

FIRST STATE BANK Service Agreement for Online Banking and Bill Payment

SERVICE AGREEMENT

We, FIRST STATE BANK and our affiliates, offer various electronic services, PhoneFirst, Online Banking and Bill Pay (the "service(s)") to you, our customer, to enable you to pay bills from your checking account in amounts and on dates you request and to perform other banking activity via a touch-tone telephone or a personal computer. PhoneFirst and Online Banking also enables you to perform inquiries, transfer funds between accounts, review transaction activity and more. By using the service, including installing software or attempting to connect to the service, you agree to be bound by this agreement and to comply with applicable service instructions and help screens.

GENERAL RELEASE

If applying for the Bill Payment feature, I authorize First State Bank to review my consumer credit report and any internal banking account records for the evaluation of this application's approval.

BILL PAYMENT SERVICE FEE

There is no charge for Online Banking. Enrolling for the Bill Payment service may result in a monthly service charge. Customers currently enrolled in a Silver, Gold or Platinum Relationship Checking Package will not incur the monthly Bill Payment service charge. All other consumer accounts enrolled in Bill Payment will be assessed a \$4.95 monthly charge.

BILL PAYMENT SCHEDULING

You authorize the service to follow the payment instructions that it receives through the electronic bill payment system. When the service receives a payment instruction, you authorize it to charge your designated checking account with us ("Designated Account") on dates scheduled by you ("Date(s) to Initiate") or up to two business days later and initiate payments on your behalf to payees designated by you ("Payees"). Normally, Payees should then receive payments within three to five business days after your Designated Account is charged.

The date the Payee credits a payment depends upon the Payee's payment processing procedures, any specific requirements for payments and delays in the Payees receiving a payment. We will not be responsible for delays in crediting payments which are the result of these procedures, your failure to follow a Payee's payment requirements, your failure to schedule a Date to Initiate sufficiently in advance of the date a payment is due, delays in any mail service or other exceptions stated in this agreement.

For these reasons, we recommend that you schedule Dates to Initiate payments at least five business days in advance of the date the payment is actually due.

If you follow the procedures described in this agreement and help screens or instructions, and the service fails to send a payment within two business days after charging your Designated Account, we will reimburse you for a late charge penalty (\$50.00 maximum) assessed by a Payee because your payment was received late. In any other event, the risk of incurring and the responsibility for paying any and all late charges or other damages or penalties shall be borne by you.

You authorize the service to make payments by electronic, paper or other means we determine appropriate.

OVERDRAFTS

You authorize us to deduct these payments from your Designated Account even if they create an overdraft.

LIABILITY LIMITATIONS

The service will use good faith efforts to make all your payments properly. However, we and our agents will incur no liability if the service is unable to complete any payments or transfers initiated via the service because of any one of the following circumstances:

1. Your Designated Account does not contain sufficient available funds to complete the payment or transfer, or the payment or transfer would exceed the credit limit of your Designated Account's overdraft line.
2. The service, your equipment, the software, or any communications link is not working properly and you know or have been advised by us about the malfunction before you attempted to execute the transaction or, in the case of an automatic or recurring payment or transfer, at the time such payment or transfer should have occurred.
3. The Payee mishandles, delays posting a payment, or refuses or is unable to accept a payment.
4. You have not provided the service with the correct name(s), address or account information for Payees.

5. Your subscription to the service has been terminated for any reason.
6. If circumstances beyond our control including, but not limited to, fire, flood or interference from an outside force, prevent the proper execution of the transaction.
7. The transfer of your funds is restricted by legal process or holds.
8. Other exceptions stated in this agreement or related agreements or our Deposit Account disclosure.

Provided none of these circumstances are applicable, if the service causes an incorrect amount of funds to be removed from your Designated Account or causes funds from your Designated Account to be directed to an improper person, we shall be responsible for returning the improperly transferred funds to your Designated Account and for directing to the proper Payee any previously misdirected payments or transfers.

OUR RESPONSIBILITIES ABOVE FOR LATE CHARGES AND INCORRECT OR MISDIRECTED PAYMENTS SHALL CONSTITUTE OUR ENTIRE LIABILITY AND YOUR EXCLUSIVE REMEDY. IN NO EVENT SHALL WE BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS (EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF THESE DAMAGES) ARISING IN ANY WAY OUT OF THE INSTALLATION, USE, OR MAINTENANCE OF THE EQUIPMENT, SOFTWARE, OR THE SERVICE.

You may not use the service to pay taxes, or make other payments to governmental agencies or pay court-directed alimony or support.

PAYMENT DELETION (CANCELLATION) FOR NON-PROCESSED PAYMENTS

You may delete a Current Payment (that is, a single payment you schedule to initiate the next time you transmit payments) up to 7:00 p.m. CST on the Date to Initiate. A "Future Payment" (that is, a payment you schedule to be initiated within the next 45 days) or a "Recurring Payment" (that is, a payment you schedule to initiate weekly, semi-monthly or monthly) must be deleted by 7:00 p.m. CST at least one business day prior to the Date to Initiate or two business days prior to the Date to Initiate if the Date to Initiate is a Saturday, Sunday or holiday. (Remember: modification of a recurring payment or transfer instruction will affect all future payments or transfers associated with that payment or transfer.)

TRANSFER AUTHORIZATION

Inquiring on authorized accounts will be immediately available upon successful enrollment. The capability to transfer funds between accounts you own will be made available within three business days. If you wish to establish a transfer relationship between other accounts for which you are authorized, additional documentation may be required. Please contact First State Bank at 1-800-994-2500 during business hours for further information.

If you do not wish to authorize transfer capabilities between the accounts you own, you may opt out by indicating in writing the accounts you do not wish to have an established transfer relationship. This should be submitted to:

First State Bank
PO Box 268
New London, WI 54961-0268

UNAUTHORIZED TRANSFERS

An "unauthorized transfer" is a transfer by a person who does not have actual, implied, or apparent permission, and is a transfer that does not benefit you. A transfer by a joint account holder or other person with an interest in your account is not an unauthorized transfer. You will not be liable for unauthorized transfers except as explained in this agreement.

YOUR LIABILITY FOR UNAUTHORIZED TRANSFERS

You should not disclose your Personal Security Code or any user name or password selected by you ("Codes") for Online Banking to any other person. These Codes are for your personal use and should be kept confidential by you. We may require you to change these Codes periodically. Contact us immediately if you believe someone has obtained your Codes or may have access to your accounts without your permission. Telephoning us at **1-877-557-3636**, 24 hours a day, is the best way of minimizing your losses.

If you tell us within two business days after you discover a Code has been lost or stolen, you can lose no more than \$50.00 if someone uses a Code without your permission. If you do NOT tell us within two business days after you learn of the loss or theft of a Code, and we can prove that we could have stopped someone from using your Code without your permission if you had told us, you could lose as much as \$500.00. If your monthly statement contains transfers that you did not make, notify us at once by phone, e-mail or traditional mail. If you do not notify us within 60 days after the statement was mailed to you, you

may lose any amount transferred without your authorization 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) prevented you from telling us, we may extend the period.

CODES

Additionally, to help enhance your Online Banking security, FIRST STATE BANK recommends you follow some general safety guidelines:

1. Never walk away from your computer while logged on to Online Banking
2. Memorize your Code
3. Don't share your Code with anyone
4. Choose a Code that's not easy to guess. For example, use a minimum of eight characters with a combination of numeric and alpha characters, and do not use names of family members or pets alone or followed by a number. Words in a dictionary, derivatives of user IDs and common character sequence such as "12345678" should not be employed. Likewise, personal details such as a spouse's name, license plate, social security number, and birthday should not be used unless accompanied by additional unrelated characters. User-chosen Code should also not be any proper names, geographical locations, common acronyms, or slang. Choosing a Code that contains at least one lower case and one upper case alphabetic character and the use of non-alphabetic characters where feasible such as a numeral (0-9) or punctuation character is strongly recommended
5. Never give your Code to somebody else, even if they **identify themselves** as an FIRST STATE BANK employee. Under no circumstances does FIRST STATE BANK need your Code.

ERRORS AND QUESTIONS. IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS OR PAYMENTS, YOU SHOULD:

1. Telephone the Customer Support Center at 1-877-557-3636, 24 hours a day, seven days a week; or
2. Telephone us at (920) 982-3300 during business hours, Monday through Friday; or
3. E-mail us at manager@bankfirststate.com; or
4. Write us at:

FIRST STATE BANK

P. O. Box 268

New London, WI 54961-0268

Notify us as soon as you can, if you think that your statement is wrong or you need more information about a transfer listed on the statement. We must hear from you no later than 60 days after you received the FIRST statement on which the problem or error appeared.

1. Provide us with your name, Designated Account number and nature of dispute;
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; and
3. Tell us the dollar amount of the suspected error.

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

We will tell you the results of our investigation within 10 business days after we hear from you, and will correct any error promptly. If more research is needed, we may take up to 45 days to investigate the complaint or question. If we decide to do this, we will credit your Designated Account within 10 business days for the amount you think is in error, so that you may 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 Designated Account.

If we decide there was no error, we will mail you a written explanation within three business days after we finish the investigation. You may ask for copies of documents, which we used in our investigation.

FEES

You agree to pay the fees for electronic Bill Payment services in accordance with applicable Fee Schedules and disclosures as established by us from time to time. We may automatically deduct these fees from your Designated Account or a related account even if they create an overdraft and we may assess the appropriate overdraft fees.

CHANGES

We reserve the right, at our discretion, to add, delete, change, modify, alter, or discontinue any service or any aspect, feature, or function of any service at any time, including content, hours, and equipment needed for access or use ("change(s)"). We also reserve the right, at our discretion, to add, delete, change, modify, or amend any fees or other terms and conditions of this agreement at any time (also called, "change(s)"). Unless an immediate change is necessary to ensure the security of the service or your Designated Account, we will send you written notice to the mail address or e-mail address we currently possess in our file at least 21 days before the effective date of any changes if required by law.

Any use of the service after we send you a notice of change will constitute your agreement to such change(s). Further, the service may, from time to time, revise or update the bill payment programs, services, and/or related material and these changes may render prior versions obsolete. Consequently, the service reserves the right to terminate this agreement as to all such prior versions of the bill payment programs, services, or related material and limit access to the services more recent revisions and updates.

TERMINATION OR DISCONTINUATION

In the event you wish to discontinue the service, you must contact us in writing. Written notice of service discontinuance must be supplied 10 business days prior to the actual discontinuance date and must be sent to:

FIRST STATE BANK
P. O. Box 268
New London, WI 54961-0268

We reserve the right to terminate your use of the services in whole or in part at any time. Upon termination you will be responsible for making arrangements to pay any future or recurring payments. Neither termination nor discontinuation shall affect your liability or obligation under this agreement. The service reserves the right to refuse to pay a Payee if your Designated Account has insufficient funds, a Payee refuses to accept a payment, you attempt to make tax or court related payments or other good cause.

Since service cancellation requests take up to 10 days to process, you should cancel all outstanding payment or transfer orders in addition to notifying us of your desire to terminate the service. We will not be liable for payments or transfers not cancelled or payments or transfers made due to the lack of proper notification by you of service termination or discontinuance for any reason.

DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES

We may disclose information about you, your Designated Account or transactions on your Designated Account to the service and as provided in our Deposit Account disclosure. In addition, the service has the right to obtain and disclose information regarding your Designated Account or transactions on your Designated Account from or to a Payee or financial institution to resolve payment posting problems.

MISCELLANEOUS

(a) Business days are Monday through Friday, except federal banking holidays. There is also a business day "cut-off" time of 7:00 p.m. CST. Transactions performed after that time (or any time on a weekend or holiday) are treated as though they were performed on the next business day.

(b) Your monthly checking account statement will contain information about any bill payment transactions that you have performed during the statement period.

(c) You agree to comply with the requirements of any help screens, instructions, on-line documentation, or other on-line user terms and conditions, as modified from time to time.

(d) In the event of a dispute regarding the services, you and we agree to resolve the dispute by looking to the terms and conditions contained in this agreement and the FIRST STATE BANK Deposit Account disclosure, as they may be amended from time to time, and not to representations made by our employees or agents.

(e) You agree that anyone with an ownership interest in your accounts, including joint accounts, may access those accounts, unless we are instructed to the contrary.

(f) You represent and warrant that you are at least 18 years of age.

(g) Our failure to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such a right or provision unless acknowledged and agreed to by us in writing.

(h) This agreement shall be governed by and construed in accordance with the following: if your account is opened with FIRST STATE BANK, the laws of the United States and the laws of the State of Wisconsin will apply.

(i) New checking account customers are subject to a 90-day waiting period before they become eligible to apply for Bill Payment.

Keep the above service agreement for your records.