



Iowa State Bank

Online Banking Services Agreement and Disclosure

After reading the agreement below, please press either the I AGREE button or the I DO NOT AGREE button at the bottom of this page.

This Online Banking Services Agreement and Disclosure (the "Agreement") is entered into between Iowa State Bank (the "Bank") and the undersigned customer of the Bank, who hereby subscribes to Iowa State Bank Online Banking Services ("online service"). This Agreement discusses how you can use online service to obtain information about your account, transfer funds between your accounts, and request certain other bank services. It also contains the terms and conditions governing the online service. The customer is referred to in this Agreement as "you" or "your". The Bank is referred to in this Agreement as "Bank", "we", "us", and/or "our". If you use the online service or permit another to use the online service on your behalf, you agree to the terms and conditions stated in this Agreement.

1.SCOPE OF AGREEMENT

1.1 Other Accounts, Loan Agreements and Services.

This Agreement governs on-line access to your accounts with the Bank. The terms and conditions set forth herein are in addition to, and do not cancel or supersede, any other agreements or signature cards governing your deposits, loans or other business relationships with the bank. All of the terms, conditions, agreements, representations, schedules, disclosures, and fees set forth in or associated with such other agreements and signature cards remain in full force and effect. However, the persons you authorize to have access to and make transfers from your account(s) through the Online service may not be the same persons who are authorized to sign on the account under your other agreements and signature cards with us, or you may give them greater authority to conduct activities through the Online service than they have under your other agreements and signature cards with us. In cases where your authorizations to other persons do not coincide with your authorizations for the same account(s) under the signature card agreement(s), the signature card agreement(s) will govern the online service transactions.

1.2 Instructions and Fee Schedules; Amendment

Any instructions we may issue for the use of the Online service (collectively, "Instructions") and any fee schedule we may issue are a part of this Agreement and are incorporated herein by reference.

The current online service fee schedule is attached to this Agreement as **Schedule B**. The fees and service charges provided for in your deposit, line of credit, loan, and other agreements with us, as described in the Bank's Schedule of Fees and Charges, may apply to services ordered online.

Subject to any applicable notice requirements imposed by the Electronic Fund Transfer Act ("EFTA") and Regulation E ("Reg. E") thereunder, the Bank may change or add any fees, modify the instructions for the online service, or otherwise amend this Agreement in whole or in part at any time.

1.3 Termination

Either you or the Bank may terminate this Agreement at any time upon giving written notice of the termination to the other party. Termination will not affect any liability or obligation of either party incurred hereunder prior to termination. For reasonable cause, including non-usage or inactivity, the Bank reserves the right to terminate this Agreement and your access to the online service, in whole or in part, at any time without prior notice to you. Upon termination, we reserve the right to make no further payments or transfers from your account(s) pursuant to this Agreement, including payments or transfers you have previously authorized. If you terminate your online services, you authorize the Bank to continue making transfers you have previously authorized until such time as the Bank has had a reasonable opportunity to act upon your termination notice. You agree that upon termination of your online services, either by you or by us, you will cancel all automatic or recurring transfers you have previously authorized, and that if you fail to do so, you are responsible for such payments.

2. DESCRIPTION OF AND LIMITATIONS ON THE ONLINE SERVICE

2.1 General Description of Services.

In general, the online service package enables you to:

search transaction histories and obtain balance information on accounts with the Bank you include in the online service program, which may include checking, savings, insured investment accounts, certificates of deposit, line of credit, installment loans, real estate loans and commercial loans.

transfer funds between your transaction accounts.

This list is not exhaustive and the Bank may offer additional or different online services in the future, all of which will be governed by this Agreement, as amended.

2.2 Types of Transfers and Limitations.

You can make an internal transfer of funds from one account with the Bank to another, such as a transfer from a savings account to a checking account. Transfers may be limited in amount as provided in our agreements with you governing these services or in accordance with bank policies. In addition, your ability to transfer funds between certain accounts is limited by federal law, as stated in your deposit agreements with us. For example, you can make no more than six (6) transfers from a savings or insured investment account during

each statement period. Transfers made using both the online service and other transfer methods described in the Deposit Agreements are counted against the permissible number of transfers. The Bank reserves the right to further limit the frequency and dollar amount of transactions from your accounts for security or credit reasons, as the Bank may determine at any time at its sole discretion.

2.3 Overdrafts; Order of Payments

It is your responsibility to ensure that you have enough money or credit available in an account from which you instruct us to make a payment or transfer. If funds are withdrawn from any of your accounts by means of electronic fund transfers, other than through The online service on the same business day as a The online service transaction, and if the account contains insufficient funds to enable both the electronic fund transfer and the online service transfer to be made, the transfers will be made in the order determined by the Bank, in its sole discretion. You are fully obligated to us to provide sufficient funds for any payments or transfers you make or authorize to be made. If we complete a payment or transfer that you make or authorize and we subsequently learn that you have insufficient funds for the transaction, you agree to reimburse us upon our demand, and you further agree that we may reverse the transaction or offset the shortage with funds from any other deposit account(s) you have with us to the extent permitted by the applicable law and the terms of any other relevant agreements.

2.4 Computer Requirements

In order to use the online service online, you must have your own Internet Service Provider and the necessary computer equipment required by the browser which you select. In this Agreement, your computer and the related equipment are referred to together as your "Computer". You are responsible for the installation, maintenance, and operation of your Computer and your software.

2.5 Registration Process.

In order to obtain and use the online service online, you must complete our initial registration process. The Online service online registration process involves completing and submitting a secure online application or printed application to the Bank. The Bank will verify your information and mail to you a temporary password. You may activate your online service with your temporary password. You may be required to designate one deposit checking account as your primary account. If you do not do so, we may select a primary account for you. Service fees will be charged to your primary account.

2.6 User ID and Security

Prior to your first use of the online service online, you will have a User Identification Code and a Password (the User Identification Code and Password collectively are referred to as the "User ID"). User IDs may only be obtained by customers who have a Bank checking, savings, insured investment account, or certificate of deposit account with us.

We will assign you an initial Password, which you will be able to use one time to gain access to the system. You will be required to change this Password upon your initial entry into the system. Thereafter, we will assign you a new Password upon your request at any time. (For example, you may want us to assign you a new

Password if you have forgotten your Password.) Any Password we assign you will be usable only once, and you will be required to change it the first time you use it to enter the system. You may voluntarily change your Password at any time. We encourage you to change it frequently if you deem it reasonable to do so. Your Password can be changed within the online service from the "Change" option or by calling us at (712-662-4721). For security purposes, it is recommended that you memorize your Password and do not write it down. You are responsible for keeping your Password and account data confidential.

You will need the User ID to gain access to the online service. Use of the User ID is the agreed security procedure between you and the Bank. You should keep your User ID confidential in order to prevent unauthorized use of the online service and possible loss to your accounts. Anyone to whom you give or disclose your User ID will have full access to your accounts, even if you attempt to limit that person's authority. You are responsible for all transactions you authorize or make using the online service, including any transactions that may be unintentionally or inadvertently authorized or made, and any losses, charges, or penalties incurred as a result. In addition, except as otherwise provided in this Agreement, you are responsible for transactions by unauthorized persons using your User ID.

All accounts will have the following activity levels:

Inquiry. You will be able to obtain current account balance and transaction information on most accounts. The amount of transaction information available online may vary by account type.

Transactional. You will be able to obtain account information, transfer funds between accounts, and obtain certain other banking services.

We reserve the right to deactivate any User ID that has been "inactive" for a period of three (3) months or more. If your User ID has been closed, you will be required to go through the registration process again to restore access to the online service.

2.7 Reporting Unauthorized Transaction or Theft or Loss of User IDs.

If you believe that an unauthorized transaction has been or may be made from your account, alert the Bank immediately by calling us at (712-662-4721) or write us at:

Iowa State Bank

PO Box 486

Sac City, IA 50583-0486

3.0 RESPONSIBILITY OF PARTIES

3.1 Confidentiality and Access to The online service.

The Bank shall exercise due care in seeking to preserve the confidentiality of your User ID and to prevent access to The online service in general and your accounts in particular by unauthorized persons. In this connection it is understood and agreed that implementation by the Bank of its normal procedures for maintaining the confidentiality of information relating to its customers and preventing unauthorized transactions shall constitute fulfillment of its obligation to exercise due care. The Bank shall not be under any

liability or have any responsibility of any kind for any loss incurred or damage suffered by you by reason or in consequence of any unauthorized person gaining access to or otherwise making use of your accounts through The online service if (I) the Bank has fulfilled its obligation of due care, or (ii) the loss or damage could have been avoided had you promptly notified the Bank when you received knowledge or notice of an unauthorized transaction or other breach of security, or (iii) the unauthorized transaction was a transfer of funds to an account owned by you or by any person or entity which controls, is controlled by, or is under common control with you. You assume full responsibility for the consequences of any misuse or unauthorized use of or access to the online service system or disclosure of any of your confidential information or instructions by your employees, agents or other third parties. When the Bank becomes aware of any unauthorized access to your accounts, it will advise you as promptly as practical thereafter.

3.2 Hardware and Software Malfunctions

The risk of error, failure, incompatibility or nonperformance of your computer system is your risk and includes the risk that you do not operate your computer or your software correctly. The Bank is not responsible for any errors or failures from any malfunction of your computer or your software. The Bank shall have no liability to you for any damage or other loss, direct or consequential, which you may suffer or incur by reason of your use of your computer or your software. THE BANK MAKES NO WARRANTY TO YOU REGARDING YOUR COMPUTER OR YOUR SOFTWARE, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. The Bank makes no representations or warranties regarding the accuracy, functionality, or performance of any third party software that may be used in connection with the online service (e.g., Quicken, Microsoft Money). The Bank is not responsible for any electronic virus or viruses that you may encounter. We encourage you to routinely scan your Computer, diskettes, and software using a reliable virus product to detect and remove any viruses found. Undetected or unrepaired viruses may alter, corrupt, damage, or destroy your programs, files, and even your Computer. Additionally, you may unintentionally transmit the virus to other computers, diskettes, and software.

3.3 Limitation of Liability

IN NO EVENT SHALL THE BANK BE LIABLE FOR SPECIAL, INDIRECT, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND INCLUDING LOST PROFITS WHETHER OR NOT THE BANK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.

4. MISCELLANEOUS

4.1 Periodic Statements

Your online service payments and transfers will be indicated on monthly statements we provide or make accessible by mail or delivery service. You have a right under federal law to receive such statements for accounts governed by the EFTA and Reg. E. We may also provide or make accessible to you statement information electronically or by some other means. You agree to notify us promptly if you change your address or if you believe there are errors or unauthorized transactions in any statement, or statement information.

4.2 Business Days and Hours of Operation

The online service is generally available twenty-four (24) hours a day, seven (7) days a week. However, at certain times, some or all of the online service may not be available due to system maintenance. During these times, you may use a Bank ATM or a branch to conduct your transactions. A transfer initiated through the online service before 6:00 p.m. (Central Standard Time) on a Business Day is generally posted to your account the same day. All transfers completed after 6:00 p.m. (Central Standard Time) on a Business Day or on a Saturday, Sunday or federal banking holiday will generally be posted on the next Business Day. Our Business Days are Monday through Friday. Saturday, Sunday, and federal banking holidays are not included.

4.3 Notices and Communications

Except as otherwise provided in this Agreement, all notices required to be sent to you will be effective when we mail or deliver them to the last known address that we have for you in our records. Notices from you will be effective when received by mail at the address specified in Section 2.8 above.

4.4 Email Communications.

In general, communications sent over the public Internet are not necessarily secure. Therefore, we will not send and we strongly suggest that you do not send, any confidential account information. We will not respond to account information related questions sent via Internet e-mail. You agree that we may take a reasonable time to act on any e-mail.

Correspondence that requires expeditious handling, for example, if you need to report an unauthorized transaction from one of your accounts, should be made by calling the bank at (712-662-4721).

Unless you have instructed us otherwise, you agree that we may send you electronic messages about products or services we offer.

4.5 Assignment

The Bank may assign its rights and delegate its duties under this Agreement to a company affiliated with the Bank or to any other party.

4.6 No Waiver

The Bank shall not be deemed to have waived any of its rights or remedies unless such waiver is in writing and signed by the Bank. No delay or omission on the part of the Bank in exercising its rights or remedies shall operate as a waiver of such rights or remedies or any other rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.

4.7 Captions.

The captions of sections hereof are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

4.8 Governing Law.

Regardless of where you live or work or where you access the online service, this Agreement will be governed by, and construed in accordance with, the laws of the State of Iowa and the federal laws of the United States of America. (The law governing any deposit account subject to this Agreement will be that of the state in which the deposit account is located.)

4.9 Enforcement

In the event either party brings legal action to enforce the Agreement or collect overdrawn funds on accounts accessed under the Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. If there is a lawsuit, you agree that it may be filed and heard in the State of Iowa, if allowed by applicable law.

4.10 Severability

Should any part of this Agreement be held invalid or unenforceable, that portion shall be construed consistent with applicable law as nearly as possible to reflect the original intent of the Agreement, and the remaining portions shall remain in full force and effect.

5. FUNDS TRANSFER SERVICE FOR ACCOUNTS SUBJECT TO THE ELECTRONIC FUNDS TRANSFER ACT

The EFTA and Reg. E. may govern some of the accounts to which you have household access through the online service. In general, the EFTA and Reg. E govern accounts established by a natural person primarily for personal, family or household purposes. The following terms and disclosures apply to accounts governed by the EFTA and Reg. E ("EFTA Accounts"), and, with respect to EFTA Accounts, if there is any conflict between these disclosures and terms set forth elsewhere in this Agreement, these disclosures shall control. These disclosures do not apply to accounts that are not EFTA Accounts.

5.1 Customer Liability

You should notify the Bank immediately if you believe any of your accounts have been accessed or your User ID has been used without your permission. Contacting the Bank immediately, especially by telephone, will help you reduce your potential losses.

If someone used your User ID without your permission, you can lose no more than \$50.00 if you notify the Bank within two (2) business days of discovering any unauthorized use of your Access Device. However, you can lose as much as \$500.00 if you do not notify the Bank within two (2) business days of discovering the unauthorized use and the Bank can prove that it could have prevented the unauthorized use had it been notified.

If you do not report unauthorized transactions that appear on any of your periodic statements within sixty (60) days after such statements are mailed to you, you risk unlimited losses on transactions made after the sixty (60) day period has passed if the Bank can show that it could have prevented the unauthorized use had it been notified within this sixty (60) day period. At the Bank's sole discretion, we may extend the time periods.

You are fully obligated to us to provide sufficient funds for any payments or transfers you make or authorize to be made. If we complete a payment or transfer that you make or authorize and we subsequently learn that you have insufficient funds for the transaction, you agree that we may reverse the transaction or offset the shortage with funds from any other deposit account(s) you have with us to the extent permissible by the applicable law and the terms of any other relevant agreements.

5.2 Disclosure of Account Information to Others

Disclosure of account information is covered in Iowa State Banks Privacy Policy.

The current Privacy Policy is attached to this Agreement as **Schedule A**.

5.3 Error Resolution

If you believe your User ID has become known by an unauthorized person, or that an unauthorized transaction has been or may be made from your account, alert the Bank immediately by calling us at (712-662-4721) or write us at:

Iowa State Bank

PO Box 486

Sac City, IA 50583-0486

If you think your statement is wrong or if you need more information about a transaction listed on the statement, the Bank must hear from you no later than sixty (60) days after it sends or delivers to you the FIRST statement on which the problem or error appeared. If you requested more information about a problem or error, the Bank must hear from you within sixty (60) days after it sends or delivers that information to you.

Tell us your name and account number(s).

Tell us the type, time, and date of the transaction and the dollar amount of the suspected error. 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.

If you tell the Bank orally, it may require that you send in your complaint or question in writing within ten (10) business days after we hear from you and we will then in good faith attempt to correct any error promptly.

If the Bank needs more time, however, it may take up to forty-five (45) days to investigate your complaint or question, in which case, the Bank will re-credit your 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 the Bank to complete its

investigation. If the Bank asks you to put your complaint or question in writing and does not receive it within ten (10) business days, the Bank may not re-credit your account.

If the Bank decides that there was no error, it will send you a written explanation within three (3) business days after it finishes its investigation. You may ask for copies of the documents that the Bank used in its investigation.

SCHEDULE A:

NOTICE OF YOUR FINANCIAL PRIVACY RIGHTS

WHAT DOES IOWA STATE BANK DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us.

This information can include:

- Social Security number
- Credit history
- Account balances
- Credit card or other debt
- Payment history
- Checking account information

When you are no longer our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Iowa State Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information:

For our everyday business purposes -such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus

Does Iowa State Bank share? Yes

Can you limit this? No

For our marketing purposes - to offer our products and services to you

Does Iowa State Bank share? No

Can you limit this? We don't share

For joint marketing with other financial companies

Does Iowa State Bank share? Yes

Can you limit this? No

For our affiliates' everyday business purposes - information about your transactions and experiences

Does Iowa State Bank share? No

Can you limit this? We don't share

For our affiliates' everyday business

Does Iowa State Bank Share? No

Can you limit this? We don't share

How does Iowa State Bank protect my personal information? To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We also maintain other physical, electronic and procedural safeguards to protect this information and we limit access to information to those employees for whom access is appropriate.

How does Iowa State Bank collect my personal information? We collect your personal information, for example, when you:

- Open an account
- Make deposits or withdrawals from your account
- Deposit money
- Use your credit or debit card
- Apply for financing

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing? Federal law gives you the right to limit only:

- sharing for affiliates' everyday business purposes - information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

Definitions:

Affiliates - Companies related by common ownership or control. They can be financial and non-financial companies.

- Iowa State Bank does not share with our affiliates.

Nonaffiliates - Companies not related by common ownership or control. They can be financial and non-financial companies.

- Iowa State Bank does not share with nonaffiliates so they can market to you.

Joint Marketing - A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- Our joint marketing partners include credit card companies and insurance agents.

Other important information

For Alaska, Illinois, Maryland and North Dakota Customers. We will not share personal information with nonaffiliates either for them to market to you or for joint marketing - without your authorization.

For California Customers. We will not share personal information with nonaffiliates either for them to market to you or for joint marketing - without your authorization. We will also limit our sharing of personal information about you with our affiliates to comply with all California privacy laws that apply to us.

For Massachusetts, Mississippi and New Jersey Customers. We will not share personal information from deposit or share relationships with nonaffiliates either for them to market to you or for joint marketing - without your authorization.

For Vermont Customers. We will not share personal information with nonaffiliates either for them to market to you or for joint marketing without your authorization, and we will not share personal information with affiliates about your creditworthiness without your authorization.

THE INFORMATION THAT WE COLLECT

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms
- Information about your transactions with us
- Information about your transactions with nonaffiliated third parties
- Information from a consumer reporting agency

THE CONFIDENTIALITY, SECURITY AND INTEGRITY OF YOUR NONPUBLIC PERSONAL INFORMATION

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

NONPUBLIC PERSONAL INFORMATION AND NONAFFILIATED THIRD PARTIES

Since we value our customer relationship with you, we will not disclose your nonpublic personal information to nonaffiliated third parties, except as permitted by law.

NONPUBLIC PERSONAL INFORMATION AND FORMER CUSTOMERS

We do not disclose nonpublic personal information about former customers.

SCHEDULE B:

Online Service Fee Schedule

Internet Banking Access Only: No fee