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www.stearnsbank.com • Member FDIC. Equal Housing Lender

January 15, 2010

Dear Stearns Bank Customer,

Important Information ~ Requires Your Attention: We are pleased to announce your deposit accounts will be converted to Stearns Bank products as of the close of business on February 19, 2010. With this conversion, you will have access to all of Stearns Bank's products and exceptional customer service. Enclosed is a table that outlines the differences in accounts and highlights the new account terms.

Checks. First State Bank checks can continue to be used until May 31, 2010; new checks can be ordered starting February 22, 2010. When ordering new checks the ABA routing number will need to be changed to: **091910455** (your account number will remain the same). If you still have an old check supply remaining after the May 31 date, bring them into the bank for our free shredding service.

All Electronic Payments and Deposits. Between February 22, 2010 and May 31, 2010 you will need to change your ABA routing number to 091910455. Your account number will remain the same. *Some examples include automatic payments (such as your house payment), ACHs or Social Security deposits.*

VISA Debit Cards. Your card will remain the same. You should continue to use your current First State Bank VISA debit card. At a later date, still to be determined, you will receive a new Stearns Bank debit card.

Account Statements. You will receive a statement for transactions posting through February 19, 2010 prior to conversion. Going forward, the date you receive your statement may change.

Business Day Cutoff Times. The cutoff time will be changing for all locations to 4:00 p.m. on Monday thru Thursday and 5:00 p.m. on Friday. (EST)

Online Banking, Bill Pay & Phone Bank. These services will be down at close of business Friday, February 19, 2010 until start of business on Monday, February 22, 2010. You will need to re-enroll on Monday, February 22, 2010 (see enclosure for more details and instructions).

We would like to thank you for your patronage and patience through this transition. Feel free to call the Florida customer hotline: 941-328-6895 with any questions or concerns. Here at Stearns Bank we take pride in saying "We get the job done" and will strive to live up to your expectations.

Thank you for banking with us!

CONVERSION TIMELINE	
<i>Conversion Date</i>	<i>2/19/10</i>
<i>Final Statement before conversion</i>	<i>2/19/10</i>
<i>Enroll in online banking, bill pay & phone bank</i>	<i>2/22/10</i>
<i>Order Stearns Bank checks</i>	<i>2/22/10 to 5/31/10</i>
<i>Change ABA routing number on electronic payments and deposits</i>	<i>2/22/10 to 5/31/10</i>

Effective February 19, 2010
CONVERSION TABLE

CURRENT ACCOUNT	NEW ACCOUNT (after conversion)
Free Personal Checking Personal Checking Second to None Checking Perk Checking	Free & Easy Checking <i>No minimum balance</i>
Premier Plus Now Platinum 50 Checking Bronze Checking	
First Choice Checking First State Gold (under 50) First State Gold (50 plus) Gold Plus Checking Personal Lawyer Trust Iolta Business Checking Plus	NOW Account Checking <i>\$500 average daily balance this is not a tiered account</i>
Basic Business Checking	
Basic Analysis Checking	Business' Best Checking <i>No minimum balance</i>
Primary Money Market Second to None Money Market Business Money Market	Stearns Select Money Market Account <i>No minimum balance</i>
Primary Savings First Step Savings Tiered Rate Savings Basic Business Savings	
Traditional IRA Tiered Savings Roth IRA Tiered Savings	Passbook IRA Account <i>No minimum balance this is not a tiered account</i>
Christmas Club	
Certificates of Deposit	Certificates of Deposit
Current ABA: 063113523	New ABA: 091910455

Online Banking, Bill Pay & PhoneBank enrollment instructions on back

Disclosure of Stearns Bank N.A. Account Terms

TRUTH IN SAVINGS

Refer to the table to the left for new account names. Interest rates and annual percentage yields (APY) are current as of 1/4/2010. Conversion changes will take place 2/19/2010. Highlighted items are changing.

Free & Easy Account. No minimum balance required.
 • Account is truncated (no checks or items returned with the statement) • \$2 service charge per month if you choose to receive imaged checks • \$25 monthly fee if account is inactive or dormant with a balance below \$50.*

NOW Account. Account is interest bearing. The interest rate is 0.25% and the APY is 0.26%.
 • Your interest rate and APY may change. At our discretion, we may change the interest rate on your account daily. • Interest begins to accrue no later than the business day the bank receives credit on noncash items (e.g. checks). Interest is compounded and credited monthly. 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. • Monthly maintenance charge of \$8.00 and \$.15 for each check or debit if the average daily balance in the account drops below \$500. The average daily balance is calculated by adding the principal in the account each day and dividing that amount by the number of days in the statement cycle. • \$25 monthly fee if account is inactive or dormant with a balance below \$50 for personal accounts only.*

Passbook Savings. Account is interest bearing. The interest rate is 0.25% and the APY is 0.25%. Your interest rate and APY may change. At our discretion, we may change the interest rate on your account daily. • Interest begins to accrue no later than the business day the bank receives credit on noncash items (e.g. checks). 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 daily. Interest is compounded and credited semi-annually on June 30 and Dec. 31. • Monthly maintenance charge of \$3 if the average daily balance drops below \$50. The average daily balance is calculated by adding the principal in the account each day and dividing that amount by the number of days in a month. The maintenance charge may be waived for customers age 62 and over and 17 and younger. • Preauthorized or automatic transfers out of your account are limited to 6 per month (calendar or statement cycle) by check, electronic check, draft, debit card, Point of Sale, bill pay or other payment order to a 3rd party as well as transfers out by telephone, internet or through an automated clearing house.

Holiday Savings. Account is interest bearing. The interest rate is 0.50% and the APY is 0.50%. Your interest rate and APY may change. This account matures Nov. 1. You may not deposit more than \$2,500 into this account. At our discretion, we may change the interest rate on your account daily. • Interest begins to accrue no later than the business day the bank receives credit on noncash items (e.g. checks). 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 daily. Interest is not compounded. Interest will be credited Nov. 1. This account will not renew at maturity. No interest will be earned after Nov. 1. • After the account is opened, you may make deposits into but may make no withdrawals from this account until the maturity date. If any of the deposit is withdrawn before the maturity date, the penalty will be forfeiture of all accrued interest to date of withdrawal.

Passbook IRA Account. Account is interest bearing. The interest rate is 0.50% and the annual percentage yield is 0.50%. Your interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on your account quarterly. • Interest begins to accrue no later than the business day the bank receives credit on noncash items (e.g. checks). Interest is compounded and credited annually. 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 daily. • You may make only one preauthorized transfers from your account per four week period. Refer to your plan for complete disclosure and fee information.

Stearns Select Money Market Account. This tiered account is interest bearing. • No minimum balance required.
 • The interest rate on daily balances of \$90,000 or more is 1.04% and the APY is 1.04%. The interest rate on daily balances of \$25,000, but less than \$90,000 is 0.50% and the APY is 0.50%. The interest rate on daily balances of \$24,999.99 or less is 0.25% and the APY is 0.25%. • Interest begins to accrue no later than the business day the bank receives credit for the deposit on non-cash items (e.g. checks). The interest rate and APY paid on the entire balance in your account may fluctuate weekly, at our discretion. Interest is compounded and credited monthly. 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 daily. • Preauthorized or automatic transfers out of your account are limited to 6 per month (calendar or statement cycle) by check, electronic check, draft, debit card, Point of Sale, bill pay or other payment order to a 3rd party as well as transfers out by telephone, internet or through an automated clearing house.

...continued on back

Stearns Select Money Market Account continued...

You are allowed one free outgoing wire transfer per month. • A \$25 closed account fee will be charged for accounts closed within three months of the open date.

Certificates of Deposit. Certificates issued by First State Bank may be redeemed at any time without penalty up to the stated existing maturity date. Certificates issued by Stearns Bank N.A. after 8/7/2009 will have the following penalties imposed if any of the deposit is withdrawn before the maturity date: 90 days interest for certificates with terms of less than 12 months; 180 days interest for certificates with terms 12 months and greater.

Simply Business Free Checking. Tailored for businesses with low monthly transaction activity. • No monthly maintenance fee. 100 free items per month, including checks, deposits, withdrawals, and items within deposits (over 100 items per month is \$0.20/item)

Business' Best Checking. Tailored to only pay for what you use. You earn a non-cash earnings credit (call about the current rate & margin) that may offset or reduce fees and charges. • Monthly maintenance charge: \$6.00 • Checks processed during statement period: 12¢ each • Deposits credited during statement period: 12¢ each • Deposited items during statement period: -on us: 5¢ each, -clearing: 12¢ each, -transit: 12¢ each • No charge for deposit of coin and currency

**Account is considered inactive if there's been no customer activity in six months and is considered dormant if account has been inactive for three years.*

ONLINE BANKING


Re-enroll 2/22/2010

Stearns Bank offers PremierEcom and PremierEcorp. They may have different features from your existing Online Banking. Please review the information below to select the product that best fits your needs.

PremierEcom & Bill Pay

PremierEcom is intended for personal accounts and/or small businesses. • View account balances, history, check images and statements • Transfer funds between accounts • Stop payments • Sort and download transaction history into Microsoft Money or Excel, or Quicken • Pay bills to any local or national company either manually or automatically. *Billpay: \$0.50/presentation, all other services are free of charge*

To enroll in PremierEcom:

1. Go to www.stearnsbank.com
2. Click 
3. Select Online Banking & Bill Pay (PremierEcom)
4. Select the location you currently bank with
5. Click First Time User at the top of the next screen
6. Complete First Time Login form, *when setting your Username & Password they are CASE sensitive*

Once you are enrolled, you can sign up for Bill Pay:

1. Go to www.stearnsbank.com
2. Select your Bank Location in the dropdown
3. Enter your Username and click LOGIN
4. When prompted, enter your password
5. In the Accounts dropdown, select Bill Pay

You will need to rebuild all of your BillPay information

PremierEcorp

PremierEcorp is intended primarily for business accounts, especially is you want to view business and personal accounts with one login and transfer between these accounts. This is also intended for multi-bank users with accounts at more than one Stearns Bank affiliate. No bill pay is available with this option.

Select your tier:


Tier I - View only. View online balances, statements, check images and stop payments

Tier II - View and transfer. All of the above options, including the ability to transfer funds.

Tier III - Full Service. All of the above options, including wires, ACH & tax payments. *Ask about the monthly fee & charges for Tier III*

All of the tiers have multiple user capability and the ability to sort and download transaction history into Microsoft Money, Microsoft Excel or Quicken.

To enroll in PremierEcorp:

1. Go to www.stearnsbank.com
2. Click 
3. Select PremierEcorp
4. Complete the enrollment form and a Stearns Bank representative will contact you.

Once You Are Enrolled:

1. Go to www.stearnsbank.com
2. Select PremierEcorp in the Location dropdown
3. Enter your Username and click LOGIN
4. When prompted, enter your password

PHONE BANK: 877-899-2265

Re-enroll 2/22/2010. Your PIN # will be reset to the last four digits of your Social Security Number.

For Stearns Bank Florida, press 1

For Account Information, press 1

To Access Your Account:

- Enter your acct number, then press #
- Select Account Type
 - Checking, press **1**
 - Savings, press **2**
 - Certificate of Deposit, press **3**
 - Loan, press **4**
- Enter your PIN, then press #

PIN default is the last 4 digits of your SS#

Account Information:

- Checking, press **1**
- Savings, press **2**
- Certificate of Deposit, press **3**
- Loan, press **4**
- Change PIN, press **5**
- Return to Main Menu, press **9**

Checking & Savings Information Menu:

- Current Balance & Last Deposit, press **1**
- Review Transactions, press **2**
- Transfer Funds, press **3**
- Make a Payment, press **4**
- Other Account Functions, press **5**

Certificate of Deposit Information Menu:

- Current Balance, press **1**
- Review Transactions or receive a fax menu, press **2**
- Interest Information, press **3**

Loan Information Menu:

- Payment Information, press **1**
- Review Transactions or receive a fax menu, press **2**
- Interest Information, press **3**
- Transfer Funds, press **4**
- Loan Payoff, press **5**