

Electronic Services Application

Hills Bank and Trust Company
 PO Box 70
 Hills, IA 52235

Toll-Free: 800-445-5725
 Phone: 319-679-5500
 Fax: 319-679-2117

Member FDIC

Mr/Mrs Ms/Dr	First Name	Middle Initial	Last Name	Social Security #
Street or PO Box		City	State	Zip
Home Phone Number		Work Phone Number		Email Address

List below accounts **owned** by you (individually or jointly with another person) that you would like to **access electronically**. Your account number(s) will not appear on the Internet; the name(s) you indicate below will appear in its place. **When selecting a name for your account(s), do not repeat names or use special characters.** You will need your account number(s) when calling Push Button Banker.

Hills Bank and Trust Account Number	Type	Description of the account (Example: Checking, Car Loan, etc.)	Transfers (Y/N)	Hills Bank Online SM	PowerPay TM
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

<input type="checkbox"/>	Hills Bank Online: please add all accounts owned by me (either jointly or individually) including all current and all future accounts.
<input type="checkbox"/>	Push Button Banker: please add all accounts owned by me (either jointly or individually) including all current and all future accounts. <i>Existing PBB users:</i> if this box is checked, your password will be reset.

Read Before Signing

I certify that the information provided is true and correct. I authorize Hills Bank and Trust Company to verify any information listed above and to allow access to all above accounts. Use of the electronic services shall be governed by the terms and conditions of the Hills Bank Electronic Customer Information Delivery Agreement, and such other terms and conditions or amendments thereto, as may be established by Hills Bank and Trust Company and communicated to me in writing. I have received a copy of the Hills Bank Electronic Customer Information Delivery Agreement.

Signature of Account Holder: _____ **Date:** _____

****If under 18 years of age, the parent or guardian on the account must sign here:** _____

Bank Use Only Taken by: _____ Office: _____ **return to Electronic Services – Hills*

HBO: ID# _____ date _____ Letter by _____.

PowerPay: set up

PBB: enrolled by _____.

Electronic Delivery of Customer Information Agreement and Disclosure

Hills Bank and Trust Company

Member FDIC

Equal Housing Lender



This agreement states the terms and conditions that apply when you use Hills Bank Online™, PowerPay™, Push Button Banker, and eStatement (“Electronic Services”). These terms and conditions are in addition to those that apply to any accounts you have with us or any other services you obtain from us. You must also follow all of our instructions and procedures applicable to the services covered by this agreement.

“You” and “your” refer to each person who establishes Electronic Services with us or who uses or is authorized to use a Hills Bank Online or Push Button Banker identification number and password or other means of access we establish or approve. The terms “Hills Bank Online”, “PowerPay”, “Push Button Banker”, and “eStatement” refer to our services that allow you to make payments, transfer funds, access accounts, obtain information, receive bank statements, and perform other transactions over the Internet and/or telephone. Hills Bank and Trust Company reserves the right to suspend your use of Electronic Services at any time.

eSTATEMENT

By enrolling in eStatement, “you” (Owner) have requested and Hills Bank and Trust Company (“Bank”) has agreed to notify you via the email address you provide to the Bank, notice that all of your bank account statements and other information* are electronically available with Hills Bank Online (read the section on Hills Bank Online for more detailed information about this service). The Bank will send electronically to the same email address a message containing a notice of how to view available information by accessing Hills Bank Online, or a message containing a link to HillsBank.com where the information is located.

By receiving your statement electronically, you will not receive a hard copy of your bank account statement or any images of your canceled checks. Your electronic bank account statement will provide the numbers of each check that has cleared, the amount of each check, and the date of payment posting. If you request a hard copy of either your bank statement or any check referenced in that statement, normal research fees will apply. If you request a copy of a check from the Bank, the Bank will provide a legible copy of the check within a reasonable period of time. You have the ability to view your canceled checks online with Hills Bank Online by viewing your transaction history.

To access the information you will need the following:

1. Access to the Internet and an email address;
2. An Internet browser that supports 128-bit encryption;
3. A Hills Bank Online ID and PIN;
4. Adobe Acrobat Reader installed on the computer that you use to view the information (a link to download a current copy of this software is found on the Hills Bank and Trust Company web site); and
5. A printer that will allow you to print the information that you are viewing, or you must be able to retain an electronic copy so that you will be able to access the information at a later date.

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. **Do not send personal information such as account numbers or Social Security Numbers in email, as it is not secure.** Statements and notices 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 changes of fees or terms on your account. If you wish to have a paper copy of a statement or check, normal research fees will apply.

If you decide to have your bank account information sent electronically, sign the Electronic Services application and indicate which accounts you would like to have set up for eStatement. In the future if you wish to stop receiving your bank account information electronically, your account(s) will be subject to the current fees and charges in effect at that time. This agreement will remain in effect until we receive a written request from you to cancel it.

By enrolling, you agree to the terms stated above and are able to meet the minimum requirements for printing or retaining the information that is provided to you. You understand that you have a duty to exercise reasonable promptness in examining the electronic statement or the items referenced to determine whether any payment was not authorized because of an alteration of an item or because a purported signature by or on behalf of you or other signatory on the account was not authorized. The statute of limitations governing these responsibilities will commence at the time the email is sent by the Bank to you. **You agree to inform us if your email address changes.**

* 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.

HILLS BANK ONLINE

IDENTIFICATION NUMBER AND PASSWORD

To access Hills Bank Online you must use the identification number and/or other means of access we establish or provide for your use of Hills Bank Online together with a PIN. Anyone to whom you give your Hills Bank Online identification number and PIN or other means of access will have full access to your accounts even if you attempt to limit that person's authority.

Your Hills Bank Online PIN must be at least six (6) characters in length and no more than eight (8) and must be alphanumeric; your PowerPay PIN must be at least six (6) characters in length and no more than eight (8) and must be alphanumeric. The PIN expires at least every three months. You can change your PIN more often if you feel it is necessary. For questions on how to change your PIN, contact Hills Bank Online Customer Support. Your PIN should not be something easily identifiable such as your name; having a number in the middle of the PIN (as opposed to the beginning or end) makes it more secure.

If your online account is not accessed for a period of 180 days, your account will attain dormant status. To make your account active, you must contact the bank and your PIN will be reset. If your online account is not accessed for a period of 365 days, your online account will be deleted from the system. If you would like to access your accounts online after that time, you will need to reapply for Hills Bank Online and/or PowerPay. **Note to PowerPay customers:** if your online banking account is deleted due to inactivity, you will lose your payee information and any payments scheduled will not be paid.

When you enter your ID and PIN at the Hills Bank Online login page, that information is sent over a secure connection to our banking partner, Jack Henry and Associates (JHA). JHA verifies that your ID and PIN are correct and processes your request to access your accounts with Hills Bank and Trust Company. If you make an error in your entry of the ID and/or PIN, you will not gain access to Hills Bank Online. After three unsuccessful login attempts, your account is locked for 24 hours to prevent an unauthorized person from accessing your accounts.

INTERNET SECURITY

Hills Bank Online includes features to provide security of your online session. However, you also need to take some responsibility. This includes using the most secure Internet browser available to you. Hills Bank Online offers a link that tests your browsers' encryption levels. This link also gives you recommendations for making your browser more secure. Hills Bank Online requires the use of 128-bit encryption for the greatest possible security. Use the Test Browser link to see if your browser meets this level of security. For more information, please contact Hills Bank Customer Service at (319) 679-5500.

Other security issues:

Cookie Files – Hills Bank Online requires the use of cookie files (a small text file that your browser puts on your computer). They are used primarily for the time-out feature of Hills Bank Online. We do not use cookie files to trace what you do while logged in to Hills Bank Online. Cookies do not carry any personal information about you nor can they carry a virus very easily. For more information about cookies, including enabling them, visit our web site.

Pseudo Account Names – Hills Bank Online does not display your account numbers on the Internet; we use the name you indicate on your Hills Bank Online application. You can change these names whenever you like.

Login Count – A counter keeps track of the number of times you have logged in to access your accounts. You can reset this counter at anytime, if desired.

HILLS BANK ONLINE ACCOUNT ACCESS

Accounts owned by you (either individually or jointly with another person) may be added to your Hills Bank Online service. We require your approval in writing prior to allowing any signer on your account (other than a joint owner) online access to your account. Accounts requiring multiple signatures for withdrawals will not have the ability to transfer funds and may not be accessed via Hills Bank Online.

POWER PAY™

This service allows you to pay bills using the Internet. To use PowerPay: your account must be a checking account and you must be at least 18 years of age. You must enter your PowerPay PIN in order to use the system. We do not process the payments at Hills Bank and Trust Company. We contract with JHA and Princeton eCom to provide this service for us. For electronic payments, the payment amount is withdrawn from your checking account and sent to the designated payee on your behalf. For check payments, a paper check is mailed to your payee and the funds are withdrawn when the check clears your checking account with Hills Bank and Trust Company.

When initiating a payment using our PowerPay service, you must allow lead-times of 3-business days for electronic payments and at least 5-business days for check payments. Therefore, the payment date you enter is not the date your bill is due but the date you want the payment process to start. For complete PowerPay information, refer to the PowerPay Questions and Answers found on our web site, visit any office, or call Hills Bank Customer Service at (319) 679-5500. We will mail you a copy of these Questions and Answers when you register with PowerPay. Please contact us if you do not receive this information. **Note to PowerPay customers:** if your online banking account is deleted due to inactivity, you will lose your payee information and any payments scheduled will not be paid.

LIMITS ON HILLS BANK ONLINE TRANSACTIONS

You must have sufficient available funds or credit in any account from which you instruct us to make a payment or transfer. If you are a Money Market or Savings Account holder, law limits the number of withdrawals you make each month. This includes those done on Hills Bank Online. You should refer to the Terms and Conditions of Your Account for more information on the restrictions on these accounts. You can request copies of the Terms and Conditions of Your Account at the time you complete the Electronic Services Application form.

FEES FOR HILLS BANK ONLINE AND POWERPAY

Hills Bank Online and Power Pay are free services. Hills Bank and Trust Company charges for the following requests of PowerPay payments: Stop Payments, Insufficient Funds, Copy of Canceled Check - see [Schedule of Fees](#) for details. (Customers can print their own canceled PowerPay checks and avoid the respective fee by using Hills Bank Online). Any other fees (Stop Payments, NSF items, etc.) will be deducted from your account the day they are incurred.

PUSH BUTTON BANKER

ACCESS NUMBER

To access Push Button Banker, you must use the PIN and/or other means of access we establish or provide for this service. Anyone to whom you give your Push Button Banker PIN will have full access to your accounts even if you attempt to limit that person's authority. The PIN for Push Button Banker is four-digits in length, is randomly assigned to you, and sent via U.S. Mail. You can change your PIN as often as you feel it necessary. For questions on how to change your PIN, contact Hills Bank Customer Service at (319) 679-5500 or toll-free at (800) 445-5725. Your PIN should not be something easily identifiable such as your date of birth, address, etc. If an error occurs in your entry of the PIN, you will not gain access to Push Button Banker. After three unsuccessful login attempts, your account is locked; this is to prevent an unauthorized person from accessing your accounts. To unlock your Push Button Banker account, you need to contact Hills Bank Customer Service to have your PIN reset.

PUSH BUTTON BANKER ACCOUNT

You may not designate for Push Button Banker any account that requires more than one signature for withdrawals. Accounts owned by you (either individually or jointly with another person) will be added to your Push Button Banker service; if you wish to have an account removed from Push Button Banker, contact us for details. If a signer on your account requests access to that account, we contact you prior to allowing that signer access and get your approval in writing.

LIMITS ON PUSH BUTTON BANKER TRANSACTIONS

You must have sufficient available funds or credit in any account for which you instruct us to make a payment or transfer. If you are a Money Market or Savings Account holder, the number of withdrawals you make each month are limited by law. This includes those done on Push Button Banker. You should refer to the Terms and Conditions of Your Account for more information on the restrictions on these accounts. You can request the Terms and Conditions of Your Account at the time you fill out the Push Button Banker application form.

ELECTRONIC SERVICES TRANSACTIONS

You, or someone you have authorized by giving them your Hills Bank Online identification number and PIN, Push Button Banker PIN, or other means of access, (even if that person exceeds your authority), can instruct us to perform the following transactions:

1. Transfer funds between accounts registered with Electronic Services to the extent authorized;
2. If enrolled in PowerPay, use our PowerPay service to pay bills;
3. Obtain information that we make available about the accounts registered with Electronic Services; and
4. Obtain other services or perform other transactions that we authorize.

OUR LIABILITY FOR FAILURE TO COMPLETE PAYMENTS OR TRANSFERS

If we do not complete a payment or transfer on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages directly related to the error. However, there are exceptions. We will NOT be liable in the following situations:

1. If, through no fault of ours, you do not have sufficient available funds in the account from which payment or transfer is to be made, or if the account has been closed or is not in good standing, or if we reverse a payment or transfer because of insufficient funds.
2. If any payment or transfer would cause an overdraft or exceed the credit limit of any account.
3. If your equipment, or ours, was not working properly and the breakdown should have been apparent to you when you attempted to conduct the transaction.
4. If you have not given us complete, correct, or current account numbers or other identifying information so that we can properly access your account or otherwise complete the transaction.
5. If you do not properly follow our instructions or if you provide us with inaccurate information or fail to correct or notify us about any inaccuracy of which you are aware.
6. If you do not allow adequate lead-time for your payment or transfer to be received and credited by the time it is due.
7. If the money in the account from which a payment or transfer is to be made is subject to legal process or other claim that restricts the transaction.
8. If circumstances or persons beyond our control prevent, delay, intercept, or alter the transaction, despite reasonable precautions that we have taken, including but not limited to, telecommunication outages of the Internet, Hills Bank Online, or Push Button Banker.

CONFIDENTIALITY

We will disclose information to third parties about your account, or the transfers that you make, under the following conditions:

1. When it is necessary for completing transfers; or
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. In order to comply with government agency or court orders; or
4. If you give us written permission.

For more detailed information on confidentiality, please read our Privacy Statement.

BUSINESS DAYS

Our Hills Bank Online and Push Button Banker services are generally available 24 hours a day, 7 days a week. However, we only process transactions and update information on business days, which are Monday through Friday. Transfers made after 6:00 p.m. CST will be processed on the next business day. Bank holidays are not considered business days.

STATEMENTS

Your Electronic Services payments and transfers will be indicated on the monthly or quarterly statements we provide. You agree to notify us promptly if you change your address or if you believe there are any errors or unauthorized transactions on any statement, or statement information (see section below for more information on unauthorized transactions).

EMAIL

When sending the Bank email, do not include confidential information such as account numbers, Social Security Numbers, your Hills Bank Online or Push Button Banker PIN, credit card numbers, etc. since email is not secure. We will not ask you for your account number via email. Not all email arrives at its destination, so for situations that require immediate action (stolen checkbook or SHAZAM®*Chek* Card, fraudulent activity on your account(s), etc.), call Hills Bank Customer Service at (319) 679-5500 or toll-free at (800) 445-5725. If you choose to send inquiries via email, we will reply to them as soon as possible; if after hours, in most cases we will respond the next business day.

YOUR LIABILITY

Each of you agrees, for yourself to the terms of this account and the schedule of charges that may be imposed. You authorize us to deduct these charges as accrued directly from the account balance. You are liable for all transactions that you or any one you authorize makes, even if the person you authorize exceeds your authority. If you have given someone your Hills Bank Online identification number and PIN, Push Button Banker PIN, or other means of access and you want to terminate that person's authority, you must change your identification number and PIN or other means of access or take additional steps to prevent further access by such person.

UNAUTHORIZED TRANSACTIONS OR LOSS OR THEFT OF YOUR HILLS BANK ONLINE™ IDENTIFICATION NUMBER OR PASSWORD

If you believe your Hills Bank Online identification number or PIN, Push Button Banker PIN, or other means of access have been lost, stolen, or used without your authorization call Hills Bank Customer Service immediately at (319) 679-5500 or toll-free at (800) 445-5725 during normal business hours. After hours, you may email us at hillsonline@hillsbank.com or write to us at PO Box 160 Hills, Iowa 52235. Quickly telephoning us is the best way of reducing your possible losses, since not all emails may arrive at their destinations. We will reply via email to confirm that we did receive your notification. **Because email is not secure, do not include any of your account or Social Security Numbers with your email.** Your name, address, and a brief message describing the problem are all we will need.

If you believe your ID and PIN have been used without your permission and you tell us within 2 business days after you learn of the loss or theft, you are liable for no more than \$50. If you do not tell us within 2 business days after you learn of the loss or misuse and we can prove that we could have stopped someone from using your ID and PIN without your permission had we been notified, you are liable for up to \$500.

If, after receiving your statement, you notice transfers that you did not make, inform us at once. If we are not informed within 60 days after the statement was mailed, you may not be reimbursed any money you lost after the 60 days if we can prove that we could have stopped someone from taking the funds if you had notified us in time.

If extenuating circumstances exist (extended vacation, hospital stay, etc.) which kept you from telling us, we will extend the time limit.

GOVERNING LAW

You agree that this agreement, as well as any all transactions partly or wholly executed or facilitated by Electronic Services, shall be governed by the law of the State of Iowa.

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

Electronic Fund Transfers Initiated By Third Parties. You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your checking or savings account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your checking or savings account(s).
- **Electronic check conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.
- **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

ATM Transfers - types of transfers and dollar limitations - You may access your account(s) by ATM using your SHAZAM[®] card or Hills Bank Check CardSM and personal identification number, to:

- make deposits to checking or savings account(s)
- get cash withdrawals from checking or savings account(s)
 - dollar limitations will be disclosed in writing at card issuance
See this bank for additional information on withdrawal limitations.
- transfer funds between checking and savings account(s)
- get information about:
 - the account balance of your checking or savings account(s)

Some of these services may not be available at all terminals.

Types of SHAZAM Card Point-of-Sale Transactions - You may access your checking account(s) to purchase goods (in person), pay for services (in person), and get cash from a merchant, if the merchant permits, or from a participating financial institution.

Point-of-Sale Transactions - dollar limitations - Using your card:

- dollar limitations will be disclosed in writing at card issuance
- See this bank for additional information on withdrawal limitations.

Types of Hills Bank Check Card Point-of-Sale Transactions - You may access your checking account(s) to purchase goods (in person and online), pay for services (in person and online), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

Point-of-Sale Transactions - dollar limitations and charges - Using your card:

- dollar limitations will be disclosed in writing at card issuance
See this bank for additional information on withdrawal limitations.
- the charge to use your SHAZAM/Hills Bank Check Card is the same that applies to the transaction account from which the debit is made

Currency Conversion and International Transactions. When you use your Hills Bank Check Card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

Visa USA charges us a .8% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, the International Service Assessment is 1% of the transaction. As a result, we charge you a 1% international transaction fee on all international transactions regardless of whether there is a currency conversion. An international transaction is a transaction where the country of the merchant is outside the USA.

Advisory Against Illegal Use. You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

Hills Bank Online Computer Transfers - Online Service must be prearranged with the bank. Account holders must complete an application and have an account with the bank - types of transfers and charges - You may access your account(s) by computer using an internet access ID and PIN, to:

- transfer funds from checking to checking or savings
- transfer funds from savings to checking or savings
- make payments from checking or savings to loan accounts with us
- make payments from checking to third parties by Hills Bank PowerPay™
 - must be prearranged by bank
 - you may make unlimited payments
- get information about:
 - the account balance of checking or savings accounts
 - up to three months of history

FEES

- We do not charge for direct deposits to any type of account.

- Withdrawal requests initiated and authorized by you at an ATM or point-of-sale terminal may be allowed to overdraw your available account balance and will be subject to applicable overdraft fees.
- Please refer to our separate fee schedule for additional information about fees.

Except as indicated elsewhere, we do not charge for these electronic fund transfers.

ATM Operator/Network Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

DOCUMENTATION

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (319) 679-5500 to find out whether or not the deposit has been made.
- **Periodic statements.**
 - You will get a monthly account statement from us for your checking accounts.
 - You will get a monthly account statement from us for your savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

PREAUTHORIZED PAYMENTS

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:
 - Call or write us at the telephone number or address listed in this brochure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.
 - Please refer to our separate fee schedule for the amount we will charge you for each stop payment order you give.
- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

FINANCIAL INSTITUTION'S LIABILITY

Liability for failure to make transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. If you have an overdraft line and the transfer would go over the credit limit.

3. If the automated teller machine where you are making the transfer does not have enough cash.
4. If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
5. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
6. There may be other exceptions stated in our agreement with you.

CONFIDENTIALITY

We will disclose information to third parties about your account or the transfers you make:

1. where it is necessary for completing transfers; or
2. in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. in order to comply with government agency or court orders; or
4. if you give us written permission.

UNAUTHORIZED TRANSFERS

(a) Consumer liability.

• *Generally.* Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, 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 a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

• *Additional Limit on Liability for Hills Bank Check Card.* Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Hills Bank Check Card. This additional limit on liability does not apply to ATM transactions or to transactions using your Personal Identification Number which are not processed by VISA®.

(b) Contact in event of unauthorized transfer. If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this brochure. You should also call the number or write to the address listed in this brochure if you believe a transfer has been made using the information from your check without your permission.

ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this brochure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer 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.

1. Tell us your name and account number (if any).
2. 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.
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (5 business days for Hills Bank Check Card point-of-sale transactions and 20 business days if the transfer involved a new account) 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 if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for Hills Bank Check Card point-of-sale transactions and 20 business days if the transfer involved a new account) 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 within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

**HILLS BANK AND TRUST COMPANY
CUSTOMER SERVICE DEPARTMENT
P.O. BOX 160
HILLS, IOWA 52235
Business Days: Monday through Friday
Excluding Federal Holidays
Phone: (319) 679-5500**

**MORE DETAILED INFORMATION IS AVAILABLE
ON REQUEST**