

Bank of Brenham

Internet Banking System Disclosure and Agreement

501 South Austin Street, Brenham, TX 77833

979-836-3332

Terms:

This disclosure is a contract which establishes the rules governing your electronic access to your accounts at Bank of Brenham ("Bank") through the Internet Banking System ("System"). By using the System, you accept all the terms and conditions of this disclosure.

As used in this Disclosure, the words "we," "our," "us," and "Bank" means Bank. "You," and "your" refer to the accountholder authorized by Bank to use the System under this Disclosure and anyone else authorized by that account holder to exercise control over the account holder's funds through the System. "Account" or "accounts" means your accounts at Bank. "Electronic funds transfers" means ATM withdrawals, preauthorized transactions, point-of-sale transactions, transfers to and from your Bank accounts using the System including bill payments. "System Services" means the services provided pursuant to this Disclosure, including the Bill Payment Service at such time as it is available. Business days mean Monday, Tuesday, Wednesday, Thursday and Friday. Saturdays, Sundays, and Federal Reserve Bank holidays are not included.

The terms and conditions of the deposit disclosures for each of your Bank accounts as well as your other disclosures with the Bank such as loans, continue to apply notwithstanding anything to the contrary of this disclosure.

The Disclosure is also subject to applicable federal and state laws (except to the extent this Disclosure can vary such rules or laws). If any provision of this Disclosure is found to be unenforceable, all remaining provisions will continue in full force and effect. Any waiver by either party of any default or breach of this Disclosure must be in writing and shall not constitute a waiver of any other or subsequent default or breach. You may not assign this Disclosure. This Disclosure is binding upon heirs and the Bank's successors and assigns. This Disclosure constitutes the entire disclosure between you and the Bank with respect to the subject matter herein and there are no understandings or disclosures relative hereto which are not fully expressed herein.

Access:

To access the System, go to www.bankofbrenham.com.

To use the System, you must have at least one account at the Bank, access to Internet service, and an e-mail address. Once we have received your signed Electronic Services Application and verified your account information, we will notify you of our acceptance of your enrollment along with your assigned Login ID. The System can be used to access only the accounts which you have designated in your Electronic Services Application. You can add or delete any of your accounts from this Disclosure by completing a new Electronic Services Application or by contacting the Bank. Access to accounts through the System will be based upon the identification of users and authority levels specified by you in your Electronic Services Application. We undertake no obligation to monitor transactions through the System to determine that they are made on behalf of the accountholder. You can use the System to check the balance of your accounts, view account histories, transfer funds between your accounts, and perform other services as provided. You may also pay bills from your accounts if you have requested Bill Payment Service on your Electronic Services Application. Balance and activity information are available in "real time" throughout the day.

Your Password:

You will be given a temporary password when you completed the Electronic Services Application. That password will be used the first time you log into the System. For security purposes, you are required to change your password upon your initial login to the System. You determine what password you will use; 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 periodically. After three unsuccessful attempts to use your password, your access to the System will be revoked. To re-establish your authorization to use the System, you must contact us to have your password reset or to change your password to the original Temporary Password.

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

If you are locked out of the online banking system, you must notify us by phone or in writing to request the password change. Please mail requests to the address on the back of this disclosure. You may also visit any of our branch locations and speak with one of our Customer Service Representatives for assistance. We will then notify you to verify the change to your new password. For your protection and for security purposes, we will not accept any change of password requests via e-mail. Telephone requests must satisfy one or more challenge

questions previously established with you. If you have a multiple-party account, your password may be changed using the procedure described above by any authorized party to your account. The bank shall have no obligation or liability to any of the owners of a multiple-party account if the password is changed using the procedures set forth above.

You agree that the Bank has no control over the persons who have access to your personal computer and your password once it is in your possession. The Bank will not be liable for any authorized access to your personal computer using your password. You agree that it is your responsibility to initiate and maintain adequate procedures to prevent any unauthorized access to your personal computer or authorized use of your password.

Security:

You understand the importance of your role in preventing misuse of your accounts through the System and you agree to promptly examine your paper statement for each of your 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. The Bank will not request personal information, such as driver's license number, social security number, phone, or account number through e-mail with you.

Your password and login ID are intended to provide security against unauthorized entry and access to your account. Data transferred via the System is encrypted in an effort to provide transmission security and the System utilizes identification technology to verify that the sender and receiver of System transmissions can be appropriately identified by each other. Notwithstanding our efforts to ensure that the System is secure, you acknowledge that the Internet is inherently insecure and that all data transfers, including electronic mail, occur openly on the Internet and potentially can be monitored and read by others. You agree to defend, hold harmless, and indemnify the Bank from and against any and all claims of any nature arising out of any such access by a person you have authorized, permitted or enabled to have access to your Bank accounts via the System.

You understand the importance of accuracy with regard to the Bank's web address. For information about "phishing" and other scams, please go to the consumer information section of the Bank's home page. Links to other web sites that may be of interest to you are provided on our web site. The Bank is not responsible for the content of such sites and has no liability should you choose to use such third party sites.

Hours of Access:

You can use the System seven days a week, twenty-four hours a day, although some or all System services may not be available occasionally due to emergency or scheduled System maintenance.

Fees and Charges:

You agree to pay the System services monthly fees, if applicable. Please refer to the Bank's fee schedule for any applicable charges for use of the System. The fee schedule can be reviewed at www.bankofbrenham.com

We may change any term of the Disclosure at any time. If the change would result in increased fees for any System 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 30 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 funds transfer system. We reserve the right to waive, reduce or reverse charges or fees in individual situations.

Posting of Transfers:

Transfers between Bank of Brenham accounts completed through the System before 6 p.m. Central Standard Time on a business day is posted to your account the same day. Transfers completed after 6 p.m. Central Standard Time on a business day or on a Saturday, Sunday, or banking holiday will be posted on the next business day. The System identifies transfers based upon the Login ID of the user who made the electronic transfer. Accordingly, you understand and acknowledge that the View Postings screens in both the transfer and Bill Payer menu options of the System will not reflect transfers made by multiple users from the same account if different Login IDs are used. You agree to communicate with any other persons with authorized access to your accounts concerning any transfers or bill payments from your accounts in order to avoid overdrafts. For eCorp Internet Banking customers, the deadline for same day wire transfers is 2:00 p.m. Central Standard Time.

Overdrafts:

If your account has insufficient funds to perform all electronic funds transfers you have requested for a given business day, then electronic funds transfers involving currently disbursements like ATM withdrawals and debit card transactions will have priority. In the event that electronic funds transfers initiated through the System that would result in an overdraft of your account are not cancelled, overdraft charges may be assessed pursuant to the terms of the deposit disclosure for that account.

Limits on Amounts and Frequency of System Transactions:

The number of transfers from bank accounts and the amounts which may be transferred are limited pursuant to the terms of the applicable deposit disclosure for those accounts. If a hold has been placed on deposits made to an account from which you wish to transfer funds, you cannot transfer the portion of the funds held until the hold expires.

Internet Banking Bill Payment Service:

By using the System Bill Payment Service option when it becomes available, you agree that based upon instructions received under your password, we can charge your designated account by electronic transfer ("no signature required draft") or by debiting and remitting funds on your behalf. We reserve the right to refuse to pay any payee designated by you. If we do so, we will notify you promptly.

If a payee is to be paid by paper check (as indicated on the Bill Payer list), you understand and agree that paper checks are mailed to the payee and the payee may not receive the payment until 5 business days after the date the payment was submitted. If the payee is to be paid electronically (as indicated on the Bill Payer list), you understand and agree that the payee may not receive the payment until 5 days after the date the payment was submitted. You understand and agree that we are not responsible for the timely delivery of mail or the improper transmission or handling of payments by a third party such as the failure of the bill payment payee to properly post a payment to your account.

Periodic Statements:

You will not receive a separate System statement. Transfers to and from your accounts using the System will appear on the respective periodic statements for your bank accounts.

Bank's Liability for Failure to Complete a Transfer:

If we do not complete a transfer to or from your account on time or in the correct amount according to your agreement with us when you have properly instructed us to do so, we will be liable for your losses or damages caused as a result. Some exceptions may apply. For example, we will not be liable if:

- Through no fault of ours, you do not have enough money in your account to make the transfer;
- A legal order directs us to prohibit withdrawals from the account;
- Your account is closed or has been frozen;
- You, or anyone authorized by you, commits any fraud or violates any law or regulation;
- Completing the transfer would exceed your overdraft limit;
- If you have not properly followed the on-screen instructions for using the System;
- If any electronic terminal, telecommunication device, or any part of the System is not working properly and you know about the problem when you started the transfer;
- Circumstances beyond our control (such as fire, flood, or interruption in communication lines) prevent the transfer, despite reasonable precautions that we have taken.

There may be other exceptions stated in your agreement with us.

Your Liability for Unauthorized Transfers:

You will contact us AT ONCE at the phone number on the back of this disclosure 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 your potential losses.

You will tell us AT ONCE if your statement shows unauthorized transfers. If you do not notify us within 60 days from the date your statement was sent to you, you may not be refunded any money you have lost if we can prove that we could have prevented your losses with adequate notification.

If extenuating circumstances (such as a long trip or a hospital stay) prevented you from notifying us in a timely manner, we may extend the time period.

Disclaimer of Warranty and Limitation of Liability:

We do not and cannot warrant that the System will operate without errors, or that any or all System services will be available and operational at all times. Except as specifically provided in this Disclosure, or otherwise required by law, you agree that our officers, directors, employees, agents or contractors are **not liable for any indirect, incidental, special or consequential damages under or by reason of any services or products provided under this Disclosure or by reason of your use of or access to System, including loss of profits, revenue, data or use by you or any third party, whether in an action in contract or based on a warranty.** Further, in no event shall the liability of the Bank and its affiliates exceed the amounts paid by you for the services provided to you through the System.

Your Right to Terminate:

You may cancel your System service at any time by providing us with written notice via e-mail or by telephone. Your access to the System will be canceled upon receipt of your instructions to cancel the service. You will be 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 System services for any of the following reasons:

- Without prior notice, if you have insufficient funds in any one of your bank accounts or if the Bank becomes aware of a potential security issue. System service may be reinstated, in our sole discretion, once sufficient funds are available to cover any fees, pending transfers, and debits.
- 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.
- Upon reasonable notice, for any other reason in our sole discretion.

Communication between the Bank and You:

You can contact us at the address and phone number listed on the front of this disclosure. The Bank will not contact you via e-mail to obtain or verify information such as your driver's license number, social security number, account number or other personal information. If such information is needed or should be updated, we will ask you to call the Bank or come to a Bank facility. This procedure is for your protection.

E-Statements and Electronic Disclosures:

By signing the e-Statements Enrollment Form when it is available, you affirmatively consent and agree to permit the Bank to make disclosures and provide notices to you in electronic form, in lieu of providing such notices and disclosures in written form. Your consent and agreement shall relate to all forms of disclosures and notices required under applicable law as a result of the various agreements between you and the Bank and shall remain valid until such time as you exercise your right to revoke this consent. You elect and authorize us, at our discretion, to electronically deliver your account statement(s) and notices that we are required to provide to you under applicable Federal and State statutes and their implementing regulations, as amended from time to time, including:

Truth in Savings Act
Fair Credit Reporting Act
Electronic Funds Transfer Act
Equal Credit Opportunity Act
Texas Banking Code
Privacy of Consumer Financial Information

Other Federal and State statutes may be enacted or amended in the future to provide for electronic delivery of account statements and notices. Your signature on the e-Statement Enrollment Form also authorizes us, at our discretion, to provide electronic delivery of such statements and notices pursuant to these statutes after they become effective. If there is more than one Depositor that is a party to the account, notice to any one Depositor will be effective for all. To revoke this consent or to request a paper copy of any electronic disclosure or notice provided pursuant to this consent, mail or fax your request to the address or fax number on the back of this disclosure. You may also visit any of our branch locations and speak with one of our Customer Service Representatives for assistance. A description of the hardware and software requirements for access to and retention of electronic disclosures and/or notices is provided below.

Security for e-Statements

We will use commercially sound measures, consistent with industry standards, to maintain a reasonable level of security over the information contained in electronically delivered account statements and notices. Upon your election of e-Statement service, the Bank will "pre-note" your e-mail address by sending you a test e-mail. Our security consists of 128-bit encryption of the date in the e-Statement to protect it while in transit over the Internet. Once you receive and open an e-Statement it is decrypted by use of Acrobat Reader version 5.0 or higher and your unique password until you close the e-Statement. When you close an e-Statement, it is once again encrypted at the 128-bit level and password protected. When communicating with you electronically, no one from Bank will ask you for your password or account number.

You understand that these industry standards are dynamic and constantly developing. By signing the enrollment form for e-Statement service you acknowledge and understand that there are risks to electronic delivery of account statements and notices, including but not limited to delay or failure of delivery due to technical difficulties, weather conditions, and matter beyond our reasonable control. You have considered the historical and potential future content of your account statement(s), the risk associated with electronic delivery of account statements and our security procedures, and you find that our security measures are reasonable. If in the future you conclude that our security procedures cease to be reasonable, you must terminate this agreement immediately in accordance with paragraph 10 below.

System Specifications

In order to receive e-Statement services, your computer hardware and software must meet the following specifications:

PC/Windows Users

- Pentium Class Computer
- 64 MB RAM
- Microsoft Windows 95 or higher, Windows NT 4.0 with Service Pack 5, Windows 2000, or Windows XP
- Acrobat Reader 5.0 or greater (Installation requires 24 MB of free disk space)
- Free disk space for e-Statement retention, determined by user need
- Internet Service Provider (ISP)
- E-mail:
 - Must allow attachments up to 500KB
 - Must allow .PDF extension files through firewall
 - Inbox must have 1MB of free space

MAC Users

- Power PC Processor
- 64 MB RAM
- MAC OS 8.6*, 9.0.4, 9.1, or MAC OS X* (*Some Acrobat Reader 5.0 features may not be available.)
- Acrobat Reader 5.0 or greater (install requires 24 MB free disk space)
- Free disk space for e-Statement retention, determined by user need
- Internet-Service Provider (ISP)
- E-mail:
 - Must allow attachments up to 500KB
 - Must allow .PDF extension files through firewall
 - Inbox must have 1MB of free space

PC/Linux Users

- Linux 2.2 kernel on X86 computer
- 64 MB RAM
- Acrobat Reader 5.0 or greater (install requires 26 MB free disk space)
- Free disk space for e-Statement retention, determined by user need
- Internet-Service Provider (ISP)
- E-mail:
 - Must allow attachments up to 500KB
 - Must allow .PDF extension files through firewall
 - Inbox must have 1MB of free space

In addition to the specifications outlined above, the following are required for commercial account users:

- Must allow e-mail attachments up to 20MB
- Must have a broadband connection
- Must have 250MB of free disk space
- E-mail inbox must have 20 MB of free space

If you have questions about whether these additional requirements apply to you, please contact one of our Customer Service Representatives, in person at any branch location or call the new accounts department, 979-836-3332.

If a change in the hardware or software requirements needed to access or retain an e-Statement creates a material risk that you may not be able to access or retain a subsequent statement that was the subject of the consent, we will notify you of the revised hardware and/or software requirements. You may withdraw your consent without the imposition of any condition or consequence not previously disclosed in this agreement.

Transmission of e-Statements:

We will send your periodic account statement(s) to you via e-mail to the last known e-mail address provided by you. You agree to notify us promptly, in writing, of any change in your e-mail address at the address on the front of this disclosure. You may also visit any of our branch locations and speak with one of our Customer Service Representatives for assistance. For your protection and for security purposes, we will not accept any change of e-mail address notices via e-mail or telephone. If you have not notified us in writing of any change to your e-mail address, you agree that your failure to provide us with a good e-mail address is a lack of ordinary care on your part. If your e-Statement is

sent twice and returned undeliverable, you will be removed from the e-Statement service. If we become aware that you are not receiving your e-Statement(s) and notices, we will send your e-Statement(s) and notices to you via U.S. Mail to your last known address. Your e-mail address may be changed using the procedure described above by any authorized party to your account. The bank shall have no obligation or liability to any of the owners of a multiple-party account if the e-mail address is changed using the procedures set forth above.

Your e-Statement will be dated the day it is sent to you by e-mail (the "e-mail date"). You must promptly review your e-Statement and any accompanying items and notify us in writing at the address on the back of this disclosure or via e-mail at customerservice@bankofbrenham.com (with the applicable time periods specified in the deposit agreement above) of any error, unauthorized signature, lack of signature, alteration or other irregularity. Any applicable time periods within which you must notify us of any errors on your account statement(s) shall begin on the e-mail date regardless of when you receive and/or open the e-Statement.

Disclaimer of Warranties for e-Statement

We make no warranties of any kind with respect to the software program used to access e-Statement services. We do not warrant that the software program or that e-Statement services will meet your specific requirements. We make no warranties of any kind, whether express or implied, with respect to the use and adequacy of the software program or the e-Statement services we provide under this agreement. We disclaim any and all implied warranties, including but not limited to, the implied warranties of merchantability and fitness for a particular purpose. If you believe your e-Statement is lost or that someone has obtained access to your e-Statement without your permission, contact us at the address or phone numbers on the back of this disclosure. Notwithstanding any provisions to the contrary contained in this agreement, we shall be responsible only for performing the e-Statement services as expressly provided for in this agreement.

BANK OF BRENHAM
ONLINE BANKING APPLICATION

Please mail or bring the completed application to:
Bank of Brenham
Attn: New Accounts Department
501 South Austin St.
Brenham, TX 77833
979-836-3332

We will notify you when your application has been approved.

Name _____
Address _____
City _____ State _____ Zip code _____
Home Phone _____ Work Phone _____
Cell Phone _____
Email Address _____
Drivers License or ID number _____

Accounts to be accessed:

Account number _____ Access required* _____
Account number _____ Access required* _____
Account number _____ Access required* _____

*Access requested definitions:

Complete Access-access to account balances, transaction history, and transfers to and from this account.

View only access-access balance and transaction history only.

Limited Transfer Access-access to account balance, transaction history, and ability to transfer money to this account.

I have read, understand, and agree to the terms set forth in the Bank of Brenham Online Banking Agreement. I am an authorize signer on the accounts listed above accounts and request Online banking access.

Signature _____ Date _____

For bank use only

Employee initials _____ Date _____

BANK OF BRENHAM
ONLINE BANKING APPLICATION

Please mail or bring the completed application to:

Bank of Brenham
Attn: New Accounts Department
501 South Austin St.
Brenham, TX 77833
979-836-3332

We will notify you when your application has been approved.

Name _____

Address _____

City _____ State _____ Zip code _____

Home Phone _____ Work Phone _____

Cell Phone _____

Email Address _____

Drivers License or ID number _____

Accounts to be accessed:

Account number _____ Access required* _____

Account number _____ Access required* _____

Account number _____ Access required* _____

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Date _____