federal laws and the laws of the State of Texas (except to the extent this Agreement can and does vary such rules or laws). If any provision of this Agreement is found to be unenforceable according to its term, all remaining provisions will continue in full force and effect.

The headings in this Agreement are for convenience or reference only and will not govern the interpretation of the provisions. Any waiver (express or implied) by either party of any default or breach of this Agreement must be in writing and shall not constitute a waiver of any other or subsequent default or breach. You may not assign this Agreement. This Agreement is binding upon your heirs and Carmine State Bank's successors and assigns. Certain of the obligations of the parties pursuant to this Agreement that by their nature would continue beyond the termination, cancellation or expiration of this Agreement shall survive termination, cancellation or expiration of this Agreement. This Agreement constitutes the entire Agreement between you and Carmine State Bank with respect to the subject matter hereof and there are no understandings or agreements relative hereto which are not fully expressed herein.

DEFINITIONS

As used in this Agreement, the words "we," "our," "us," and "Bank" mean Carmine State Bank. "You" and "your" refer to the account holder authorized by Carmine State Bank to use Carmine State Bank's Internet Banking Service. Carmine State Bank's Internet Banking Services means services provided pursuant to this Agreement. "Business Days" means Monday through Friday. Holidays are not included.

ACCESS

To use Carmine State Bank's Internet Banking Service, you must have at least one active checking account at Carmine State Bank, access to Internet service, and an e-mail address. Once we have received your signed Enrollment Form, and verified your account information, we will send you, by postal mail, confirmation of our acceptance of your enrollment, along with your log-in ID and temporary password.

Access to your accounts through Carmine State Bank's Internet Banking Service will be based upon the authentication of user information supplied by you upon enrollment. We undertake no obligation to monitor transactions through Carmine State Bank's Internet Banking Service to determine that they are

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made on behalf of the accountholder. When any transaction is generated by Carmine State Bank's Internet Banking Service, you agree that we may debit the designated account without requiring your signature on the item and without any notice to you.

CARMINE STATE BANK'S INTERNET BANKING SERVICES

You can use Carmine State Bank's Internet Banking Service to check the balance of your Carmine State Bank accounts, view Carmine State Bank account histories, transfer funds between your Carmine State Bank accounts, change your address and order Savings Bonds. Balance and activity information is updated each business day morning and afternoon.

HOURS OF ACCESS

You can use Carmine State Bank's Internet Banking Service seven days a week, twenty-four hours a day, although some or all of Carmine State Bank's Internet Banking Service services may not be available occasionally due to emergency or scheduled system maintenance. We agree to post notice of any extended periods of non-availability on the Carmine State Bank's Internet Banking Service web site.

YOUR PASSWORD

For security purposes, you are required to change your password and User ID upon your initial login to Carmine State Bank's Internet Banking Service. You determine what password you will use and the identity of your password is not communicated to us. You agree that we are authorized to act on instructions received under your password. You accept responsibility for the confidentiality and security of your password and agree to change your password upon receipt. Upon three unsuccessful attempts to use your password, your access to Carmine State Bank's Internet Banking Service will be revoked. To re-establish your authorization to use Carmine State Bank's Internet Banking Service, you must contact us to have your password reset or to obtain a new temporary User ID & password.

We recommend that you create a password that utilizes both upper and lower case alpha, numeric and punctuation characters for purposes of security. Your password should not be associated with any commonly known personal identification, such as social security numbers, address, date of birth, names of children, and should be memorized rather than written down.

SECURITY

You understand the importance of your role in preventing misuse of your accounts through Carmine State Bank's Internet Banking Service and you agree to promptly examine your periodic statement for each of your Carmine State Bank accounts as soon as you receive it. You agree to protect the confidentiality of your account and account number, and your personal identification information, such as your driver's license number and social security number. You understand that personal identification information by itself, or together with information related to your account, may allow unauthorized access to your account. Your password and login ID are intended to provide security against unauthorized entry and access to your accounts. Data transferred via Carmine State Bank's Internet Banking Service is encrypted in an effort to provide transmission security. Notwithstanding

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our efforts to insure that the Carmine State Bank Internet Banking Service system is secure, you acknowledge that the Internet is inherently unsecure and that all data transfers, including e-mail, occur openly on the Internet and potentially can be monitored and read by others. We cannot and do not warrant that all data transfers utilizing Carmine State Bank's Internet Banking Service system, or e-mail transmitted to and from us, will not be monitored or read by others.

FEES AND CHARGES

Carmine State Bank's Internet Banking Service is free for use by all Carmine State Bank customers. You are responsible for telephone and Internet service fees you incur in connection with your use of Carmine State Bank's Internet Banking Service.

TRANSFERS

Transfers initiated through Carmine State Bank's Internet Banking Service before 1:00p.m. (Central Standard Time) on a business day are posted to your account the same day. Transfers completed after 1:00p.m. (Central Standard Time) on a business day, Saturday, Sunday or bank holiday, will be posted on the next business day.

We will NOT be liable for failure to make a transfer by your electronic request if:

- (a) You do not have enough money in your account to make a transfer
- (b) A legal order directs us to prohibit withdrawals from the account
- (c) Your account is closed or has been frozen
- (d) The transfer would cause your balance to go over the credit limit or overdraft limit, if any.
- (e) You or anyone authorized by you commits fraud or violates any law or regulation
- (f) The system, computer or telecommunication device(s) are not working properly and you knew about the problem when you started the transfer
- (g) You have not properly followed the on-screen instructions for use
- (h) Circumstances beyond our control (fire, flood, interruption in telephone service or other communication lines) prevent the transfer, despite reasonable precautions that we have taken.

LIMITS ON FREQUENCY AND AMOUNT

According to Federal Regulations, transfers from a Money Market Checking account to another account or to a third party by preauthorized, automatic, or telephone transfer are limited to six (6) per statement cycle with no more than three (3) by check or similar order to third parties. Balances may include deposits subject to verification by us. Balances may also differ from your records due to deposits in process, outstanding checks or other withdrawals, payments or charges.

CONTACT US AT ONCE if you believe your password has been lost, stolen, used without your authorization, or otherwise compromised, or if someone has transferred or may transfer money from your accounts without your permission. An immediate telephone call to us is the best way to reduce any possible losses. You could lose all the money in your accounts (plus your maximum overdraft line of credit, if any). If you contact us within 2 business days after you learn of the loss, theft,

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compromise, or unauthorized use of your password, you can lose no more than \$50 if someone used your password without your permission.

If you do NOT contact us within 2 business days after you learn of the loss, theft, compromise, or unauthorized use of your password, you could lose as much as \$500.

If your periodic account statement shows transfers that you did not make, contact us at once. If you do not tell us within 60 days after your periodic statement was mailed to you, you may not get back any money you lost through transactions made after the 60 day time period.

OVERDRAFTS

If your account has insufficient funds to perform all electronic fund transfers you have requested for a given business day, then:

- (a) Electronic funds transfers involving currency disbursements, like ATM withdrawals, will have priority;
- (b) In the event the electronic funds transfers initiated through Carmine State Bank's Internet Banking Service, which would result in an overdraft of your account, are not cancelled, overdraft charges will be assessed pursuant to the terms of your deposit agreement for that account.

DISCLOSURE OF ACCOUNT INFORMATION

A copy of our Privacy Notice may be obtained from the bank. It is also available on our website at: <http://www.csbcarmine.com/privacy.htm>

CHANGE IN TERMS

We may change any term of this Agreement at any time. If the change would result in increased fees for any Carmine State Bank Internet Banking service, increased liability for you, fewer types of available electronic fund transfers, or stricter limitations on the frequency or dollar amount of transfers, we agree to give you notice at least 21 days before the effective date of any such change, unless an immediate change is necessary to maintain the security of an account or our electronic fund transfer system. We will post any required notice of the change in terms on the Carmine State Bank Internet Banking web site or forward it to you by e-mail or by postal mail. If advance notice of the change is not required, and disclosure does not jeopardize the security of the account or our electronic fund transfer system, we will notify you of the change in terms within 30 days after the change becomes effective. Your continued use of any or the entire subject Carmine State Bank Internet Banking services indicates your acceptance of the change in terms. We reserve the right to waive, reduce or reverse charges or fees in individual situations. You acknowledge and agree that changes to fees applicable to specific accounts are governed by the applicable deposit agreements and disclosures.

PERIODIC STATEMENTS

You will not receive a separate Carmine State Bank Internet Banking statement. Transfers to and from your accounts using Carmine State Bank's Internet Banking system will appear on the respective periodic paper statements for your Carmine State Bank accounts.

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In case of errors or questions about your Electronic Fund Transfers, contact us as soon as you can, if you think your paper statement is wrong or if you need more information about a transfer listed on your paper statement. We must hear from you no later than 60 days after we sent the FIRST paper statement upon which the problem or error appeared. When you contact us:

- (1) Tell us your name and account number
- (2) Describe the error or 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 contact us by telephone or by e-mail, we may require that you send us your complaint or question in the form of paper writing by postal mail or fax within 10 business days.

We will provisionally credit your 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 decide that there was no error, we will send you written explanation within 3 business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation. We will make a corresponding debit from your account for the amount we gave you provisional credit.

COMPUTER VIRUS & SPYWARE PROTECTION

Carmine State Bank is not responsible for any electronic virus or viruses that you may encounter. We encourage our customers to routinely scan their PC and diskettes using a reliable, up-to-date virus product to detect and remove any viruses. Undetected or unrepaired viruses may corrupt and destroy your programs, files and even your computer hardware. Additionally, you may unintentionally transmit the virus to other computers. We also recommend the use of firewall and spyware detection software.

YOUR RIGHT TO TERMINATE

You may cancel your Carmine State Bank Internet Banking services at any time by providing us with written notice by postal mail or fax. Your access to Carmine State Bank's Internet Banking system will be suspended within 3 business days of our receipt of your instructions to cancel the service. You will remain responsible for all outstanding fees and charges incurred prior to the date of cancellation.

OUR RIGHT TO TERMINATE

You agree that we can terminate or limit your access to Carmine State Bank's Internet Banking services for any of the following reasons:

- (1) Without prior notice, if you have insufficient funds in any one of your Carmine State Bank accounts, Carmine State Bank Internet Banking services may be reinstated, in our sole discretion, once sufficient funds are available to cover any fees, pending transfers, and debits.
- (2) Upon 3 business days notice, if you do not contact us to designate a new primary Checking Account immediately after you close your primary Checking Account
- (3) Upon reasonable notice, for any other reason in our sole discretion

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YOUR LIABILITY AND INDEMNITY

You warrant that you will perform your obligations under this Agreement consistent with all applicable bank rules and regulations and that all information that you provide us is accurate, timely, and has been authorized by you and in the event that you breach any of the foregoing warranties, you agree to indemnify Carmine State Bank against any loss, liability, or expense. You agree to hold Carmine State Bank harmless for any and all acts of any employees or persons who you grant access to or who gain access to your Internet Banking account. You consent, by execution of this Agreement, to disclosure of your customer information to those that gain access to your accounts.

LIMIT OF OUR LIABILITY

We make no warranty of any kind, expressed or implied, including any implied warranty or merchantability or fitness for a particular purpose, in connection with the Carmine State Bank's Internet Banking Services provided to you under this Agreement. We do not and cannot warrant that Carmine State Bank's Internet Banking Services will operate without errors, or that all Services will be available and operational at all times. We are not responsible for any indirect, special, incidental or consequential damages arising in any way out of your use of the Carmine State Bank's Internet Banking Services provided under this Agreement.

COMMUNICATION

Unless this Agreement provides otherwise, you can communicate with us in any one of the following ways:

- E-Mail - you can contact us by e-mail using the Bank Mail option within Carmine State Bank's Internet Banking service or by sending unencrypted e-mail to carstbnk@csbcarmine.com.
- Telephone – you can contact us by telephone at (979) 278-3244
- Fax – you can contact us by fax at (979) 278-3030
- Postal Mail – you can write to us at Carmine State Bank, P.O. Box 341, Carmine, TX 78932
- In Person – you may visit us in person at 235 Centennial Street, Carmine, TX 78932

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**Carmine State Bank
INTERNET BANKING ENROLLMENT FORM**

First Name _____ Last Name _____ MI _____

E-mail address _____

Mailing Address _____

City _____ State _____ Zip Code _____

Social Security # _____ Date of Birth _____

Home Phone _____ Checking Account # _____

Work Phone _____ Cell Phone(optional) _____

I request to enroll in Carmine State Bank's Internet Banking Service. I have read and acknowledge receipt of the Internet Banking Agreement & Disclosure.

Signature

Date

Please return this completed Enrollment Form to:

Carmine State Bank
P. O. Box 341
Carmine, TX 78932