

February 5, 2004

Nonqualified Plan Exemption
Employee Benefits Security Administration
U.S. Department of Labor, Room N-5644
200 Constitution Avenue, N.W.
Washington, DC 20210

Re: First State Bank Supplemental Executive Retirement Plan

Dear Sir/Madam:

In accordance with 29 CFR 2520.104-23, on behalf of the First State Bank Supplemental Executive Retirement Plan, we hereby provide you with the information set forth below:

Name and Address of Employer

First State Bank
200 Brazosport Blvd. N
Clute, TX 77531

Employer's Taxpayer Identification Number

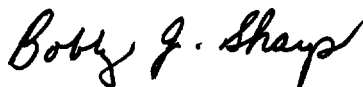
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Required Declaration

The Employer sponsors the First State Bank Supplemental Executive Retirement Plan ("Plan"), which has the effect of deferring compensation for a select group of management or highly compensated employees. Benefits are paid out of the general assets of the Employer. Currently, The First State Bank maintains one nonqualified plan. There are currently two employees eligible to participate or actually participating in these plans. Specifically, there are two employee(s) eligible to participate in this Plan. This Plan's effective date is January 1, 2004.

If you have any questions about this matter, please contact the undersigned.

Sincerely,



Bobby J. Sharp
Vice President and Cashier

VIA CERTIFIED MAIL



200 N. Brazosport Blvd.
Clute, Texas 77531
979.265.2511
979.265.5101 fax

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