

## MOBILE BANKING DEPOSIT SERVICE AGREEMENT ADDENDUM

Your use of the Mobile Banking Deposit Service (“Deposit Service”) offered through the Mobile Banking Application is governed by the terms and conditions in this Addendum. This Addendum supplements and is in addition to the terms and conditions in the Online & Mobile Banking Agreement, and your Account Agreement and all accompanying Disclosures including the Electronic Funds Transfer Disclosure and the Expedited Funds Availability Disclosure.

Your enrollment in and use of the Deposit Service constitutes your agreement with the terms and conditions of the Online & Mobile Banking Agreement and this Addendum. You acknowledge that you have read this Addendum.

In this Addendum, "you" and "your" refer to the person(s) named in the enrollment form(s) used to obtain access to the Deposit Services and any other person that you permit to access the site using your User ID or password. The words "we," "us" and "our" refer to Security State Bank and/or Dundee Bank, a Branch of Security State Bank.

The word “item” includes a check, substitute check, draft, demand draft, preauthorized draft, image replacement document, money order, cashier’s check or traveler’s check.

The word “paper item” refers to an Item that is in paper form.

The word “electronic item” refers to the electronic image of each Paper Item and other information captured from the Paper Item.

**A. Mobile Banking Deposit Service.** The Deposit Service enables you to use a Mobile Banking Application and certain qualified hardware (such as a smart phone or tablet) to (i) create electronic images of the front and back of certain Paper Items and (ii) transmit those images and other information, including, without limitation, information captured from the magnetic ink character recognition (“MICR”) line, to us for review and processing in accordance with this Addendum. For each Electronic Item that we determine is eligible for processing as described below, we will:

1. create a substitute check that we will present directly or indirectly to the bank (a) on which the original Paper Item to which the Electronic Item relates is drawn, or (b) at or through which the Paper Item is payable (each the “Paying Bank”);
2. include the Electronic Item in an electronic file for presentment directly or indirectly to the Paying Bank; or
3. present or post any Electronic Item for which we are the Paying Bank.

**B. Qualification.** In order to enroll in the Deposit Service, you must be designated as an authorized signer or owner of an active deposit account (“Account”) and you must (a) maintain the Account in good standing and (b) comply with such restrictions on the Deposit Service as we may from time to time communicate.

**C. Creating and Transmitting Electronic Items.**

**1. Check Handling Procedures.**

- a) Sign the back of your check and write your account number and “For Deposit Only” on the back of your check.
- b) On the front of your check you should write “Electronic Deposit”.
- c) Photograph both the front and back of your check.

d) Retain the check in a safe location for at least fourteen days after receiving confirmation from the Mobile Banking Application in case the check is deemed an Exception Item as defined below. Thereafter, you must destroy the check no more than thirty days after the deposit. Shredding is recommended.

2. **Allowable Paper Items.** Domestic checks payable in U.S. dollars can be deposited using the Deposit Service. Checks eligible for deposit include all types of checks eligible for Check 21 conversion: consumer checks, business checks, corporate checks, government warrants, money orders, and travelers' checks.

3. **Unallowable Paper Items.** The following items may not be deposited through the Deposit service: U.S. Treasury Checks, U.S. savings bonds and other non-check items, items drawn on banks outside the U.S., third party checks, items drawn on foreign currency, paper drafts without MICR printing or substitute checks (image replacement documents), checks drawn against a line of credit, checks that have reached 90 days in age, and cash.

**D. Processing Your Electronic Items.** Deposits made using the Deposit Service are subject to your Account Agreement and all accompanying Disclosures including Expedited Funds Availability Disclosure. Your Electronic Items are deemed to have been received by us when the Mobile Banking Application generates a confirmation message.

**Note:** All deposits are subject to bank verification and may not be available for immediate withdrawal.

**E. Exception Items.** Each Business Day we review Electronic Items to determine if any Electronic Item, that we in our sole discretion, determine to be ineligible for the Deposit Service ("Exception Item").

Exception Items include, without limitation, an Electronic Item that:

1. is illegible or contains MICR data that is not machine readable;
2. was previously processed as an Electronic Item, or
3. is an Unallowable Paper Item as set forth above.

Even if we do not initially identify an Electronic Item as an Exception Item when we review and process the Electronic Item, the Electronic Item may still be returned to us by the Paying Bank if the Paying Bank determines that such Electronic Item is illegible or missing an image.

We will attempt to notify you of each Exception Item through any communication channels at our discretion.

**F. Depositing Exception Items.** Once an Electronic Item has been deemed an Exception Item, you must present the original Paper Item or the substitute check provided to you by us, in order to make the deposit into your Account. You may not attempt to use the Deposit Service to make a deposit of an Exception Item.

**G. Deposit to the Account.** Subject to our right to identify and reject Exception Items, we shall be deemed to have accepted each Electronic Item that is not an Exception Item for Deposit to the Account. Deposits made using the Deposit Service are subject to your Account Agreement and all accompanying Disclosures including the Expedited Funds Availability Disclosure. No deposit is complete until we process it and collect the funds.

**Note:** All deposits are subject to bank verification and may not be available for immediate withdrawal.

**H. Deposit Limits.** You can make as many deposits per day that you would like, however, the total deposit amount cannot exceed the daily business day deposit limit of \$5,000.

**I. Fees.** The Deposit Service is provided at no charge to you. We may, upon at least 30 days notice to you and to the extent required by applicable law, charge a fee for use of the Deposit Service. If you continue to use the Deposit Service after the fee becomes effective, you agree to pay all fees associated with the Deposit Service. All fees applicable to Account apply and remain in effect. A fee schedule for all fees related to your Account is available upon request.

**J. Warranties.** You represent and warranty to us that:

1. You will use the Deposit Service only for Paper Items that are payable to, and indorsed by, you.
2. You will not submit any duplicate Electronic Items to us.
3. You will not deposit into your Account or otherwise negotiate any original Paper Item from which you have previously created and submitted to us an Electronic Item, unless we have notified you that the Electronic Item is an Exception Item.
4. 4. You will review and verify for accuracy the information contained in the Electronic Item before you transmit to us.
5. You will not store or make back-up copies of Electronic Items.

**K. Indemnification.** You shall be liable to us for and shall indemnify and hold us and our affiliates and their respective officers, directors, employees and agents harmless from and against any and all claims, causes of action, damages, expenses (including reasonable attorneys' fees and other legal expenses), liabilities and other losses resulting from your acts or omissions, or from the provision of invalid or inaccurate information by you or by any other person or entity acting on your behalf, including without limitation (a) a breach by you of any provision of the Online & Mobile Banking Agreement and this Addendum; (b) our crediting of the account of any person or entity as requested by you."

**L. Limitation of Liability.**

1. We shall be responsible only for performing the Deposit Services described in the Online & Mobile Banking Agreement and this Addendum and shall only be liable for our own gross negligence or willful misconduct in performing those services. We shall not be liable for acts or omissions by you or any other person or entity.

2. Except as otherwise required by applicable law, we shall not be liable for any loss or liability arising from (a) your negligence, wrongful act or breach of the Online & Mobile Banking Agreement and this Addendum; or (b) any ambiguity or inaccuracy in any information given to us by you."

**M. Termination.** You or we may terminate the Deposit Service at any time.

**N. Right to Audit.** We may periodically audit and verify your compliance with this Addendum. You agree to cooperate and provide information or documents, at your expense, as may be reasonably requested by us in the course of such audit.