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Business Debit Card Agreement Terms and Conditions

Introduction. This Business Debit Card Agreement ("Agreement") contains contract terms and other important information relating to your Business Debit Card ("Card"). These terms govern the operation of this account unless varied or supplemented in writing. This Agreement also incorporates any other terms and conditions provided separately with your deposit account agreement as well as the terms of any disclosures you may have received. You should read this Agreement carefully and keep a copy for your records.

Governing Law. Conflict with Applicable Law. This Cardholder Agreement will be construed in accordance with the laws of Iowa. In the event of any conflict between provisions of the Cardholder Agreement and any applicable law or regulation, the provisions of this Cardholder Agreement shall be deemed modified in the extent, and only to the extent, required to comply with such law or regulation.

Applicable Law. This Agreement will be governed by the laws of the state in which your account is located as well as federal laws and regulations. Normal banking customs and practices also apply.

Definitions. Unless inconsistent, words and phrases used in this document shall be construed so that the singular includes the plural and the plural includes the singular. The words "we," "our," and "us" refer to the financial institution which issues the Card. The words "you" and "your" refer to the owner of the specific account for which Card transactions are permitted. The word "Cardholder" refers to any person authorized by you to use the Card. "EFT Terminal" means an electronic funds transfer terminal; this includes automated teller machines (ATM), point-of-sale terminals (POS), tokenization through an electronic wallet, and other EFT devices. "PIN" means the personal identification number assigned to you for use with your debit card.

Business Card Purpose. You and any Cardholder agree that this Card is for use by business owners and employees. The Card can be used for business purpose point-of-sale and Automated Teller Machines (ATM) transactions only. The Card may not be used for personal purposes. You acknowledge and understand that the Card shall not be treated as a consumer card under the provisions of state and federal law. You agree to provide written instructions to all Cardholders that the Card shall not be used for consumer purposes.

Account Requirement, Payment Responsibility, Transferability, Enforceability. The services described in this Agreement will be available to you only as long as you maintain a business checking account with us. You are liable for the payment of Card transactions authorized by you or your agent or any Cardholder or their agent. This account may not be transferred or assigned without our written consent.

If any terms of this Agreement cannot be legally enforced, it will be considered changed to the extent necessary to comply with applicable laws. If any part of this Agreement becomes unenforceable, it will not make any other part unenforceable.

How to Use the Business Card, Security Procedures. The Card allows Cardholders to directly access the business checking account specified in your Card Application. We will issue Cards and PIN to you at your request. Each Card will identify your business as well as the Cardholder.

You agree to the following security procedures. Each Cardholder must sign their Card before it may be used. You agree to require both a Card and a PIN to be used together to obtain cash at designated ATMs. However you may use your Card to purchase goods or pay for services without a PIN. Once a Card has been issued it cannot be transferred to another person. You agree to immediately notify us when you terminate a Cardholder's rights and to promptly return the Card to us. You agree to provide written instructions to all Cardholders about the importance of

protecting the Card and PIN. You agree to examine your receipts and periodic statements in a timely manner.

You agree that the dollar/frequency limits assigned to each Cardholder will also act as a security procedure.

Termination and Amendments.

- We may terminate this Agreement at any time without notice to you.
- You may terminate this Agreement by written notice to the institution and no longer using your Card and PIN.

We may make amendments to this Agreement in the same method as provided in the terms and conditions provided in your account agreement. Use of your Card after receipt of notice of an amendment constitutes your acceptance of the change.

Notices. Any notices mailed to you under this Agreement will be mailed to the address we have for you in our records. You will keep us notified of your current mailing address.

Order of Payment. Our policy is to post and pay Card transactions in the order they are received. We reserve the right to pay Card transactions before checks and other items.

Overdraft Protection. If your account has an overdraft protection feature, unless otherwise agreed in writing, Card transactions that would otherwise overdraw your account will be covered by the overdraft protection feature up to your available limit.

Stop Payment. Unless otherwise provided in this agreement, you may not stop payment of electronic fund transfers, therefore you should not employ electronic access for purchases or services unless you are satisfied that you will not need to stop payment.

TYPES OF TRANSACTIONS

Your ATM limit will be disclosed at account opening. Below are the types of transactions your Card will accommodate.

ATM Transfers. You may access your account by ATM using your Card and code to:

- Make deposits to your checking account.
- Get cash withdrawals from your checking account.
- Transfer funds between accounts linked to the Card.
- Get information about:
 - Account balances.

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

Point-of-Sale Transactions/Purchases. You may access your checking account with your Card or as integrated into a tokenization or electronic wallet for use at point of sale terminals to the limit disclosed to you at account opening or subsequent disclosure, to purchase goods (in-person, by phone, or through the Internet), pay for services/purchases (in-person, by phone, or through Internet), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that you can do with a credit card (that a participating merchant will accept with a credit card).

Using your Card and/or PIN:

- You may not exceed \$1500.00 in transactions per calendar day, per card up to your available limit and available balance.

Your Option to Limit Cash Withdrawals.

In addition to dollar amount limitations for withdrawals using your Card and/or PIN that we establish, you have the option to limit the amount of cash that can be withdrawn by your Card and/or PIN to \$50.00 per day or some other amount acceptable to us.

You may access your account using the Card at any Farmers State Bank ATM location. You also have access to cash at ATMs in the Cirrus®, Pulse®, and MoneyPass® networks.

International Transactions. All foreign ATM withdrawals and POS transactions will be converted to U.S. dollars before being charged to your Account in accordance with Visa International regulations for international transactions in effect at the time of the transaction.

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

FEES

Other fees may apply depending on the product or service, see the Farmers State Bank's Business Miscellaneous Fees and Charges or account analysis for additional fees.

DOCUMENTATION

Terminal Transfers. You will get a receipt at the time you make any transfer to and from your account using one of our ATM or POS terminals.

Retain Copies for Your Records. You should retain copies of all records including receipts, credit slips (for returned merchandise), and cancellation numbers (for cancelled reservations). You should also mark each transaction in your account record (but not while at a terminal). You should review your periodic statement for accuracy and compare your account record against your periodic statement to reconcile balances.

Periodic Statements. You will get a monthly statement from us for your account that will include a record of transactions made using your Card. If no electronic transactions occurred on that account, you may only receive a quarterly statement.

LIMITATIONS ON OUR LIABILITY

We will not be liable if:

- You do not have enough money in your account to make the transfer.
- You have an overdraft line and the transfer would cause you to exceed your credit limit.
- An ATM does not have sufficient cash.
- A terminal or system is not working properly and you knew about the breakdown when you started the transfer.
- Circumstances beyond our control (such as fire or flood) prevent the transfer.
- A merchant refuses to accept your Card.
- An ATM rejects your Card.
- If the funds are subject to legal process or other encumbrance restricting such transfer.

There may be other limitations on our liability.

UNAUTHORIZED TRANSFERS

Upon notification from you of unauthorized Visa transactions, Farmers State Bank will limit your liability for those transactions to zero. Farmers State Bank may require such notification to be received within 60 calendar days of the mailing date of the first statement showing any unauthorized Visa transactions. In evaluating your claim, Farmers State Bank will consider whether gross negligence on your part has contributed to the transactions in question. Farmers State Bank may increase this limit if, based on substantial evidence, it is reasonably determined that you were grossly negligent or fraudulent in the handling of the card or account.

Farmers State Bank will provide you with provisional credit for unauthorized Visa transactions within five business days from receipt of notification.

Additionally, Farmers State Bank may require written confirmation of the unauthorized Visa transactions before providing provisional credit.

Tell us AT ONCE if you think your Card and/or PIN has been lost, stolen or used (or may be used) without your permission, or your Card has otherwise been (or may be) used without your permission. Telephoning is the best way for minimizing your possible losses.

If you believe your Card or PIN has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call **(319) 377-4891**.

To report a lost or stolen Card after business hours, you may call (800) 264-5578.

ATM and PIN transactions not processed by Visa are not governed by this policy.

Consequential Damages. We will not be liable for any consequential or incidental damages resulting from the unauthorized use of your Card.

Important Disclosure Notification

Effective date: April 28, 2008

Transactions made in foreign countries and foreign currencies will be billed to you in U.S. Dollars. The conversion to dollars will be made in accordance with applicable Visa operation regulations for international transactions.

A 1% Visa International Service Assessment Fee ("VISA" ISA Fee) will be assessed on all international transactions where the merchant country differs from the country of the card issuer and a currency conversion occurs. A 1% Visa ISA fee will be assessed on all international transactions where the merchant country differs from the country of the card issuer and a currency conversion does not occur. The converted purchase amount will be shown separately from the ISA Fee on your account statement. This fee will be assessed on all international purchases, credit vouchers, and cash disbursements made with the Farmers State Bank debit card.

The exchange rate for transactions in a foreign currency will be a rate selected by Visa from the range of rates available in wholesale 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 plus the 1% Visa ISA fee.

Effective date: January 1, 2009

Your Visa® debit card allows you to conduct transactions on the PULSE® debit network, which generally requires you to enter your PIN. Some merchants are authorized to accept non-Visa debit transactions without requiring you to enter your PIN. These merchants must provide you with a clear way of choosing to make a Visa Check Card transaction if they support this option. If you choose to sign to authorize a debit transaction, the transaction will be routed as a Visa transaction. Please be advised that should you choose to make a transaction without a PIN, different terms apply. Provisions of your cardholder agreement that specifically relate to Visa transactions are inapplicable to non-Visa debit transactions.

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