

Mobile Deposit Terms & Conditions

CLASSIC BANK, N.A. MOBILE DEPOSIT ADDENDUM ("Addendum") TO ONLINE BANKING SERVICE AGREEMENT ("OBSA") FOR CLASSIC BANK PERSONAL INTERNET BANKING

This Addendum is effective October 24, 2015

Your use of the *Classic Bank Mobile Deposit Service* is governed by the terms of the OBSA, Mobile Enrollment Terms & Conditions, and this Addendum. (You may review the OBSA by visiting www.classicbank.com.) If we make changes to this Addendum, we will update the Addendum on our website. We will notify you of changes as specified in the OBSA.

Your enrollment in the *Classic Bank Mobile Deposit Service* constitutes your agreement with the terms of the OBSA, Mobile Terms & Conditions, and this Addendum. You acknowledge that you have read this Addendum and will retain a copy for your records.

In this Addendum, the words "you" and "your" refer to you as the person or business entity entering into this Addendum. The words "you" and "your" also include any user you authorize to use the *Classic Bank Mobile Deposit Service* on your behalf. The words "we," "us," and "our" refer to Classic Bank, N.A.

Classic Bank Mobile Deposit Service ("Classic Bank Mobile Deposit Service" or "Service")

- A. **Description of the *Classic Bank Mobile Deposit Service*.** The Service enables you to use a Classic Bank Mobile Banking application and certain hardware (such as a smartphone or other mobile device) to (i) create electronic images of the front and back of certain Paper Items¹ 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. "Electronic Item" means the electronic image of each Paper Item and other information captured from the Paper Item. After we receive your transmission, we will review each Electronic Item. For each Electronic Item that we determine is eligible for processing as described below, we will:
1. Include the Electronic Item in an electronic file for presentment directly or indirectly to the Paying Bank; or
 2. Present or post any Electronic Item for which we are the Paying Bank; or
 3. 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").
- B. **Qualification.** In order to enroll in the Service, you must be designated as an authorized signer or owner of a Classic Bank Account (the "Account") that is eligible for this Service. Provision of the Services to you is at the Bank's sole discretion.
- C. **Conditions to Provision of the Service.** As conditions to Bank's provision of the Service, you shall (a) maintain the Account in good standing, (b) subscribe to *Classic Bank Personal Internet Banking*, and (c) comply with such restrictions on the Service as we may communicate to you from time to time.
- D. **FEES.** The Service is provided at no charge to you. We may, upon at least 30 days prior notice to you, if required by applicable law, charge a fee for use of the Service.
- E. **Creating and Transmitting Electronic Items to Classic Bank.** You agree to create an image and deposit only "checks" as that term is defined in Federal Regulation CC ("Reg CC). When the images

of the front and back of the check are transmitted to the Bank, they are individually or collectively converted to an electronic image for subsequent presentment and collection. It shall therefore be deemed an "item" within the meaning of Articles 3 and 4 of the Uniform Commercial Code.

You agree that you will not create an image and deposit any of the following types of checks or other items which shall be considered ineligible items:

- Checks payable to any person or entity other than the person or entity that owns the account that the check is being deposited into.
- Checks containing an alteration on the front of the check or item, or which you know or suspect, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the check is drawn.
- Checks payable jointly, unless deposited into an account in the name of all the payees.
- Checks drawn on a financial institution located outside the United States.
- Checks that are remotely created checks (as defined in Reg. CC).
- Checks not payable in United States currency.
- Checks dated more than six (6) months prior to the date of deposit.
- Checks that are "VOID" after 90 days.
- Checks payable on sight or payable through Drafts (as defined in Reg. CC).
- Draft, demand draft, preauthorized draft, image replacement document (IRD), money order, Cashier's Check or traveler's check.
- Checks that are not endorsed on the back in blue or black ink, with your signature and "For Mobile Deposit Only".
- Checks that have previously been submitted through the Service or through a remote deposit service offered at any other financial institution, or otherwise previously converted to a substitute check, as defined by Reg. CC.

F. **Processing Your Electronic Item(s).** If you transmit your Electronic Item(s) to Classic Bank before the cut-off time we separately disclose to you (the "Cut-Off Time") on any Business Day², we shall review and process your Electronic Item(s) on that Business Day. If you transmit your Electronic Item(s) to us after the Cut-Off Time on any Business Day, we shall review and process your Electronic Item(s) on the next Business Day. Your Electronic Item(s) is deemed to have been received by the Bank when the Service generates a confirmation message.

G. **Exception Items.** Each Business Day on which we review and process your Electronic Item(s), we will use commercially reasonable efforts to review each Electronic Item and to reject any Electronic Item that we in our sole discretion determine to be ineligible for the Service (each, an "Exception Item"). "Exception Item" includes, without limitation, an Electronic Item that (a) is illegible or contains MICR data that is not machine-readable, (b) was previously processed as an Electronic Item, or (c) is drawn on banks located outside the United States and is not payable at or through a bank located within the United States. We will notify you of each Exception Item through the email address that you provided at the time of the mobile deposit, or other communication channels at our discretion. If you wish to attempt to deposit any Exception Item to your Account, you shall do so only by depositing the original Paper Item on which the Exception Item is based or as otherwise agreed between us. Even if we do not initially identify an Electronic Item as an Exception Item when we review and process the Electronic Item to which the Exception Item relates, the Electronic Item, substitute check, or the purported substitute check created by us from it may nevertheless be

returned to us because, among other reasons, the Paying Bank determines that such item or check is illegible or missing an image. Our failure to identify an Exception Item shall not preclude or limit the obligation of you to Classic Bank under Paragraph L.

- H. **Deposits to the Account.** By depositing Electronic Images with the Bank via the Services, you give Bank the same warranties and indemnities that Bank, as a reconverting bank, would give under applicable law or regulation; including but not limited to Check21 Act and the federal Regulation CC promulgated pursuant to the Check21 Act. For the purpose of this section, any capitalized term not otherwise defined herein has the meaning defined or ascribed to it under the Check21 Act and federal Regulation CC. You understand and acknowledge that all of the warranties deemed given by a depositor of a check to a bank under the Uniform Commercial Code (“UCC”), as applicable from time to time in the State of Texas, shall also apply to any Electronic Image of an Original Check the same as if such Electronic Image or Substitute Check were a paper check within the meaning of the UCC as adopted by the State of Texas (“Texas UCC”). Accordingly, except to the extent that any warranties deemed given under the Texas UCC are expressly superseded by the Check21 Act or the Check21 regulations, you understand that you are deemed to give Bank all the same warranties you would have given under the Texas UCC for the deposit of an Original Check by transferring to Bank: (a) any Substitute Check; (b) an IRD or other item purporting to be a Substitute Check; or (c) any Electronic Image that purports to contain a Sufficient Copy of an Original Check or a Substitute Check.

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 on the Business Day that we process the Electronic Item, provided its transmission to us is prior to the Cut-Off Time. Additionally, an Electronic Item will be deemed to have been deposited at the office where the Account is maintained.

- I. **Deposit Limitations.** The daily dollar limit on mobile deposits is \$5,000.00. The daily number of deposits is 10 deposits per day. Each deposit may be comprised of only one check.
- J. **Security Procedures.** Any individual authorized by you to access the Service (a “User”) shall do so by entering a user name and a password, or other unique identifier that may be required (collectively referred to herein as “Security Credentials”). No person employed by Classic Bank shall have access to any Security Credentials you or your Users create. From time to time, we may require you to use additional security and authentication procedures, as specified in the OBSA.
- K. **Your Warranties to Classic Bank.** You represent and warrant to Classic Bank that:
FAILURE TO PROTECT YOUR HARDWARE AND SECURITY CREDENTIALS MAY ALLOW AN UNAUTHORIZED PARTY TO ACCESS THE SERVICE AND TRANSMIT AN ELECTRONIC ITEM FOR DEPOSIT. ALL USES OF THE SERVICE THROUGH YOUR SECURITY CREDENTIALS WILL BE DEEMED TO BE USES AUTHORIZED BY YOU AND BE BINDING UPON YOU. YOU ASSUME THE ENTIRE RISK FOR THE FRAUDULENT OR UNAUTHORIZED USE OF YOUR SECURITY CREDENTIALS. YOU AGREE TO (i) EXERCISE RESPONSIBLE BEHAVIOR WHEN USING THE SERVICE, (ii) FOLLOW THE INSTRUCTIONS AND RECOMMENDATIONS THAT CLASSIC BANK PROVIDES YOU WITH RESPECT TO THE SERVICE AND (iii) USE MAXIMUM CAUTION IN PROTECTING YOUR HARDWARE AND SECURITY CREDENTIALS FROM UNAUTHORIZED ACCESS. YOU AGREE TO NOTIFY CLASSIC BANK IMMEDIATELY IF YOU BECOME AWARE OF ANY LOSS OR THEFT OF, OR ANY UNAUTHORIZED USE OF THE SERVICE OR YOUR SECURITY CREDENTIALS.
1. You will use the Service only for Paper Items that are payable to, and endorsed by you.

2. You will properly secure all hardware you use in connection with the Service (including, but not limited to, securing the hardware with Security Credentials to prevent unauthorized use). You will maintain control over and be responsible for secure retention, storage, and destruction of original Paper Items for which you have created an Electronic Item. After transmitting the Electronic Item to us, you will retain the original Paper Items for 30 calendar days from the transmission date ("Retention Period"). You will retain and store the original Paper Items in a secure and locked container that is only accessible by persons needing access to such Paper Items. During the Retention Period and upon our request, you agree to provide us with the original Paper Item(s). Once the Retention Period has expired, you will promptly, securely and irretrievably destroy original Paper Items from which you have previously created and submitted to us an Electronic Item, such that the original Paper Items are rendered unreadable.
3. You will not submit any duplicate Electronic Items to us.
4. You will not deposit to 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.
5. You will transmit to us only Electronic Items that are suitable for processing, including, but not limited to, Electronic Items that are legible and contain machine-readable MICR data.
6. You will review and verify for accuracy the information contained in the Electronic Item(s) before you transmit it to us.
7. You will only transmit Electronic Item(s) that are drawn on or payable at or through banks located within the United States.
8. You will not store or make a back-up copy of the Electronic Item(s).

- L. **Your Agreement to Indemnify Classic Bank.** You will indemnify, defend, and hold harmless Classic Bank, and directors, officers, employees, and agents (collectively in this Paragraph L, "Indemnitees") from and against all liabilities, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered (collectively, "Losses and Liabilities") by Indemnitees arising directly or indirectly from or related to the following (except for Losses and Liabilities arising directly or indirectly from or related to our own gross negligence or willful misconduct):
1. Any negligent or intentional act or omission by you in the performance of your obligations under this Addendum, including, but not limited to, (i) duplicate image of the same original Paper Item, (ii) transmission of duplicate Electronic Items, (iii) calculation errors of deposit totals, (iv) numerical errors on deposit data entry, and (v) fraudulent or unauthorized use of your hardware or Security Credentials.
 2. Any material breach in a representation, warranty, covenant, or obligation of you contained in this Addendum;
 3. The violation of any applicable law, statute, or regulation in the performance of your obligations under this Addendum;
 4. Classic Bank acting as a "reconverting bank" under the Check Clearing for the 21st Century Act through the creation of "substitute checks" or purported substitute checks using an Electronic Item or an illegible Electronic Item;
 5. Our presenting to Paying Bank an Electronic Item for payment; and
 6. Your failure to (i) securely maintain your hardware or the original Paper Items, or (ii) proper and timely disposal of original Paper Items in accordance with Paragraph K.2, in which event such Losses and Liabilities shall include without limitation consequential damages.

This Paragraph L shall survive the termination of the Service.

- M. **Termination.** You or we may terminate the Service at any time, for any reason, without prior notice.

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 Classic Bank in the course of such audit.

O. **Entire Agreement; Conflicting Terms.** This Addendum forms part of and is incorporated by reference into the OBSA. Except as amended by this Addendum, the OBSA remains in full force and effect. In the event of any conflict between this Addendum and the OBSA, this Addendum shall govern with respect to the Service.

¹ A "Paper Item" is an Item that is in paper form. For purposes of this Addendum, an "Item" includes a check, a substitute check, purported substitute check, image replacement document.

² A "Business Day" is every day except Saturdays, Sundays, and federal holidays.

Deposit products offered by Classic Bank, N.A. Member FDIC.