



DISCLOSURE AND AGREEMENT

See the end of this agreement for special information on Pay at the pump/Restaurant/Hotel Transactions

This disclosure and agreement ("Hills Bank Fund Card Agreement") contains important information about the Hills Bank Fund Card services Hills Bank and Trust Company offers. Please read it carefully and retain it for future reference. The terms "you" and "your" refer to the person(s) who have established the Card account. The term "Cardholder" refers to a person whom you have authorized to use the Card. The term "Sponsor" refers to the individual who has obtained a Hills Bank Fund Card account for a Cardholder. The terms "we," "us," "our," "Hills Bank," and "Bank" refer to Hills Bank and Trust Company. By submitting an application and/or by using Hills Bank Fund Card services, you agree to the following terms and conditions. Continued use of any and all services is contingent on your Card remaining in good standing with the Bank and the other conditions stated in this Hills Bank Fund Card Agreement.

DEFINITIONS: Throughout this Hills Bank Fund Card Agreement, the following words have the meanings indicated below.

- "Agreement" means this Hills Bank Fund Card Agreement.
- "ATM" means an automated teller machine either operated by the Bank or which is part of a network which accepts the Card, including, but not limited to, the VISA®, and NYCE® networks.
- "Business Day(s)" means Monday through Friday, excluding holidays.
- "Card" means the access device issued to you by the Bank, which permits you to use ATMs, POS Terminals and merchants who accept Visa to conduct Transactions. This Card is a stored value card. No interest is paid on balances on the Card.
- "Electronic Banking System" means the components which permit you to make or initiate Transactions through the various services including, but not limited to, ATMs, POS Terminals, telephone lines and equipment, Personal Computers (PCs), computer systems, Internet access, and web sites.
- "Funding Account" means the account used to transfer funds to the Hills Bank Fund Card.
- "Gift Giver" means someone whom the sponsor has set up and permitted to fund a cardholder's card.
- "PIN" means the personal identification number or personal security code, whether one or more than one, which you choose or was assigned to you by the Bank which allows you to access one or more services.
- "POS Terminal" means an electronic point-of-sale terminal, which is part of a network that accepts the Card to pay for purchases.
- "Transaction(s)" means all electronic funds transactions performed through ATMs, POS Terminals, PCs, and other electronic means.
- "Transfer" means the movement of funds from the funding account to the Hills Bank Fund Card to add value to the Card.
- "Visa Purchase(s)" means the use of a Hills Bank Fund Card to purchase goods or services from a merchant.

I. APPLICABLE TO HILLS BANK FUND CARD SERVICE

Section I contains terms, conditions and disclosures which are applicable to our Hills Bank Fund Card Service. Sections II, III and IV contain additional information applicable to the Hills Bank Fund Card. This Hills Bank Fund Card Agreement supersedes all prior oral or written agreements, understandings or communications regarding the Service.

1. Security and Data Recording

For certain Services or Transactions, we will assign (or you will select) a PIN. The PIN will be required to use the Service and is a "security procedure." You agree that this security procedure is commercially reasonable and is designed to authenticate your Transactions. You agree that you will not disclose, and will prevent the disclosure of, your PIN. If the confidentiality of the PIN is compromised, you shall notify us immediately. You assume sole responsibility for maintaining the PIN. When you access any of the Services, your instructions may be recorded. You consent to such recording.

2. Errors or Questions About Your Electronic Transactions

In case of errors or questions about your Transactions, please contact us as follows:

- Telephone us at: 800-445-5725 or 319-679-5500
Monday - Friday 8:00 am - 5:00 pm
Saturday 8:00 - noon
- Write us at: Hills Bank and Trust Company
Attn: E-Services
PO Box 160, Hills, IA 52235
- Email us at: hillsbank@hillsbank.com

We will handle your inquiries as indicated in Section IV Additional Terms and Conditions for Consumer Customers.

3. Periodic Statements; Receipts and Confirmation

You will get a monthly statement for your Card online. You may also have a statement delivered to you via U.S. Mail if you wish. You will be able to view your Card activity at any time by visiting our website at www.hillsbankfundcard.com.

4. Liability for Incomplete Transactions

If we do not complete a Transaction to or from your Card on time or in the correct amount according to this Hills Bank Fund Card Agreement, our potential liability to you is set forth in Section IV (3). However, there are some exceptions to our liability in all cases. We will NOT be liable, for instance:

- If, through no fault of ours, you do not have enough money (available funds) on your Card to make the Transaction.
 - If the ATM where you are making the Transaction does not have enough cash.
 - If the Electronic Banking System was not working properly and you knew about the breakdown when you started the Transaction.
 - If circumstances beyond our control (such as fire or flood) prevent the Transaction, despite reasonable precautions that we have taken.
 - If you have not properly followed instructions for operation of the Electronic Banking System.
 - If the Transaction would exceed one of the established limits contained in the Agreement.
 - If your own components making up the Electronic Banking System were not functioning properly.
 - If we have a reasonable basis for believing that unauthorized use of your PIN or Card has occurred or may occur.
 - If you or we have terminated this Hills Bank Fund Card Agreement or closed the Card.
- There may be other limitations for the particular Service at issue as stated in this Agreement.

5. Disclosure of Card Information to Third Parties

We will disclose information to third parties about your Card or the Transactions you make:

- When it is necessary for completing Transactions.
- In the course of preparation, examination, handling or maintenance of financial records by any officer, employee or agent of ours that has custody of the records.
- In the course of examination of our financial records by a certified public accountant while engaged by us to perform an independent audit.
- During the course of examination of financial records by or the disclosure of financial records to any officer, employee or agent of a supervisory agency for use only in the exercise of that person's duty as an officer, employee or agent.
- In the course of publication of information derived from financial records if the information cannot be identified to you or any particular account of yours.
- In the course of making reports or returns required or permitted by federal or state law.
- To comply with any government agency order, court order or applicable law.
- To appropriate officials in connection with the prosecution of an action concerning insufficient funds.
- To our subsidiaries and affiliates in accordance with applicable laws or regulations.
- If we have entered into an agreement to have another party assist us as our agent in making Transactions.

As set forth in our privacy statement. Our privacy statement may be viewed online at <http://www.hillsbankfundcard.com>.

6. Changes in Terms

We reserve the right to amend the terms and conditions applicable to your use of any service. Unless applicable law requires otherwise, all such amendments will be binding upon you immediately after we give you notice. Such notice may be given at our discretion by mail, by e-mail or by revising the terms and conditions in this Hills Bank Fund Card Agreement and making it available in our branches and online. We will also mail you the most recent version of this disclosure upon your written request. Any notice that is mailed is considered given 48 hours after we place it in the mail, postage-paid, for delivery to your address as shown on our records. Any notice delivered electronically is considered given 24 hours after it is first made available through our website. If applicable law requires a specific notice period or type of notice, the revised terms will be binding in accordance with such law.

7. Use of E-Mail and Other Electronic Communication

You agree that we may provide this Hills Bank Fund Card Agreement, amendments and other communications regarding Transactions electronically in a format that allows visual text to be displayed on your personal computer or other electronic equipment.



8. Severability

Any term contained in this Agreement which is or becomes invalid or unenforceable under applicable law or regulation, shall not affect the validity or enforcement of the remaining terms.

9. Assignment

We may assign or delegate any of our rights or obligations under this Agreement to independent contractors or other third-party organizations without affecting the enforceability hereof. Your rights and obligations may not be assigned or transferred without our written consent.

10. Governing Law

This Hills Bank Fund Card Agreement and the Services offered shall be governed by and construed in accordance with the internal laws of the State of Iowa (without regard to conflict of law principles) and federal law as applicable.

11. Use of Central Time

In this Hills Bank Fund Card Agreement, all references to specific times are deemed to be Central Time.

II. HILLS BANK FUND CARD USE FOR ATM AND POS SERVICES

The following sets forth the terms and conditions governing your use of Cards, ATM Services and POS Services. You must have a valid Hills Bank Fund Card and PIN (when required) to transact business at ATMs and POS Terminals.

1. Lost or Stolen Hills Bank Fund Card

To report a lost or stolen Hills Bank Fund Card, call our Customer Service Center at 1-800-445-5725 between 8:00 A.M. and 5:30 P.M. Business Days and 8:00 A.M. and 12:00 P.M. on Saturday. Outside of these hours and on banking holidays, call our 24 hour support department at 1-866-208-2562.

2. Suspending and Reactivating Cards

Sponsors have the ability to report a lost or stolen Hills Bank Fund Card using the site. You may also call our Client Service Center at 1-800-445-5725 between 8:00 A.M. and 5:30 P.M. Business Days and 8:00 A.M. and 12:00 P.M. on Saturday. Outside of these hours and on banking holidays, call our 24 hour support department at 1-866-208-2562.

3. Use of the Card and PIN; Cancellation

The use of the Card and PIN is restricted to the individual to whom the Card has been issued. We are not responsible for any monetary loss if you have allowed someone else to use your Card or PIN, even if their use exceeded your instructions. Transactions at an ATM or POS Terminal by the use of the Card and your PIN (if required) shall be deemed to be Transactions made or authorized by you, except as otherwise provided by law. See [Section IV \(1\)](#). Your Liability for Unauthorized Transfers, for limitations on liability that may apply to you and the fact that your failure to notify us promptly of unauthorized use or the loss or theft of your Card, or knowledge of your PIN by someone other than yourself, could increase your liability for unauthorized use of the Card. The Card is our property. We may, without liability or advance notice, revoke or limit all Cards issued under this Agreement. Upon demand, you will surrender the Card promptly to us. You also agree not to keep your PIN with your Card or write your PIN on your Card, the Card carrier or any paper you will carry with the Card. A Card with the PIN written on it will be confiscated and privileges may be revoked. You acknowledge that we have the right to cause an ATM to retain your Card at any time without notice to you. You shall have the right to cancel ATM Service or use of your Card at any time upon notice to us of the cancellation. Any termination will not affect liability incurred by you prior to termination.

4. Types of Transactions

You may use your Card and PIN at any ATM (select 'Checking') which is part of a network which accepts the Card to perform the following:

- Withdraw cash from your Card.
- Determine the available balance on your Card.

5. Purchases at POS Terminals

Purchase of goods and services can be made with your Card and PIN at any POS terminal which is part of a network which accepts the Card. Payment for these purchases will be withdrawn from your Card. As part of the purchase, you may be able to get cash back depending on the policies of the merchant of the goods or services.

6. Hills Bank Fund Card Use to Make Visa Purchases

In addition to using your Hills Bank Fund Card at ATMs and POS terminals, your Hills Bank Fund Card will be accepted at any Visa merchant location. You can use your Hills Bank Fund Card and your signature to make Visa Purchases at Visa merchant locations just as you would with a credit card. You authorize us to debit or credit, as applicable, your Card for the total amount of any purchase, authorization request, cash withdrawal or credit voucher originated by use of the Hills Bank Fund Card. You agree that you will not use the card for any illegal transactions, i.e., internet gambling, including, but not limited to, sports betting and casino gambling. You understand that per United States Regulations, your card will be denied for any Visa purchase in specified foreign countries that U.S. companies and individuals are prohibited from participating in financial and other transactions with.

7. Limitations on Dollar Amount of Transactions with Your Card

The maximum limit on cash withdrawals at ATMs per day is \$310.00. For POS Terminal purchases with a Card when a PIN is required, including cash back at POS Terminals (if available), the maximum limit is \$1,500 per day. When using the Card to make Visa Purchases, the maximum limit per day is \$1,500. No withdrawals shall, in any event, exceed the available balance on the Card.

8. Fees

Card Issuance Fee	\$5.00
Cash Advance	\$15.00 for each Cash Transaction
Monthly Card Inactivity Fee	\$5.00 per month beginning the seventh month after non-usage of the Card
Replace / Re-Issue Fee	\$15.00/ \$5.00
ATM withdrawal	\$1.00
Max. Balance per card	\$5,000
IVR (Phone account access)	You will receive two free requests to opt out to a live representative a month. With each additional opt out request, a \$.25 fee will be assessed, which will be deducted from your card balance. You will receive 4 free transaction inquiries (balance inquiry, transaction history, or combination) per month – you will be charged a \$.25 fee for any additional inquiries which will be deducted from your card balance.

Fees will be deducted from the Hills Bank Fund Card. You agree to pay any service charge applicable to the use of your Card. Charges are subject to change at any time. You may be charged for each withdrawal at any ATM. You may also be charged an access fee (sometimes called a "surcharge") for the convenience of performing cash withdrawals at any ATM not bearing the Hills Bank and Trust Company name. These fees are charged by the third party, who owns and operates the ATM and are beyond our control. These fees are in addition to any fee we charge to perform withdrawals.

9. U.S. Currency

If your Cardholder makes purchases or cash withdrawals in foreign currency, the transaction will be converted into U.S. Dollars using Visa regulations and Visa may charge you a conversion fee. The rate in effect on the conversion date may differ from the rate used on the transaction date.

8. Conversion to U.S. Dollars

Transactions made in currencies other than U.S. Dollars will be converted to U.S. Dollars. The exchange rate used to convert the currency used in an international transaction into the billing currency shall, in each instance, be either a rate selected by Visa from the rates available in wholesale currency markets for the applicable processing date and may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable processing date, plus any Issuer International Transaction Fee of up to 1%. Conversion to U.S. Dollars may occur on a date other than the date of the transaction, and thus the actual conversion rate may differ from the rate in effect at the time of the transaction. You agree to pay the converted amount plus any applicable conversion charges.



10. No Stop Payment Rights; Receipts; Statements

You do not have the right to stop payment on any Transactions originated by use of your Card. When you use your Card to perform Visa Purchases or Transactions at POS Terminals, your copy of the sales slip will be your receipt. You agree that we do not need to return record of a sales draft or cash withdrawal slip originated by the use of your Card with the periodic statements we provide to you. Transactions will be reflected on your monthly statements.

III. SPONSOR INFORMATION ON HILLS BANK FUND CARD

1. Purchasing the Card

Only the Sponsor may purchase the Card. Sponsors may purchase the card only at the Hills Bank Fund Card website <http://www.hillsbankfundcard.com>. Cards are not available for purchase at any other Hills Bank location. Each Cardholder can only have one Hills Bank Fund Card issued in their name. The Sponsor may purchase up to, but have no more than five (5) cards. You intend that Hills Bank will rely on these representations when issuing the card to you.

2. Funding the Card

Only the Sponsor or Gift Giver can fund the Card. Funds will be available on the Card within two-days after transfer from the Funding Account is initiated. The maximum amount to load per day is \$500. The maximum value on the card is \$5,000.

3. Using the Card

The Sponsor and the Cardholder are authorized to use the Card. The Sponsor and the Cardholder will have access to information about the Card, including, but not limited to, balance information and transaction history by visiting <http://www.hillsbankfundcard.com>. You will get a monthly statement for your Card online.

4. Insufficient Funds to Perform Transactions

Under certain circumstances, the Card may be used for Transactions, the amount of which exceeds the balance on the Card. If this occurs, the Sponsor is liable for the amount of the Transaction in excess of the balance on the Card, as well as any fee(s), including any overdraft fees assessed in connection with the Transaction. Hills Bank is not obligated to honor any Transaction in which the amount of the Transaction is in excess of the balance on the Card and is not liable for refusing such Transaction.

5. Account Closings

Hills Bank will refund the balance on the Card if the Card is damaged or defective or if the Sponsor requests that the Card be closed. The balance on the Card may be refunded in the form of direct deposit into the funding account or in such other form as Hills Bank may determine. Only the Sponsor may close the Card. If you request that the Card be closed, it may not be used for any further transactions. Hills Bank may refuse any transaction attempted after we have received a request to close the Card.

6. Equipment and Technical Requirements

To perform Transactions, you must have the telephonic or other electronic equipment necessary such as a PC with modem and World Wide Web access. It is your responsibility to acquire the equipment, software or internet service necessary to access the service.

7. Limitation of Liability

We provide the service "as is" without any warranty of any kind, either expressed or implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. We are not responsible or liable for any computer virus caused by use of an on-line system or software.

IV. ADDITIONAL TERMS AND CONDITIONS FOR CONSUMER CUSTOMERS

This Section contains additional terms, agreements and disclosures.

1. Your Liability for Unauthorized Transfers

If you believe your Card has been lost or stolen, or that your PIN has been discovered by someone else, or that someone has conducted or may conduct a transaction without your permission, contact us immediately as described in [Section I \(2\)](#), Errors or Questions About Your Electronic Transactions. You could lose all the money on your card if you do not tell us promptly. If your statement shows transactions that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If good reasons (such as long trips or a hospital stay) kept you from telling us, we will extend the time periods to a reasonable limit. If an unauthorized transaction was performed using your card for a transaction as a Visa purchase, you will not be liable for that transaction, however, you must follow the process that is defined in [Section III \(2\)](#) Errors or Questions About Your Electronic Transactions.

2. Errors or Questions About Your Electronic Transactions

In case of errors or questions about your Transaction(s), call or write us as indicated in [Section I \(2\)](#) as soon as you can, if you think your statement or receipt is wrong or if you need more information about a Transaction listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

a) Tell us your name and Card number.

b) Describe the error or the Transaction you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.

c) Tell us the dollar amount of the suspected error.

d) If you tell us orally, we may require that you send us your complaint or question in writing within 10 Business Days.

We will tell you the results of our investigation within 10 Business Days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days for Transactions initiated outside the United States, its territories or possessions or Puerto Rico or any Transaction conducted at a POS Terminal) to investigate your complaint or question. If we decide to do this, we will re-credit your Card within 10 Business Days (5 Business Days for Visa Purchases) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it by the time we would otherwise re-credit your Card as provided in the prior sentence, we may not re-credit your Card.

We will tell you the results within three (3) Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

3. Liability for Incomplete Transactions

If we do not complete a Transaction to or from your Card on time or in the correct amount according to this Hills Bank Fund Card Agreement, we will be liable for your losses or damages. However, there are exceptions as indicated in [Section I \(4\)](#).

Special information for Pay at the Pump, Restaurant and Hotel Transactions.

Due to the nature of certain purchases, the full purchase amount may not be known when your Card is initially swiped for approval. Your Card may not be able to be used in these cases. Please be aware of the following types of purchases that your Card may not be able to be used for.

Restaurant – Please be aware that the authorization will be run for 25% more than your actual bill. The amount of the final charge will be for the amount that you approve. This will be the amount of your bill plus any tip amount you may add to the bill to be charged to your Card.

Gas – Due to the authorization amount at the time of the purchase, the amount that may be pumped may be more than the value that is on the Card. You can use your Card for a gas purchase, but you must make your purchase in the store. A purchase at the pump may not be approved.

Hotel – The amount of the authorization may be more than the amount of your stay, therefore may also be more than the amount that is available on the Card.

Auto Rental – The amount that is authorized on the Card may be more than the estimated amount of the auto rental. Due to this the Transaction may not be authorized due to availability of funds on the Card.

Online Gambling – Online Gambling is not allowed with the use of this Card.

If you wish to receive a paper copy of a disclosure or other information* that is presented to you electronically, please call 1-800-445-5725, or email hillsbank@hillsbank.com, or write to Hills Bank and Trust Company Customer Service, 131 Main St., PO Box 70, Hills, Iowa 52235. Please be as specific as possible regarding the information you are requesting. Please do not include personal information such as account numbers or Social Security Numbers in email, as it is not secure. Statements will only be mailed to the address we have on file. There is no fee to request a paper copy of a regulatory notice or a copy of the terms and conditions and fees on your account. If you wish to have a paper copy of a statement mailed to you, normal research fees will apply.

* Other information to be delivered to you at a later date includes but is not limited to: regulatory disclosures, past due notices, NSF notices, marketing information, confirmations, or changes to the account, as applicable.