

Online Banking (Internet) Agreement

PREFACE

Farmers Savings Bank is pleased to offer you Internet Banking. Our Internet Banking product allows you to conduct your banking at your convenience. We are located on worldwide web at www.frederikabank.com.

1. Introduction.

This Online Banking Agreement governs your use of Online Banking. By using Online Banking, you agree to all the terms of this Agreement.

2. The Service.

In consideration of the Online Banking services ("Services") to be provided by Farmers Savings Bank ("Bank"), as described from time to time in information distributed by Farmers Savings Bank to its customers. In the agreement "Customer" refers to the person(s) subscribing to or using the Service, the Customer agrees as follows. You may use a Personal Computer ("PC") through an Internet connection to obtain account balances and transaction information. You may also use your PC to obtain statements on your accounts and to transfer money between your accounts. However, transfers from your Money Market accounts are considered pre-authorized transfers, and pre-authorized transfers are limited to six (6) per monthly statement cycle by federal regulations.

PLEASE READ THIS AGREEMENT CAREFULLY AND KEEP A COPY FOR YOUR RECORDS.

3. Your User Code and PIN

Each individual who has access to Farmers Savings Bank's Online Banking, each individual named on joint accounts, must designate a Personal Identification Number ("PIN") and a user code. Your PIN must be minimum of (8) characters and consist of a combination of Alpha and Numeric character. For example, your PIN maybe: 12signup. You will be required to change your PIN periodically to enhance security.

4. Equipment.

You are solely responsible for the equipment (including, in the case of Online Banking, your personal computer and software) you use to access the Services. We are not responsible for errors or delays or your inability to access the Services caused by your equipment. We are not responsible for the cost of upgrading your equipment to stay current with the Services nor are we responsible, under any circumstances, for any damage to your equipment or the data resident thereon.

5. Business Days/Hours of Operation.

Our Normal Banking hours are 7:30 a.m. to 3:30 p.m. Monday through Thursday, 7:30 a.m. to 5:00 p.m. Friday and 7:30 a.m. to 12:00 p.m. Saturday except bank holidays. Online Banking Business End of Business Day is at 6:00 p.m. each Banking Business Day. Although payments and transfer can be completed only on business days, the Service is available 24 hours a day, seven days a week, except during maintenance periods, for the scheduling of payment orders and transfers.

6. Notice of Your Rights and Liabilities.

Security of your transactions is important to us. Use of the Services may therefore require a PIN or password. If you lose or forget your PIN or password, please call (319) 275-4301 or 1-888-428-5808 during normal business hours listed above.

We may accept as authentic any instructions given to us through the use of your password or PIN. You agree to keep your PIN and password secret and to notify us immediately if your PIN or password is lost or stolen or if you believe someone else has discovered your PIN or password. You agree that if you give your PIN or password to someone else, you are authorizing them to act on your behalf, and we may accept any instructions they give us to make transfers or otherwise use the Services. Online Banking Services enables you to change your password; we require that you do so regularly. We may be liable for certain security breaches to the extent required by applicable law and regulation. We do not assume any other liability or otherwise guarantee the security of information in transit to or from our facilities. Please note that we reserve

the right to (1) monitor and/or record all communications and activity related to the Services; and (2) require verification of all requested transfers in the manner we deem appropriate before making the transfer (which may include written verification by you). You agree that our records will be final and conclusive as to all questions concerning whether or not your PIN or password was used in connection with a particular transaction. If any unauthorized use of your PIN or password occurs you agree to (1) cooperate with us and appropriate law enforcement authorities in identifying and prosecuting the perpetrator; and (2) provide reasonable assistance requested by us in recovering any unauthorized transfer of funds.

Tell us **AT ONCE** if you believe your PIN or password has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum line of credit). If you tell us within two (2) business days, you can lose no more than \$50.00. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your PIN or password, and we can prove we could have stopped someone from using your PIN or password without your permission if you had told us, you could lose as much as \$500.00. Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within sixty (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 prevented someone from taking the money if you had told us in time. If you believe your PIN or password has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (319) 275-4301 or 1-888-428-5808 during normal business hours listed above. **WE CANNOT ACCEPT NOTIFICATION OF LOST OR STOLEN PINS OR PASSWORD OR UNAUTHORIZED TRANSFER VIA E-MAIL.**

7. Error and Questions.

In case of errors or question about your electronic transaction, telephone us at (319) 275-4301 or 1-888-428-5808 at:

Farmers Savings Bank
103 3rd St. P.O. Box B
Frederika, IA 50631

Notify us immediately if you think your statement or receipt is wrong or if you need more information about a transaction listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the problem or error appeared. (1) Tell us your name and Account number. (2) Describe the error or the transaction you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information. (3) Tell us the dollar amount of the suspected error. If you tell us verbally, we may require you to send us your complaint or question in writing with ten (10) business days following the date you notified us. We will determine whether an error occurred within ten (10) business days (20 business days for if the notice of error involves an electronic fund transfer to or from the account within thirty (30) days after the first deposit to the account was made) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days (twenty (20) business days if the notice of error involves an electronic fund transfer to or from the account within thirty (30) days after the first deposit to the account was made) for the amount you think is in error, so that you will have 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 ten (10) business days, we may not credit your account.

If we determine there was no error, we will reverse the previously credited amount, if any, and we will send you a written explanation within three (3) business days after we finish our investigation. You may ask for copies of the documents we used in our investigation.

8. Disclosure of Account Information to Third Parties.

We may disclose information to third parties about your account or the transaction you make; a) where it is necessary for completing transactions or resolving errors involving the Services; or b) in order to verify the existence and condition of your account for a third party, such as a credit bureau or a merchant; or c) in order to comply with government agency rules, court orders, or other applicable law; or d) to our employees, service providers, auditors, collection agents, affiliated companies, or attorneys in the course of their duties and to the extent allowed by law; or e) if you give us permission.

9. Authorization To Obtain Information.

You agree that we may obtain and review your credit report from a credit bureau or similar entity. You also agree that we may obtain information regarding your Payee Accounts in order to facilitate proper handling and crediting of your payments.

10. Terminations.

If you want to terminate your access to the Farmers Savings Bank Services, call us at (319) 275-4301 or 1-888-428-5808. After receipt of your call we will send a written termination authorization for your signature and return to us. In order to avoid imposition of the next monthly fee, we must receive your written authorization to terminate three (3) days before your service charge is scheduled to assess. Recurring transfers will not necessarily be discontinued because you terminate access to the services. We reserve the right to terminate the Farmers Savings Bank Services, in whole or in part, at any time with or without cause and without prior notice. In that event, or in the event that you give us a termination notice, we may (but are not obligated to) immediately discontinue making previously authorized transfers, including recurring transfer and other transfers that were previously authorized but not yet made. We also reserve the right to temporarily suspend the Services in situation deemed appropriate by us, in our sole and absolute discretion, including when we believe a breach of system security has occurred or is being attempted. We may consider repeated incorrect attempts to enter your PIN or password as an indication of an attempted security breach. Termination of the Services does not affect you obligations under this Agreement with respect to occurrences before termination.

11. Limitation of Liability.

Except as otherwise provided in this Agreement or by law, we are not responsible for any loss, injury, or damage, whether direct, indirect, special or consequential, caused by the Farmers Savings Bank Service or the use thereof or arising in any way out of the installation, operation, or maintenance of your PC equipment.

12. Waivers.

No waiver of the terms of this Agreement will be effective, unless in writing and signed by an officer of the Farmers Savings Bank.

13. Assignment

You may not transfer or assign your rights or duties under this Agreement.

14. Governing Law.

The laws of the state of Iowa shall govern this Agreement and all transaction hereunder. Customer acknowledges that he/she has reviewed this Customer Agreement, understands the terms and conditions set forth herein, and agrees to be bound hereby.

15. Amendments.

We can change a term or condition of this Agreement by mailing or delivering to you a written notice at least thirty (30) days before the effective date of any such change. We do not need to provide you with any prior notice where an immediate change in the terms or conditions of this Agreement is necessary to maintain or restore the security of our system or an account. However, even in these cases, if the change is to be made permanent, we will provide you with a notice of the change with the next regularly scheduled periodic statement we send you, or within thirty (30) days, unless disclosure would jeopardize the security of our system or an account. Notices mailed or delivered to you under this paragraph will be consider effective if mailed to the most recent address we show for you in either our Checking or Savings Account records.

16. Indemnification.

Customer, in consideration of being allowed access to the Farmers Savings Bank Services, agrees to indemnify and hold the Farmers Savings Bank harmless for any losses or damages to the Bank resulting for the use of the Services, to the extent allowed by applicable law.

16. Security Procedures.

By accessing the Services, you hereby acknowledge that you will be entering a protected web site owned by the Farmers Savings Bank, which may be used only for authorized purposes. The Bank may monitor and audit usage of the System, and all persons are hereby notified that use of the Services constitutes consent to such monitoring and auditing. Unauthorized attempts to up-load information and/or change information on these web sites are strictly prohibited and are subject to prosecution under the Computer Fraud and Abuse Act of 1986.

Fee Schedule:

Online Banking Service Fee: The basic Online Banking service is free.

To Enroll for Online Banking Service Please Complete the Following Page, Sign and Return to Farmers Savings Bank.

Farmers Savings Bank
103 3rd St. P.O. Box B
Frederika, IA 50631

I/We understand that I/we are the only individual(s) authorized to use Internet Banking and that use of the Internet Banking signifies agreement to the terms and conditions set forth in this On-Line Banking Internet Agreement which will be furnished to me/us.

I/We are owners of the following account(s) numbers to be including in the List of Accounts to be viewed through On-Line Banking (On-Line Banking does not allow access to accounts of which you may be listed as a "signer" and not an "owner".)

Signature(s) - The undersigned agree(s) to the terms stated in this Agreement and acknowledge(s) receipt of a completed copy on today's date.

Signed:

Name: _____ Date: _____

Name: _____ Date: _____

Print Full Name _____

Address _____

City/State/Zip _____

Social Security # _____

Security Question _____ (This will be used to verify identity should you call for assistance)

Security Answer _____

Account #'s (Specify each account you would like to have access to)

Temporary Password (This will allow you to log on to Online Banking and will be instructed to change your Password. Passwords must be at least 8 characters with 2 Alpha and 2 Numeric characters included. Passwords are case sensitive, lower case recommended.) _____

Email Address _____

*****For Bank Use Only*****

Enrollment Completed Date: _____

Enrollment Notification Sent: _____ By: _____