

FIRST STATE BANK

INTERNET BANKING AGREEMENT AND DISCLOSURE

I. INTRODUCTION

This Internet Banking Services Agreement ("Internet Banking Agreement") explains the terms and conditions governing the Internet Banking Services offered through the First State Bank. You should read this Internet Banking Agreement and the related information provided by the Bank prior to using Internet Banking. By using the Internet Banking Services you agree to abide by the terms and conditions of the Internet Banking Agreement. The terms "we", "us", "our", and "Bank" refer to the First State Bank. The words "you", "your", and "yours" mean each deposit account owner, authorized deposit account signer, and anyone authorized to act on behalf of a deposit account owner. You agree that the Bank may provide any notices required by law or by this Agreement in electronic form.

II. ACCESSING YOUR BANK ACCOUNTS THROUGH INTERNET BANKING

You can access your First State Bank accounts through Internet Banking. Each of your accounts at the Bank is also governed by your "Deposit Account Agreement and Disclosure", Funds Availability Act Disclosure, Electronic Funds Transfer Act Disclosure and related account agreements.

A. REQUIREMENTS

To access your personal and/or business accounts through Internet Banking, you must have an eligible Bank account, a User ID, and an Internet banking password.

B. FEES

There are no monthly fees for accessing your account(s) through Internet Banking. Certain fees may apply to services ordered Internet. A stop payment fee of \$21.40 will be debited for all stop-payment orders entered through Internet Banking. Stop payment fees will be debited from the account for which the stop is added.

PLEASE NOTE THAT FEES FOR INTERNET ACCESS WILL BE ACCESSED AND BILLED SEPARATELY BY YOUR INTERNET SERVICE PROVIDER.

C. NEW SERVICES

The Bank may, from time to time, introduce new Internet Banking services. We shall update this Internet Banking Services Agreement to notify you of these new services. By using these services when they become available, you agree to be bound by the rules contained in this Agreement.

III. TERMS AND CONDITIONS

The first time you, or someone authorized by you on your behalf, access your Bank accounts through Internet Banking the system confirms your agreement to be bound by all the terms and conditions of this Internet Banking Agreement and acknowledges your receipt and understanding of this disclosure.

A. YOUR INTERNET PASSWORD

You will be given a password that will give you access to your Bank accounts through Internet Banking. This password can be changed within Internet Banking from "Options" in the menu bar. We are entitled to act on instructions received under your password. For security purposes, it is recommended that you memorize this internet password and do not write it down. You are responsible for keeping your password and account data confidential.

B. COMPUTER REQUIREMENTS

To use Internet Banking Services, you must have your own Internet Service Provider and the necessary computer equipment required by the browser (Microsoft Internet Explorer 7 or 8, Mozilla Firefox 3+, Safari 530+ or Chrome 11+ with 128-bit encryption) which you select. The browser you select must support JavaScript and must have cookies enabled. You are responsible for the selection, installation, maintenance, and operation of your computer and software. Your computer system may include other financial services software which is not associated with the Bank and the Bank is not responsible for them.

C. OUR LIABILITY

Except as specifically provided in this Agreement or where the law requires a different standard, you agree that neither the service providers nor the Bank shall be responsible for any loss, property damage or bodily injury, whether caused by the equipment, software, the Bank, or by Internet browser providers, or by Internet access providers or by online service providers or by an agent or subcontractor of any of the foregoing. Nor shall we or the service providers be responsible for any direct, indirect, special or consequential, economic or other damages arising in any way out of the installation, use or maintenance of the equipment, software, or Internet browser or access software even if we have been advised of the possibility of such damages. We are not responsible for any computer virus or related problems that may occur with your use of our Internet Banking Services. WE MAKE NO WARRANTY, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING BUT NOT LIMITED TO AN IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR OF MERCHANTABILITY, WITH RESPECT TO ANY COMPUTER PROGRAMS, EQUIPMENT OR SOFTWARE MADE AVAILABLE TO YOU.

D. BUSINESS DAYS

The term "business days" means Monday through Friday, excluding Saturday, Sunday and federal banking holidays.

E. HOURS OF ACCESSIBILITY

You can access your Bank accounts through Internet Banking 24 hours a day, seven days a week. However, at certain times, some or all of the Internet Banking features may not be available due to system maintenance. A transfer initiated through Internet Banking before 3:00 P.M. (Central Standard Time) on a business day is posted to your account the same day. All transfers completed after 3:00 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.

F. ADDITIONAL TERMS AND CONDITIONS

1. Obtaining Account Balance Transaction History

- You can obtain balance and transaction history on all eligible accounts that are enrolled in Internet Banking. Account balance and transaction history reflects activity through the close of the previous business day.

2. Transferring Funds

- You may make transfers between your eligible accounts. You may transfer amounts up to the available balance in your account(s), however the number of transfers from savings or money market accounts may be limited as described in the applicable Deposit Account Agreement and Disclosure. Transfers cannot be made from time certificates of deposit. Although most transfers will be processed on the same business day if received prior to 3:00 P.M. (Central Standard Time), some transfers may require off-line processing and are subject to available balance verification. The Bank reserves the right to limit the frequency and dollar amount of transactions from your accounts for security reasons.
- We will not be liable for a failure to complete a transfer:
 - 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.
 - if the money in your account is subject to a legal process or any other encumbrance or claim restricting the transfer.
 - if there are insufficient funds in your account, or the transfer would exceed the credit limit or any overdraft line you have with us. In those instances, we may decline to complete the transfer.
 - if the system, computer or telephone was not working properly and you knew about the problem when you requested the transfer.

- if circumstances beyond our control such as fire, flood, computer breakdown or problems with the telephone line prevent the transfer despite reasonable precautions we have taken.
- if you have not properly followed the software manufacturer's recommendations or Internet Banking Services instruction on how to make a transfer.
- if a transfer could not be completed due to systems unavailability.

3. Internet Stop Payment Requests for Checks

- The following terms and conditions apply to Internet Stop Payment Requests for checks:

A. Item Description

Upon your submittal of an Internet Stop Payment request on a check, you warrant that the information describing the check, including: the check date, its exact amount, the check number and payee is correct. (You understand that the EXACT amount of the check is necessary for our computer to stop payment. If you give us the incorrect amount or any other incorrect information, we will not be responsible for failing to stop payment on the check.) You must come in to sign the stop payment.

B. Agreement

You agree that unless your stop payment is received by us within a reasonable time for us to act on your order prior to final payment, certification, or similar action on the check, we will not be responsible for stopping payment. You also agree that you may not stop payment on any point-of-sale EFT, cashier or certified check or any check or payment guaranteed by us. You understand that your stop payment request is conditional and subject to our verification that the check has not already been paid or that some other action to pay the check has not been taken by us.

C. Duration

You understand that your stop payment order will be in effect as follows: for a period of 14 days from the date of the request unless you release the order or stop in to First State Bank and sign a Stop Payment Order Request. Your signature will extend the Stop Payment for 6 months. You also understand there may be a charge for each stop payment order requested.

IV. GENERAL TERMS

A. CHANGES TO CHARGES FEES OR OTHER TERMS

We reserve the right to change the charges, fees or other terms described in this Internet Banking Agreement. When changes are made to any fees, charges, or other material terms we will update this Internet Banking Agreement, and either send a notice to you at the address shown on our records, or send you an electronic mail message (E-mail). If such a change is made, and it can be disclosed without jeopardizing the security of the system, we will provide you with electronic or written notice within thirty (30) days after the change. As always, you may choose to accept or decline changes by continuing or discontinuing the accounts or services to which these changes relate. We also reserve the option, in our business judgment, to waive, reduce or reverse charges or fees in individual situations. Changes to fees applicable to specific accounts are governed by the applicable Deposit Account Agreement and Disclosure and Schedule of Fees and Charges.

B. DISCLOSURE OF ACCOUNT INFORMATION

See our Privacy Policy located on our website (www.fsbia.com).

C. OTHER AGREEMENTS

In addition to this Internet Banking Agreement you agree to be bound by and will comply with the requirements of the applicable Deposit Account Agreement and Disclosure including your signature card and

any change of terms notices, the Bank's rules and regulations, the rules and regulations of any funds transfer system to which the bank belongs, the terms of any credit agreements you have with the Bank and all applicable state and federal laws and regulations. We also agree to be bound by these terms.

D. TERMINATION OF THIS AGREEMENT

Either you or we may terminate this Internet Banking Agreement at any time upon giving notice of the termination to the other party. After 6 months of non-usage or inactivity, the Bank reserves the right to terminate this Internet Banking Agreement and your access to Internet Banking Services, 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), including payments or transfers you have previously authorized. If you terminate your Internet Banking Services, you authorized 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 Internet Banking 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.

E. GOVERNING LAW

This Internet Banking Agreement will be governed by and interpreted in accordance with all applicable federal and state laws and regulations. To the extent there is no applicable federal law or regulation, this Internet Banking Agreement will be governed by and interpreted in accordance with the laws of the State of Iowa.

V. PROTECTING YOUR ACCOUNT

A. PREVENTING MISUSE OF YOUR ACCOUNT

1. Periodic Statements

- Your role is extremely important in the prevention of any wrongful use of your account. You will receive a periodic statement for your accounts as described in the Deposit Account Agreement and Disclosure. This statement will include all transactions posted through your use of the Internet Banking Services. You must promptly examine your statement upon receipt. If you find that your records and ours disagree, you must immediately call the First State Bank at (563) 927-3814.

2. Protecting Personal Information

- In addition to protecting your account information, you must take precautions to protect your personal identification information, such as your driver's license, Social Security Number, User ID, etc. This information, by itself or together with information on your account, may allow unauthorized access to your account(s). It is your responsibility to protect personal information with the same level of care that you protect your account information.

3. Taking Care of Your Internet Password

- The password that is used to gain access to Internet Banking Services should be kept confidential. For your protection we require that you change your Internet password every 6 months. We recommend that you memorize this Internet password and do not write it down. You are responsible for keeping your password, User ID, account number and other account data confidential. IF YOU BELIEVE THAT YOUR INTERNET PASSWORD MAY HAVE BEEN LOST OR STOLEN, OR THAT SOMEONE HAS TRANSFERRED OR MAY TRANSFER MONEY FROM YOUR ACCOUNT WITHOUT YOUR PERMISSION YOU AGREE TO NOTIFY FIRST STATE BANK AT (563) 927-3814 IMMEDIATELY. The Bank may delete your Internet Banking service at any time if necessary to maintain the security of your accounts.

B. MULTI-FACTOR AUTHENTICATION

As an additional means of security, the Bank has implemented multi-factor authentication. When you log into Internet Banking for the first time, you will need to set up your security profile.

The security profile consists of a picture, authentication phrase, and 3 challenge questions. Once your security profile is set up, you will be able to access your accounts.

C. UNAUTHORIZED TRANSACTIONS IN YOUR BANK ACCOUNTS

Only reveal your account number to a legitimate entity for a purpose you authorize (such as your insurance company for automatic payments). Notify us at once if you believe another person has improperly obtained your Internet password. Also notify us if someone has transferred or may transfer money from your account without your permission, or if you suspect any fraudulent activity on your account. You could lose all the money in your account plus the maximum amount of any unused credit on your overdraft credit line. To notify us, call the First State Bank at (563) 927-3814, Monday through Friday 8:00 A.M. through 3:00 P.M. (Central Standard Time) or write to First State Bank, PO Box 439, 300 East Main Street, Manchester, IA 52057.

Also, if your statement shows withdrawals, transfers or purchases that you did not make or authorize, please notify us at once. If you do not notify us within sixty (60) days after the paper or Internet statement was sent to you, and we could have stopped someone from taking money if you had told us in time, you may not get back any money lost after the sixty (60) days. If extenuating circumstances, such as a long trip or hospital stay, kept you from telling us, the time periods in this section will be extended.

D. IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

In case of errors or questions about your electronic transfers, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt, telephone us at (563) 927-3814, Monday through Friday 8:00 A.M. through 3:00 P.M. (Central Standard Time) or write to First State Bank PO Box 439, 300 East Main Street, Manchester, IA 52057. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

VI. MISCELLANEOUS FEES AND CHARGES

Miscellaneous fees and charges will be charged in accordance with the Bank's published Schedule of Fees and Charges.