

This is a card member agreement and disclosure statement ("Agreement") between you and Hills Bank and Trust Company containing the terms that will apply to your Hills Bank Visa Platinum ("Account"). In this Agreement, "you" and "your" means each individual accepting a solicitation or applying for the Account or otherwise agreeing to be responsible for the Account. "We", "us", "our", and "the Bank" means Hills Bank and Trust Company, the issuer of the Card and your Account creditor. Other terms are defined in the text of the Agreement. Please read this Agreement carefully and keep it in a safe place to make the best use of the Hills Bank credit card we issue with this Account (the "Card"). The Agreement becomes effective as soon as you or someone authorized by you uses the Card or Account, but no later than 30 calendar days after we issue and you fail to return the Card.

## ACCOUNT FEATURES AND YOUR USE OF THE ACCOUNT

- 1. Use:** Charging privileges on the Card and Account are provided by the Bank pursuant to the terms of this Agreement. Charge activity, Account status, and any Account delinquency information will be provided to you monthly. You may use the Card to obtain an Advance (as defined below) from a participating financial institution or Automated Teller Machine (ATM). You may use the Account only for personal, family, or household purposes.
- 2. Your Acceptance of the Agreement:** By accepting, signing, or using this Card or Account, or by continued use of an existing Card or Account, you are agreeing to the terms of this Agreement.
- 3. Account Purchases:** You may use the Account to buy, lease, or otherwise obtain goods or services from participating merchants (including transactions you initiate via email, by telephone, or over the Internet) or take advantage of special promotional Convenience Check or Balance Transfer offers that post as Purchase Transactions ("Purchases"). We will, in connection with any promotional Balance Transfer or Convenience Check offer we make, provide you with materials that explain whether those transactions will post and be treated as a Purchase. Even if you have not signed a sales draft or the merchant has not supplied you with a written receipt or other proof of sale, you are responsible for all Purchases made through the Account, except as expressly limited by applicable law. See "Your Billing Rights" section for more detail.
- 4. Account Advances:** Advances are transactions other than Purchases that allow you direct access to funds available through your Account. Advances may include Account transactions such as cash advances you obtain directly from us, other participating financial institutions, ATMs, telephone transfers, Balance Transfers, or Convenience Checks. Monthly Account statements we issue may refer to Advances as "Advance", "Cash", "Cash Advances", or by the product or device you used to obtain an Advance. You may use your Account to obtain cash either by presenting your Card at any bank or other financial institution that accepts the Card or by making a withdrawal of cash at an ATM. We may restrict the amount of the credit limit that is available for Advances. If an Advance limit greater than the percentage available is requested, it will be subject to credit approval. You may be limited in the amount and/or number of Advances you may make on your Account.
- 5. Convenience Checks:** From time to time, we may supply Convenience Checks for use by the person(s) named on those checks. Convenience Checks are drafts that look like other checks, but are drawn on credit available in the Account. We may, based on the particular offers we make from time to time, provide Convenience Checks that will post and be treated as an Advance or Convenience Check that will post and be treated as a Purchase. We will, in connection with any Convenience Check we provide, include materials that explain whether the Convenience Check will post and be treated as an Advance or as a Purchase. Convenience Checks must be written in U.S. dollars. We may return a Convenience Check unpaid if:
  - (a) the credit available under your Credit Limit is less than the Convenience Check amount;
  - (b) the Account is in default; or
  - (c) the Convenience Check is improperly signed or otherwise fails to conform to our regularly accepted standards for check payment. Convenience Checks may not be used to pay the Account or any obligation you owe us or our affiliates.
- 6. Paying and Stopping Payment on Convenience Checks:** You must use the number and address provided in the "Lost or Stolen Card or Convenience Check" sections to request that payment be stopped on a Convenience Check. You must call us promptly with an oral stop payment request and then provide us with a written confirmation of the stop payment request within 14 calendar days. Any stop payment request we receive will remain in effect for 6 months, unless you renew the request in writing before the end of that time. We may pay Convenience Checks more than 6 months old. There may be circumstances under which a Convenience Check must be paid, even if we have received a stop payment request from you. We will not be liable to you if we do not honor your stop payment request under those circumstances. If it

is determined that a Convenience Check should have been paid, but was not, we will not be liable for any consequential, punitive, or incidental damages if we acted in good faith. Our only obligation under those circumstances will be to pay the designated payee the amount of the Convenience Check and cancel any charges assessed against your Account as a result of any wrongful failure to honor the Convenience Check.

**7. Balance Transfers:** We may permit you to transfer balances from other companies, including financial institutions. However, you cannot make Balance Transfers from the Bank accounts. The amount of your total Credit Limit which we may allow to you for a Balance Transfer reduces the amount of the Credit Limit available for Purchases and Advances. Finance Charges on your Balance Transfers accrue from the date of transfer to your Account. If you reach your limit on the amount of credit we allocate to you for one or more Balance Transfers, you may not transfer additional balances even if you have not reached your total Credit Limit. Balance Transfers will post to the Account and be separately reflected on the monthly Account statements as a Balance Transfer, or, depending upon the offer, may post to the Account and be treated as a Purchase, or as an Advance transaction.

## FINANCE CHARGES AND ACCOUNT FEES

**8. Account Finance Charges:** Finance Charges reflect the cost of credit. Your total Finance Charge for any billing cycle will equal the amount of any (a) periodic rate Finance Charges (sometimes referred to as "interest" here and on monthly Account statement); (b) Advance transaction fees; and (c) any other transaction fees that are considered Finance Charges. In some of the following sections we have abbreviated the terms "monthly periodic rate" as MPR, "average daily balance" as "ADB", and "annual percentage rate" as "APR".

**9.1 Interest rate:** Your Annual Percentage Rate and the corresponding monthly periodic interest rates are listed on the attached rates and fee table. Your account is eligible for an Introductory Rate. The Rates and Fees table attached describes the duration of the Introductory Rate, the transactions to which the Introductory Rate applies, the Introductory Monthly Periodic Rate and the corresponding Annual Percentage Rate (APR) applicable to your account as of the date the account was opened. After the Introductory Rate expires the balances that had been charged the Introductory Rate will be subject to the Standard Annual Percentage Rate. The Prime Rate used to calculate the APR will be the Prime Rate on the 15th day of each month or the first regular business day thereafter as published on that business day in the Money Rates column of The Wall Street Journal ("WSJ"). The APR may increase if the Prime Rate increases. An increase will take effect the day after your statement cycles following the 15th of the month. An increase will result in an increase in the finance charge and it may have the effect of increasing your periodic minimum payment. The APR will not change more often than once a month. A decrease will have the opposite effect of an increase. If the Prime Rate changes more frequently than the APR, we will always use the Prime Rate in effect on the day we adjust the APR to determine the new APR. In such case we will ignore any changes in the Prime Rate that occur between APR adjustments. Any rate change will be applied to all balances carried forward from the last statement. We reserve the right to choose a comparable new index if the WSJ ceases to publish a Prime Rate.

**9.2 Interest Rate for Cash Advances:** The MPR and the corresponding variable APR will be determined by adding nine percentage points (9.0%) to the Prime Rate in respect of the Account for the billing cycle. The Prime Rate used to calculate the APR will be the Prime Rate on the 15th day of each month or the first regular business day thereafter as published on that business day in the Money Rates column of WSJ. The APR may increase if the Prime Rate increases. An increase will take effect the day after your statement cycles following the 15th of the month. An increase will result in an increase in the finance charge and it may have the effect of increasing your periodic minimum payment. The APR will not change more often than once a month. A decrease will have the opposite effect of an increase. If the Prime Rate changes more frequently than the APR, we will always use the Prime Rate in effect on the day we adjust the APR to determine the new APR. In such case we will ignore any changes in the Prime Rate that occur between APR adjustments. Any rate change will be applied to all balances carried forward from the last statement. We reserve the right to choose a comparable new index if the WSJ ceases to publish a Prime Rate.

**10. Interest Finance Charge:** Finance Charges on your Account for Purchases and Advances are calculated separately.

### Purchases (Method G)

A Finance Charge will be imposed on Purchases only if you elect not to pay the entire New Balance shown on your previous monthly statement within 25 days from the closing date on the statement. If you elect not to pay the entire New Balance shown on your previous monthly statement within 25 days from the closing date on the statement, a Finance Charge will be imposed on the unpaid balance of Purchases from the statement closing date (including new Purchases) and will continue to accrue

until the closing date of the billing cycle preceding the date on which the entire New Balance is paid in full or until the date of payment if more than 25 days from the closing date.

The Finance Charge for a billing cycle is computed by applying the Monthly Periodic Rate (which is the APR divided by 12 months) to the Average Daily Balance of Purchases, which is determined by dividing the sum of the daily balance of Purchases during the billing cycle by the number of days in the cycle. Each daily balance is the principal balance including current cycle Purchases and payments and credits as received, but excluding any unpaid Finance Charges.

**Cash Advances (Method A)**

A Finance Charge will be imposed on Advances from the date of the Advance or from the first day of the billing cycle in which the Advance is posted to the Account, whichever is later, and will continue to accrue until the date of payment. The Finance Charge for a billing cycle is computed by applying the Monthly Periodic Rate (which is the APR divided by 12 months) to the Average Daily Balance and Advances which is determined by dividing the sum of the daily balances of Advances during the billing cycle by the number of days in the cycle. Each daily balance is determined by adding to the Previous Balance (the outstanding balance of your Account at the beginning of the billing cycle) any Purchase as of the date it is posted to your Account and any Advances as of the transaction date or the first day of the billing cycle in which the Advance is posted to the Account, whichever is later, and subtracting all payments as received and credits as posted through that date, but excluding any unpaid Finance Charges.

Any Finance Charge shown on your monthly statement is computed only through the last date of the billing cycle. Since Finance Charges continue to accrue until the date your payment is received and posted to your Account, additional Finance Charges may appear on the following month's statement. The amount of the Finance Charge and the Advance Fee may be changed from time to time. There is a minimum Finance Charge of 50 cents in any billing cycle in which a Finance Charge is due.

**11. Grace Period:** You have a 25 day Grace Period for Purchases (including any promotional Balance Transfers or Convenience Checks that will post as Purchases), provided you have paid your Previous Balance in full by the Payment Due Date shown on your monthly Account statement. In order to avoid additional Finance Charges on Purchases, you must pay your New Balance in full by the Payment Due Date shown on the front of your monthly Account statement. There is no grace period for transactions that post to the Account as Advances. Those transactions are subject to interest from the date they post to the Account until the date they are paid in full.

**12. Account Fees:** We may charge the following fees. The amounts of these fees are listed in the attached rates and fee table.

**(a) Cash Advance Transaction Fee:** We will add a Finance Charge to the Advance balance of the Account in the form of the Advance Transaction Fees disclosed below for each Advance you obtain during a billing cycle. The fees imposed will equal the greater of the fees based on a disclosed percentage of each Advance of the minimum dollar amount, shown below.

<u>CASH RECEIVED</u>	<u>PERCENTAGE</u>	<u>MINIMUM</u>
<u>FROM:</u>	<u>OF CASH FEE:</u>	<u>MAXIMUM:</u>
FINANCIAL INSTITUTION	3.0%	\$ 5.00
OR ATM		\$15.00

**(b) Annual Fee:** None

**(c) Late Payment Fee:** We will add a Late Payment Fee of \$27.00 to the Purchase balance of the Account if your Minimum Payment is not received by the Payment Due Date shown on the monthly Account statement.

**(d) Returned Payment Fee:** We will add a Returned Payment Fee of \$27.00 to the Purchase balance of the Account if a draft or check you give us as payment on the Account is not honored or if we must return it to you because it cannot be processed. A check that is returned unpaid may be sent for collection.

**(e) Returned Convenience Check Fee:** We may charge a fee of \$35.00 to the Purchase balance of the Account if you write a Convenience Check that we do not honor under the terms of this Agreement. (See "Convenience Checks", and "Paying and Stopping Payment on Convenience Checks" sections for more details).

**(f) ATM Surcharges:** When you use an ATM not owned by us, you may be charged a fee by the ATM owner or network used to complete the transaction and you may be charged for a balance inquiry.

**(g) Card Usage Reports Fee:** We may offer additional reports regarding Card usage and Account transactions which will be provided upon your request for an agreed upon fee.

**(h) Foreign Transactions:** A 1.0% fee is assessed only on international transactions when a currency conversion occurs. Visa will also impose a 0.8% fee on foreign transactions where a currency conversion is not performed.

**IMPORTANT INFORMATION ABOUT USING YOUR ACCOUNT**

**13. Credit Limit:** The Account Credit Limit is the maximum amount of credit available and that you may owe under the Account at any time. You may not request or obtain additional Purchases, Advances, or Balance Transfers once you have reached your Credit Limit. The initial Credit Limit is shown on the Card carrier and will also appear on your monthly Account statement. We reserve the right to review your Account at any time and increase or decrease your Credit Limit. You may not increase your Credit Limit by carrying a credit balance over the Credit Limit we make available to you. (Also see the "Advance Limits" section for more information about Limits on Advance transactions section.)

**14. Payment:**

**(a) Promise to Pay:** You agree to pay for all Purchases, Advances, Finance Charges, fees, and any other obligations incurred on the Account.

**(b) Method of Payment:** You must pay us in U.S. dollars with checks or similar payment instruments drawn on a financial institution located in the United States. We may, at our option, choose to make an exception and accept a payment drawn on a foreign bank. However, you will be charged and agree to pay any collection fees required in connection with such a transaction. The date you mail a payment is different than the date we receive payment. For purposes of this Agreement, the payment date is the day we receive your check or money order at the address specified on your monthly Account statement. If you mail your payment without a payment coupon or to an incorrect address, it may result in a delayed credit to your Account. This may result in additional Finance Charges, fees, and possible suspension of your Account.

**(c) Minimum Monthly Payment:** Each month you must pay at least the Minimum Payment and any past due Minimum Payment by the Payment Due Date shown in your monthly Account statement. Your Minimum Payment for Purchases and Cash Advances is 3.0%, rounded up to the nearest dollar, of the total Purchase and Cash Advance balance (excluding late payment), or \$25.00 whichever is greater. In addition, your Minimum Payment will include all amounts delinquent, and amounts in excess of your Credit Limit. If your outstanding Purchase and Cash Advance balance is less than \$25.00 then the entire balance is due. You also may pay the entire balance on your Account at any time or pay any amount between the Minimum Payment and your entire balance. Any changes in your Minimum Payment due will be reflected on your monthly statement in the month in which the Minimum Payment due is affected. However, in all cases, you may continue to pay any amount equal to or greater than the Minimum Payment due.

**(d) Application of Payment:** We may allocate payments to amounts owed on your Account in the manner we deem appropriate, including but not limited to, applying payment to promotional balances, such as Balance Transfers, before applying them to Purchases and Advances.

**15. Change of Address:** Your monthly Account statements and notices about your Account will be sent to the address you provided in your application or your response to our Account solicitation. To change your address, you must call us at 1-800-445-5725 or write to us at the following address:

eServices Department – Hills Bank and Trust Company  
131 E. Main Street  
P.O. Box 160  
Hills, Iowa 52235

We must receive this information 15 days before the date a billing cycle closes to provide your monthly Account statement at your new address. Note: If you have an address change within 45 days of the expiration date of your Card(s), please contact the Hills Bank Contact Center at 1-800-445-5725 with that information so your new Card(s) can be mailed to your new address.

**16. Authorized Use:** You agree not to give your Card to anyone else or to authorize anyone to use the Account. If you give your Card or Account number to someone and they use either, you will be liable for any charges that the person incurs.

**17. Armed Forces Protections:** Federal law provides protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: the costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for credit card account).

**18. Lost or Stolen Card or Convenience Checks:** You must notify us immediately if your Card or Convenience Checks are lost or stolen or there is possible unauthorized use of your Card or Account. You will not be liable in excess of \$50.00 for any theft or loss for purchase charges that occur after notification to the Bank. You must notify eServices by phone at 1-800-445-5725, or 1-800-423-7503 or in writing to:

eServices Department – Hills Bank and Trust Company  
131 E Main Street  
P.O. Box 160  
Hills, Iowa 52235

If this happens, we will ask you and all other persons given Account access to return all Cards and unused Convenience Checks to our eServices Department. In addition, we have the right to close your Account and open a new Account. If we do so, new Cards and Convenience Checks will be issued for your new Account.

**19. U.S. Currency:** If you make a Purchase or Cash Advance in foreign currency the transaction will be converted into U.S. Dollars by Visa.

**For Visa Accounts:** To the extent that you have used your Visa card to Purchase goods or services, or obtain cash in another country, your statement may reflect the conversion into U.S. dollars of transactions which occurred, initially, in a different currency. The exchange rate applied to such transactions is a (i) wholesale market rate or (ii) government-mandated rate in effect one day prior to the processing date, increased by one percent. We reserve the right to charge you an additional one percent (1.0%) of the U.S. dollar amount of any international transaction, whether that transaction was originally made in U.S. dollars or was made in another currency and converted to U.S. dollars by Visa or MasterCard. In either case, the 1.0% will be calculated on the U.S. dollar amount provided to us by that entity. The same process and charges may apply if any international transaction is reversed.

#### **YOUR LEGAL RESPONSIBILITY IN THIS AGREEMENT**

**20. Responsibility to Pay:** You agree to pay us for all Purchases, Advances, Balance Transfers, Finance Charges, Account Fees and charges, any other transaction charges as provided in this Agreement and, to the extent permitted under applicable law, attorneys fees, and collection costs we incur enforcing this Agreement against you. This is the case even if the Account is only used by you, or someone to whom you've given access to the Account.

**21. Liability for Charges:** You are individually liable and you and the individual or co-obligor(s) who accepted the application for credit, if any, are jointly liable for all charges to the Account including, without limitation, all fees and Finance Charges.

**22. Intent to Repay:** Every time you use the Account, you represent to us that you intend and have the reasonable ability to repay your Account obligations. We rely on that representation every time you use the Account.

**23. Settling a Disputed Balance:** Payment in Full — If you want to settle a disagreement with us about any amount you owe by sending a check on which you have written "Payment in Full" or similar language, you must send us a written explanation of the disagreement and dispute and send such check to:

eServices Department – Hills Bank and Trust Company  
131 E Main Street  
P.O. Box 160  
Hills, Iowa 52235

(See "Your Billing Rights" section for complete details.) Writing "Payment in Full" or similar language on the check will not be enough to resolve the dispute. If we collect a check or any payment instrument marked "Paid in Full" that you send without a written explanation of the disagreement or dispute, we will not have waived our right to collect any remaining amount you owe us under the terms of the Account.

**24. Default:** You and the Account will be in default if:

- (a) you do not make the Minimum Payment by the Payment Due Date (disclosed on the monthly Account statement as the Payment Due Date);
  - (b) you violate any other provision of this Agreement;
  - (c) you become insolvent, assign any property to your creditors, or go into bankruptcy or receivership;
  - (d) you have made false statements affecting the application or maintenance of your Account;
  - (e) you go over your Credit Limit;
  - (f) we have any reason to believe that the Account is in danger of, or is being used for fraud; or
  - (g) anything happens that we believe in good faith materially increases the risk that you will not live up to your payment and other obligations under this Agreement.
- If you are in default, we may, to the extent permitted by applicable law, set-off and withdraw any portion or all of the amount due under your Account Agreement against any balance, credit, deposits, accounts, or other property of yours in our possession, after giving you any notice required by applicable law. Should the obligation fall delinquent, and a judgment is obtained then the judgment shall accrue interest at the rate of 18.0% per annum until the judgment is Paid in Full.

**25. Illegal Purchases:** The Card must not be used for any unlawful purpose, such as tending

any account that is set up to facilitate online gambling. You agree that you will not use or knowingly permit another to use the Card or Account for any transaction that is illegal under applicable law.

#### **THE BANK'S LEGAL RIGHT TO CHANGE OR CANCEL THIS AGREEMENT**

**26. Ownership of this Account; Governing Law:** Your Card and any other Account access devices that we supply to you are our property, and must be immediately returned to us or otherwise destroyed or surrendered as we instruct. We extend all Account credit to you in and from the State of Iowa, regardless of where you reside or use the Account. This Agreement is governed by Iowa law, and, to the extent necessary for interest exportation or consumer protection purposes, by federal law, regardless of the internal conflict of law principles of the state where you reside or use the Account. If a dispute arises and you file a lawsuit against us, service or process must be made on the Bank at the following address:

eServices Department – Hills Bank and Trust Company  
131 E Main Street  
P.O. Box 160  
Hills, Iowa 52235

**27. Changing the Agreement:** The Bank may change all or any part of this Agreement at any time, including changing the APR and other fees on the Account, unless prohibited by law. We will give at least 30 days notice before the effective date of any change. On the effective date, the changes, including any changes in APR or recalculation of Finance Charges, will apply to all amounts you owe at the time the change goes into effect. If you do not agree to the changes, you must notify us in writing within 25 days after the effective date of the change; you also must pay any remaining amount due and destroy the Card. You may pay the remaining amount all at once or the Bank may allow you to continue making payments under the existing terms. Otherwise, you will have agreed to the changes in the notice. Use of the Account after the effective date of the changes shall be deemed acceptance of the new terms, even if the 25 days have not expired.

#### **28. Cancellation:**

(a) The Bank may cancel the Account or suspend credit privileges immediately and without notice if the Account is in default. We may also cancel the Account in our sole discretion (even if the Account is not in default) by providing notice to you. You may cancel the Account by providing notice to us.

(b) After cancellation of the Account, you will not be able to obtain additional credit on the Account and must agree not to use the Account. All amounts outstanding on the Account will be immediately due and payable without notice or demand.

(c) If you fail to pay any amount you owe under this Agreement, you will be liable for our costs of collecting. In addition, if we refer our claim to an attorney for collection, you will be liable for reasonable attorney's fees we incur and expenses of any legal actions.

**29. Assignment of your Account to Another Creditor:** We may assign, sell, or transfer your Account and amounts owed by you to another creditor at any time. If we do, this Agreement will still be in effect unless and until amended and any references made in this Agreement to "we", "us", "our", or "the Bank" will refer to the creditor to which we assigned, sold, or transferred the Account or amounts owed under the Account. You may not delegate your obligation and responsibilities to us to any third party without our express written consent.

#### **THE BANK'S LEGAL RIGHTS AND OBLIGATIONS**

**30. Collecting Credit Information About You:** You authorize us to make any credit, employment, and investigative inquiries we feel are appropriate related to giving you credit or collecting amounts owed on your Account. You agree that a consumer credit report or business bureau file request, as applicable, may be requested periodically from one or more credit reporting agencies (credit bureaus) and used in connection with your application and any update, renewal, or extension of credit. We may provide information about you, your Account, or your credit history to credit reporting agencies and others who may properly receive that information.

**31. Credit Bureau Disputes:** If you believe we inaccurately reported credit history information about you or the Account to a credit bureau, call us at 1-800-445-5725 or write to us at:

eServices Department – Hills Bank and Trust Company  
131 E Main Street  
P.O. Box 160  
Hills, Iowa 52235

**32. Refusal to Honor Transactions:** The Bank and its agents are not responsible if anyone refuses to honor your Card or a Convenience Check, or if authorization for a particular transaction is not given. Although you may have credit available under the Account, we may be unable to authorize credit for a particular transaction. The number of transactions you make as well as the dollar amount you may withdraw from

or charge to your Account in one day may be limited, and the limit per day may vary. These restrictions are for security reasons. And, as a result, we cannot explain the details of how this system works. If your Account is over limit or delinquent, authorization of credit for transaction may be declined. We are not responsible for anything Purchased with your Card or a Convenience Check, except as expressly required by applicable law (see "Your Billing Rights" section for more details.) You must return goods you Purchased with the Card or Account to the Merchant and not to us. Third party offers – From time to time, third parties may provide you with benefits not related to the extension of Account credit. We are not liable for these features, services and enhancements, as they are the sole responsibility of the third party provider. The Bank and/or third party may add, change, or delete entirely these benefits without notice or liability to you, to the extent permitted by applicable law. You agree to hold us harmless from any claim, actions, or damages resulting from your use of any of these features, services, or enhancements, when permitted by applicable law.

**33. Telephone Monitoring:** From time to time, we may monitor telephone calls you make to us or our agents.

**34. Severability:** If a court of competent jurisdiction finds any part of this Agreement illegal or unenforceable, the remaining portions of the Agreement will remain in effect as written after any such illegal or unenforceability porting is amended in compliance with applicable law or, if necessary, voided.

**35. Entire Agreement:** This version of the Agreement replaces any previous versions of the Agreement. The Agreement, as modified by any change in terms we may deliver from time to time in accordance with applicable law, constitutes the entire agreement between you and us, and supersedes any prior negotiation or understanding between you and us concerning the subject matter of the Agreement.

**36. Waiver:** We do not give up our rights under the Agreement or applicable law when we fail to exercise or delay exercising these rights. Our failure or delay to exercise any right or remedy we have against you does not mean that we waive that right.

**37. Arbitration:** In requesting an Agreement from us and accepting the Agreement, you agree that if a dispute of any kind arises out of this Agreement, either you or we may choose to have that dispute resolved by binding arbitration. If arbitration is chosen by any party, neither you nor we will have the right to litigate that claim in court or to have a jury trial on that claim, or to engage in pre-arbitration discovery, except as provided for in the arbitration rules. In addition, you will not have the right to participate as a representative or member of any class of claimants pertaining to any claim subject to arbitration. The Arbitrator's decision will generally be final and binding. Other rights, that you would have if you went to court, may also not be available in arbitration. It is important that you read the entire Arbitration Provision carefully before accepting the terms of this Agreement.

Any claim, dispute, or controversy (whether in contract, regulatory tort, or otherwise, whether pre-existing, present, or future and including constitutional, statutory, common law, intentional tort, and equitable claims) arising from or relating to (a) the Card it offered or provided to you; (b) the actions of you, or third parties; or (c) the validity of this arbitration provision individually and collective, (a "Claim") must, after an election by you or us, be resolved by binding arbitration in accordance with this arbitration provision and the Commercial Arbitration Rules of the American Arbitration Association ("AAA") in effect when the Claim is filed (or, in the event this arbitrator or these arbitration rules are no longer available, then a comparable substitute arbitration procedure and/or arbitration organization that does business on a nationwide basis). There shall be no authority for any Claim to be arbitrated on a class action basis. An arbitration can only decide our or your Claim and may not consolidate or join the claims of other persons who may have similar Claims. You may obtain rules and forms by calling the AAA at 1-800-778-7879. Any arbitration hearing that you attend will take place in the federal judicial district where you reside. At your request, we will advance the first \$250.00 of the filing and hearing fees for any Claim you may file against us. The arbitrator will decide whether we or you will ultimately pay those fees. The arbitrator shall apply applicable substantive law consistent with the Federal Arbitration Act (FAA) and applicable statutes of limitation, and shall honor claims of privilege recognized at law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. This Arbitration Provision shall survive repayment of your extension of credit and termination of your Account. The Arbitration Provision shall be governed by the FAA, 9 U.S.C. §1 through §6.

**38. What to do if you find a mistake on your statement**

If you think there is an error on your statement, write to us at:  
eServices Department – Hills Bank and Trust Company  
131 E Main Street  
P.O. Box 160  
Hills, Iowa 52235  
You may also want to contact us at [www.HillsBank.com](http://www.HillsBank.com).

In your letter, give us the following information:

- (a) *Account information:* Your name and account number.
- (b) *Dollar amount:* The dollar amount of the suspected error.
- (c) *Description of problem:* If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- (a) Within 60 days after the error appeared on your statement.
- (b) At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing [or electronically]. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

**What will happen after we receive your letter**

When we receive your letter, we must do two things:

- (a) Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
- (b) Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

**While we investigate whether or not there has been an error**

- (a) We cannot try to collect the amount in question, or report you as delinquent on that amount
- (b) The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- (c) While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- (d) We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

**If we made a mistake**

- (a) You will not have to pay the amount in question or any interest or other fees related to that amount.
- (b) If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

**Your Rights If You Are Dissatisfied With Your Credit Card Purchases**

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.

To use this right, all of the following must be true:

- (a) The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
- (b) You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
- (c) You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing [or electronically] at:

eServices Department – Hills Bank and Trust Company  
131 E Main Street  
P.O. Box 160  
Hills, Iowa 52235  
[www.HillsBank.com](http://www.HillsBank.com)

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

**YOUR BILLING RIGHTS - KEEP THIS DOCUMENT FOR FUTURE USE**

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

### INTEREST RATES AND INTEREST CHARGES

<b>Annual Percentage Rate (APR) for Purchases/ Balance Transfers</b>	<b>3.9%</b> introductory APR for the first seven billing cycles. After that your APR will be <b>7.50% to 14.50%</b> , based on your credit worthiness. This APR will vary with the market based on the Prime Rate.
<b>APR for Cash Advances</b>	<b>14.50%</b> this APR will vary with the market based on the Prime Rate.
<b>How to Avoid Paying Interest on Purchases</b>	Your due date is at least 25 days after the close of each billing cycle. Hills Bank will not charge you any interest on purchases if you pay your entire balance by the due date each month.
<b>Minimum Interest Charge</b>	If you are charged interest the charge will be no less than \$0.50.
<b>For Credit Card Tips from the Federal Reserve Board</b>	To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a> .

### FEES

<b>Annual Fee</b>	No annual fee.
<b>Transaction Fees</b> • Cash Advance • Foreign Transaction	• Either <b>\$5.00 or 3.00%</b> of the amount of each cash advance, whichever is greater, with a maximum fee of <b>\$15.00</b> . • <b>1.0%</b> when a currency conversion occurs. <b>0.8%</b> when a currency conversion is not performed.
<b>Penalty Fees</b> • Late Payment • Returned Payment • Returned Convenience Check	• up to <b>\$27.00</b> • up to <b>\$27.00</b> • up to <b>\$35.00</b>

#### How we will calculate your balance:

- We use a method called “average daily balance (including new purchases)”

#### Prime Rate:

- Variable APRs are based on the 5.50% Prime Rate as of December 20, 2018.
- The introductory APR is fixed at 3.9% (monthly periodic rate currently 0.32500%).
- We add 2.0% to 9.0% to the Prime Rate to determine the Purchase/Balance Transfer APR (monthly periodic rate currently 0.625% to 1.208%).
- We add 9.0% to the Prime Rate to determine the Cash Advance APR (monthly periodic rate currently 1.208%).

#### Billing Rights:

- Information on your rights to dispute transactions and how to exercise those rights is provided in the attached account agreement.