



FIRST NATIONAL BANK OF SHINER INTERNET BANKING CUSTOMER AGREEMENT AND DISCLOSURE STATEMENT

In this agreement “you”, “your”, and “yours” refers to each of you that will be using Internet Banking with First National Bank of Shiner as described in this agreement. “We”, “us”, “ours”, and “Bank” refer to First National Bank of Shiner. “Account” refers to the deposit and credit accounts, including loans, designated in your application for Internet Banking with First National Bank. “Customer” refers to the person or persons subscribing to or using Internet Banking at this Bank. This Agreement contains the terms and conditions governing Internet Banking services with First National Bank of Shiner for which you have applied. Internet Banking with First National Bank of Shiner is an electronic banking and information service, which permits you through the use of your personal computer and your Internet service provider, to access designated deposit and credit accounts through the Internet.

1. Eligibility of Internet Banking at First National Bank of Shiner. To become eligible to use our Internet Banking service, you must hold a checking account at First National Bank of Shiner and complete an application. **BY COMPLETING AND PRESENTING THIS INTERNET BANKING APPLICATION, YOU THEREBY INDICATE YOUR CONSENT TO THE TERMS AND CONDITIONS STATED IN THIS AGREEMENT AND ACKNOWLEDGE YOUR RECEIPT AND UNDERSTANDING OF THIS DISCLOSURE. PLEASE READ THIS AGREEMENT CAREFULLY AND KEEP A COPY FOR YOUR RECORDS.**

Your access to the Internet banking service will be determined at our sole discretion. Subject to applicable law, we reserve the right to modify, suspend, or terminate access to the Internet banking service at any time without notice or refund of previously incurred fees.

2. Deposit and Credit Agreement. The terms and conditions in this Agreement are in addition to any deposit account, credit account, or other agreement you have with us relating to your Accounts, including any disclosures made pursuant to such agreements.

3. Equipment and Browser Requirements. Your computer, modem, software and internet access are your responsibility. We are not responsible for any computer virus or related problems that maybe associated with the use of Internet Banking. Errors or delays or your inability to access Internet Banking caused by your equipment are not our responsibility.

You will need a 128-bit encryption browser to access Internet Banking. This is to ensure that your account information remains safe and confidential while surfing the internet.

4. Business Days and Hours of Operations. For the purposes of this Agreement, business days are every day except for Saturdays, Sundays, and bank holidays (see *BANK HOLIDAY* link on our website). You may access Internet Banking from your computer 24 hours a day, 7 days a week. However, there may be times when all or some of the Internet Banking services may not be accessible due to system maintenance or reasons beyond our control. We do not warrant that the Internet Banking services will be available at all times.

5. Description of the services available through the First National Bank of Shiner Internet Banking. First National Bank of Shiner’s Internet Banking will allow you to perform some or all of the following functions on designated accounts.

- Obtain account balances and transaction information for your Accounts
- Transfer funds between your Accounts
 - Your ability to transfer funds from your savings and money market accounts is limited by federal law. As stated in Your Deposit Account Truth-In-Savings brochure, transfers from your Money Market Fund account to another account or to third parties are limited to six per statement cycle by preauthorized, automatic, telephone, or computer with no more than three by check, draft, or similar order to third parties. Savings accounts are limited to six transfers per statement cycle by preauthorized, automatic, telephone, or computer with no transfers by check, draft, point-of-sale, or similar order to third parties.
 - Transfers are subject to funds availability.
 - You cannot stop a transfer between your Accounts after it has been initiated through Internet Banking.
 - Transfers that are completed on a Saturday, Sunday or a bank holiday will be posted on the next Business Day.

- Transfers initiated on a day that is not a Business Day will be treated as if received on the next Business Day.
 - There may be a one (1) day delay in transferring funds between designated accounts depending upon the day and time on which you request the transfer.
- Bill Payment (optional – must indicate on application)(see *Optional Customer Bill Pay Service Agreement* for further details)

We may modify our Internet Banking service from time to time in accordance with applicable law. Additional services or accounts may become accessible through the Internet banking service in the future. We also reserve the right to delete or modify services or accounts from the Internet banking service.

6. Security Codes. We will provide an Access ID and temporary Password for each individual who requests access to Internet Banking. You will need this information to initially access the Internet Banking service. Once you have accessed Internet Banking for the first time, you will be required to change your Access ID and Password. Your password must contain a combination of numeric and alpha characters and be between 6 and 16 characters in length.

The Internet Banking system will timeout after 15 minutes of inactivity for your security and each session is limited to 90 minutes.

If you forget your Access ID or Password you must contact us to reset your Access ID or Password. You will be locked out of the system after 3 incorrect password attempts.

7. Periodic Statements and Documentation. Your periodic statements for your Accounts will include any payments, transfers, and/or fees you authorized using the Internet Banking service, as well as your other activity that occurred on your account since your last statement cycle.

8. Our Liability for Failure to Complete Transfers. We will be responsible for your actual losses if they were directly caused by our failure to complete a transfer to or from your Accounts on time or in the correct amount according to our agreements with you. However, there are some exceptions. We will not be liable, for instance:

- a) If, through no fault of ours, you do not have enough money in your Account to complete a transaction from that Account
- b) If withdrawals from any of your Accounts have been prohibited by a court order such as a garnishment or other legal process
- c) If that Account has been closed.
- d) If you have not properly followed the Internet Banking instructions on how to make a transfer
- e) If your computer or software fails or malfunctions.
- f) If you have not given us complete and correct instructions so that we can make a transfer.
- g) If we have reason to believe that a transaction has not been properly authenticated or is fraudulent.
- h) If the Bank's Internet service was not working properly and you knew or should have known about the breakdown when you attempted to authorize a transfer.
- i) If circumstances beyond our control (such as fire or flood) prevent the transfer despite reasonable precautions that we have taken. Such circumstances include equipment failure or breakdown, lack of electricity, or other conditions beyond our control.

9. Your Liability. You are responsible for all transfers you authorize using the Internet Banking service. If you give your Access ID and Password to someone else, you are authorizing that person to act on your behalf and you will be responsible for any transactions they authorize from your Accounts. If you believe that the secrecy of your Access ID and/or Password has been compromised you should notify us immediately and change your password.

Tell us AT ONCE if you believe your Access ID and/or Password has been lost, stolen, or compromised in any way. Telephoning is the best way of keeping your possible losses down. If you tell us within two (2) business days, you can lose no more than \$50. If you do not tell us within 2 business days after you learn of the loss or theft of your

Access ID or Password, and we can prove that we could have stopped someone from using your Access ID or Password without your permission, if you had told us, you could lose up to \$500.

Also, if your statement shows transfers that you did not make, tell us at once. We must hear from you no later than 60 days after we have sent the first statement on which the problem or error appeared.

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

If you do not tell us within 60 days after your statement was produced, 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.

If you believe that your Access ID and/or Password has been lost or stolen, or compromised in any way, or that someone transferred or may transfer money from your account without your permission, contact us immediately by calling or writing us at the telephone number or address listed below.

Telephone us at: 361-594-3317

Or write us at: FIRST NATIONAL BANK OF SHINER
PO BOX 607
SHINER TX 77984

10. Error Resolution. In case of errors or questions about your Internet Banking transactions, contact us immediately by calling or writing us at the telephone number or address listed above.

If you think your statement is wrong or if you need more information about a transfer or payment listed on the statement, we must hear from you no later than sixty (60) days after we produced the FIRST statement on which the problem or error appeared. You must:

- Tell us your name and Account Numbers(s)
- 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
- 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 ten (10) business days.

We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will re-credit your deposit account within ten (10) business days 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 ten (10) business days, we may not re-credit your deposit Account. For errors involving new accounts, we may take up to ninety (90) days to investigate your complaint or questions, and we may take up to twenty (20) days to re-credit your Account for the amount you think is in error. We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

FIRST NATIONAL BANK OF SHINER
103 W 7TH ST / PO BOX 607
SHINER TX 77984

Business Days: Monday through Friday
Excluding Federal Holidays
Phone: 361-594-3317

11. Disclosure of Account Information to Others. We will disclose information to third parties about your account or the transfers you make:

- a. Where it is necessary for completing transfers;

- b. In order to verify the existence and condition of your Accounts for a third party, such as a credit bureau or merchant;
- c. To collect any debt that you may owe to us;
- d. To our employees, service providers, auditors, collection agents, affiliated companies or attorneys in the course of their duties and to the extent allowed by law;
- f. In order to comply with laws, government agency rules or orders, court orders, subpoenas or other legal processes in order to give information to any government agency or official having legal authority to request such information;
- g. As explained in our separate privacy disclosure; or
- h. If you give us your written permission.

12. Amendment of this Agreement. We can change the term or condition of this Agreement by mailing or delivering to you a written notice at least thirty (30) days before the effective date of any such change. We do not need to provide you with any prior notice where an immediate change in the terms or conditions of this Agreement is necessary to maintain and restore the security of our system or an account. However, even in these cases, if the change is to be made permanent, we will provide you with a notice of the change with the next regularly scheduled periodic statement that we send you, or within thirty (30) days, unless disclosure would jeopardize the security of your system or an account. Notices mailed or delivered to you under this paragraph will be considered effective if mailed to the most recent address we show for you in either our checking or savings account records, or loan records.

13. Assignment. You may not transfer or assign your rights or duties under this Agreement.

14. Termination. If you want to terminate your access to Internet Banking, please notify us by sending a written notice to FIRST NATIONAL BANK OF SHINER, PO BOX 607, SHINER, TX 77984 or by dropping it by our office at 103 W 7th STREET in Shiner, Texas. We reserve the right to terminate Internet Banking, in whole or in part, at any time with or without cause and for any reason without prior written notice. We will try to notify you in advance, but we are not obligated to do so. In that event, or in the event that you give us a termination notice, we may (but are not obligated to) immediately, or as soon as we have had the opportunity to act upon the termination, discontinue making previously authorized transfers, including recurring transfers and other transfers that were previously authorized but not yet made. Once we have acted upon your termination notice, we will make no further transfers from your Accounts.

We also reserve the right to temporarily suspend Internet Banking in situations deemed appropriate by us, in our sole and absolute discretion, including when we believe a breach of the system security has occurred or is being attempted. We may consider repeated incorrect attempts to enter your Access ID or Password as an indication of an attempted security breach. Termination of Internet Banking does not affect your obligations under this Agreement with respect to occurrences before termination or cooperation after termination.

15. Severability. If any provision of this Agreement is held invalid, illegal, void or unenforceable by any rule or law, administrative order or, judicial decision, all these provisions of the Agreement shall remain in full force.

16. Governing Law. This agreement is governed by and shall be construed in accordance with the laws of the State of Texas and applicable federal laws.



FIRST NATIONAL BANK OF SHINER OPTIONAL CUSTOMER BILL PAY SERVICE AGREEMENT

1. Description of the Bill Pay Service. The First National Bank of Shiner allows you to schedule bill payments through the bill pay service. You can arrange, at your option, for the payment of your current, future and recurring bills from your Primary checking account (called the "Bill Pay Account"). Accounts that require two or more signatures or authorizations to withdraw or transfer funds may not be used as a Bill Pay Account.

2. Payment Authorization. You authorize us to deduct the amount of your payment transactions generated by the Bill Pay Service from your Bill Pay Account. Funds must be available in the Bill Pay Account on the schedule payment date. After funds are withdrawn from your Bill Pay Account to make a payment, the Bank will make the payment by mailing the payee a check drawn by the Bank on its payment account. If at any time, you decide to discontinue this service, you must provide written notification to us. If we decide to discontinue or amend this Bill Payment Service, including any fees, we will notify you.

3. Scheduling Payments. You may choose to schedule payments to recur in the same amount at regular intervals (a "fixed payment"). If a fixed payment is chosen, the bill will be paid automatically each payment period. Fixed payments scheduled for the 28th or 29th of February, or the 31st of any other month having only thirty days will be made on the last business day of the month, regardless of the number of days in the month. Fixed payments are preauthorized transfers that you will direct the Bank to make by signing onto the Bill Pay Service and completing all information required by the Bill Pay screens for each payee. If your payment is not a fixed payment, it will be a "single payment" and will not be made until you enter the payee and amount thereof.

4. Timing of Payments. You understand that payments may take from 5 to 10 business days to reach the payee. You acknowledge that we will only be responsible for exercising ordinary care in processing and sending payments you authorize in accordance with this agreement. We are not liable for any service fees, late charges, or other damages incurred by you;

- if you do not provide timely complete and accurate information;
- if you do not properly follow our instructions;
- if you do not have sufficient funds in your account;
- if there are delays in mail delivery;
- if there is a change in payee addresses that we have not been advised of;
- if there is failure by the payee to correctly credit the payment;
- or any other use beyond the Bank's control.

You also understand that you are responsible for any loss or penalty incurred due to insufficient funds or other conditions that may prevent the posting of payments from your account.

5. Error Resolutions. If you believe an error (other than an electronic fund transfer problem) has occurred, you can call the following number for information about how to handle the problem. You understand that you are responsible for insufficient funds fees and stop payment order fees as described in the COMMON FEATURES section of the YOUR DEPOSIT ACCOUNT Truth-in-Savings brochure you received when you opened your deposit account(s) or subsequently thereafter.

If you have a question involving general information about your Account, such as balance information, transactions other than those conducted through the Internet Banking Service, question about interest earned, or to stop payment, you can call the following number.

Telephone us at: 361-594-3317



First National Bank of Shiner
103 W 7th St / PO Box 607
Shiner TX 77984

FOR BANK USE ONLY			
Verified	_____	Date	_____
Access	_____	Date	_____
Email / Letter	_____	Date	_____

Internet Banking and Optional Bill Pay Application

(complete and return this page to the above address)

Internet Banking

Yes, I (We) would like to sign up for Internet Banking and I (We) have reviewed the First National Bank of Shiner's Customer Agreement and Disclosure and agree to its terms and conditions.

Optional Bill Pay Service (please choose Yes or No)

Yes, I (We) would like to sign up for the optional Bill Pay Service and I (We) agree to the terms stated in the Internet Banking Optional Bill Pay Service Agreement and agree to its terms and conditions.

No, I would not like to sign up for the optional Bill Pay Service

PRIMARY ACCOUNT HOLDER

(original Access ID is the Primary Acct with 00 at the end)

Customer Name	Home Phone	Work Phone	Cell Phone
Address	City	State	Zip Code
Primary E-mail Address	SSN/TIN		

JOINT ACCOUNT HOLDER

(original Access ID is the Primary Acct with 01 at the end)
(This section to be used by Joint Primary Account Holders with same related accounts)

Customer Name	Home Phone	Work Phone	Cell Phone
Address	City	State	Zip Code
Primary E-mail Address	SSN/TIN		

ACCOUNT INFORMATION

("Related Account No." includes Savings, CD's, and Loans)

Primary / Bill Pay No. _____	Related Account No. _____
Acct. Nickname _____	Acct. Nickname _____
Related Account No. _____	Related Account No. _____
Acct. Nickname _____	Acct. Nickname _____
Related Account No. _____	Related Account No. _____
Acct. Nickname _____	Acct. Nickname _____

By signing this application, the undersigned agree to abide by the terms of the Truth-In-Savings, Electronic Transfers, and Internet Customer Agreement and Disclosure.

All of the owners of each account listed must sign this application and it must be presented to a First National Bank of Shiner's Internet Banking Representative for consideration.

Applicant's Signature	Date	Co-applicant's Signature	Date
Co-applicant's Signature	Date	Co-applicant's Signature	Date