

## Mobile Deposit Service Agreement

*These Terms and Conditions are effective November 22nd, 2016.*

In order to access Jersey State Bank's Mobile Deposit Service ("Mobile Deposit") you must be enrolled in Jersey State Bank's Online Banking and meet the minimum qualifying criteria. Your usage of the Mobile Deposit Service constitutes your agreement with the Terms and Conditions. If we make changes to the Terms and Conditions, we will update them in our mobile app and on our website and notify you of changes as specified in the Terms and Conditions, Usage Guidelines, or Frequently Asked Questions related to our Mobile Deposit Service.

### **Definitions:**

- "You," "Your": You as the person or business entity subject to these Terms and Conditions, which includes any user you authorize to use the Mobile Deposit Service on your behalf.
- "Bank," "We," "Us," "Our": Jersey State Bank.
- "Business Day": Monday through Friday, excluding Federal Holidays and other days on which we are closed.
- "Deposit": Each individual check deposited using the Mobile Deposit Service.
- "Qualifying Account": Any account which meets the qualifications of this service, as determined by the Bank.
- A "Paper Item" is an Item that is in paper form. For purposes of this Agreement, an "Item" includes a check, a substitute check, purported substitute check, draft, demand draft, preauthorized draft, image replacement document, money order or cashier's check.

### **Use of Service:**

In addition to being enrolled in our Online Banking, you must download our Mobile Banking app to a supported device, such as a smartphone, maintains the Account in good standing, and comply with such restrictions on the Service as we may communicate to you from time to time. Our Usage Guidelines includes a list of supported devices. To make a Deposit using Mobile Deposit Capture, you must log into your Jersey State Bank Mobile App on your device. Choose "Deposits", select "Deposit Check". You will then choose the Qualifying Account to receive the Deposit, enter the amount of the Deposit, then take a picture with your device of both the front and back of the check which you are depositing, and, submit the Deposit. Upon submission, the Deposit will undergo an image quality check. Should the Deposit fail this quality check, you will be prompted to retake the picture of the front and/or back of the check.

After submitting each Deposit you will receive an in-app confirmation that the Deposit has been submitted for processing. This notification acknowledges the receipt of deposit and **DOES NOT** mean the Deposit has been approved. An additional communication will only be sent if one of the following situations applies to the Deposit:

- Processed with Adjustment – The amount of the check does not match the amount you entered.
- Processed with Hold Adjustment – All deposits are subject to review and holds may be placed on the check. You will receive a notification of any hold placed on a deposit.
- Rejected – The Deposit has been rejected by the Bank.

**If your Deposit repeatedly fails the quality check, or is rejected for any reason, you will be required to bring the check (s) into the branch or mail the check (s) to the branch for processing.**

If the Deposit has been reviewed and approved, it will be posted to your Qualifying Account with a Mobile Deposit description. Once the Deposit has been approved the funds will be posted to your Qualifying Account; however, the funds will be available in accordance with the "Funds Availability" section below.

### **Funds Availability:**

Our general policy is to allow you to withdraw funds deposited in your account on the first business day after the day we receive your deposit. In some cases, we may delay your ability to withdraw funds beyond the first business day. Then, the funds will generally be available by the second business day after the day of the deposit. A notice of delayed availability will be mailed to you.

### **Cut-Off Time:**

Deposits sent using Mobile Deposit may be "submitted" any time of day, weekend, or holiday. However, deposits received by us after the daily cut-off time for electronic deposits will be deposited the next business day, provided that the deposit meets all requirements. Deposits submitted on holidays or weekends will also be deposited the next business day, provided it meets all requirements. The daily cut-off time for electronic deposits is 3:00pm CST and is

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subject to change without notice to you. Deposit made through the Mobile Deposit Service may not be immediately available for viewing on Online Banking or Mobile Banking. When the Deposit(s) are available for viewing, the reflected order of debit and credit transactions (including but not limited to checks and debit card transactions) may vary from the order in which the Bank will finally process them. The Bank reserves the right to determine the processing order of all transactions. Your Electronic Item(s) is deemed to have been received by the Bank when the Service generates a confirmation message. However, the message does not mean the deposit has been approved by the bank.

You agree that Bank has no obligation to accept a Mobile Deposit and, therefore, we reserve the right to reject any Mobile Deposit or the Images or other information contained therein transmitted through this Service, at our discretion, without liability to you. It is your responsibility to check notifications from Jersey State Bank for any rejected submissions and contact Jersey State Bank at 618-498-6466 to address the reason for such rejection. You acknowledge and agree that Bank shall have no liability to you for failing to provide notice of rejection of a Mobile Deposit. You agree that you shall be solely liable for, and the Bank shall not have any liability whatsoever to you for, any Mobile Deposit or the Images or other information contained therein that are not received by the Bank. You also agree to be liable for Mobile Deposits or the Images or other information contained therein that are intercepted or altered by an unauthorized third party or dropped during transmission.

### ***Conditions for Use:***

When using the Mobile Deposit Service, you will endorse all checks with “For Mobile Deposit Only” along with your signature. *For business accounts:* you will endorse all checks with “For Mobile Deposit Only” along with your signature and business name. You agree to maintain all paper items contained in a Deposit, which has been approved by the Bank for thirty (30) calendar days after submission. After the 30-calendar day retention period for each paper item, you will destroy the paper item in a manner, such as shredding, that makes it unable to be compromised.

You will **NOT** deposit the following items to your Qualifying Account using Mobile Deposit Capture:

- Checks made payable to any person or entity other than you (i.e., third party checks);
- Checks made payable to CASH;
- Checks which have previously been deposited and returned;
- Checks drawn on institutions located outside the United States;
- Checks payable in a denomination other than US dollars;
- Substitute Checks (as defined in the Check 21 Act);
- Checks that are not in original form with an original signature, such as substitute checks or remotely created checks.
- US Postal Money orders, MoneyGrams or travelers’ checks;
- Checks or items on which a stop payment order has been issued or for which there are insufficient funds.
- Checks containing any alteration of which you know or believe to be fraudulent or not authorized by the owner of the account on which the check is drawn.
- Checks dated more than 180 days prior to deposit (stale check) or with any legend included on the front of the check;
- Checks with a date after the date of deposit or no date;
- Checks in an amount in excess of the deposit limitations set forth herein (see “Deposit Limits” below); and
- Checks when you not are physically located in the United States;
- Checks drawn on the same account in which you are depositing;
- Any item that is stamped with a “non-negotiable” watermark.

### ***Mobile Deposit Capture Unavailability***

Mobile Deposit Capture may be unavailable temporarily due to system maintenance or technical difficulties, including those of the Internet service provider, cellular service provider and Internet software. If for any reason the Mobile Deposit Service is not able to process your Deposit, you may take your check(s) to the nearest Jersey State Bank branch for deposit to your Qualifying account or mailing the original check(s) to 1000 South State Street, Jerseyville, IL 62052.

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### ***Fees:***

Mobile Deposit is currently provided at no charge to you. We may, upon at least thirty (30) days prior notice to you, to the extent required by applicable law, charge a fee for use of this service. If you continue to use Mobile Deposit after the fee becomes effective, you agree to pay the service fee that has been disclosed to you, as may be amended from time to time. Further, any such service fee will be debited from the same deposit account where the check is being deposited.

Any applicable fees for Mobile Deposit may be changed by us at our discretion at any time upon at least 30 days prior notice to you, to the extent required by applicable law. If your deposit account does not have sufficient funds to cover fees, you authorize us to charge any such fees to any other deposit account you maintain with us.

### ***Deposit Limits:***

We reserve the right to impose limits on the deposits you submit using this service and to modify such limits from time to time. This service is currently subject to following limits:

Item Limit: (the maximum single item amount you may deposit): \$2,500.00

Daily Limit: (the maximum cumulative amount you may deposit in a single day): \$2,500.00

We will reject any deposit that exceeds one or both of these limits. You may request a higher Item and/or Daily limit, which we may grant at our sole discretion. We reserve the right to reduce your deposit limits for any reason.

### ***Returns:***

If a paper item in a Deposit is dishonored or otherwise returned for any reason, you authorize the Bank to debit the amount of such paper item from the credited Qualifying Account. If there are insufficient funds in the credited Qualifying Account, you authorize the Bank to collect the funds from any of your accounts. If funds are not available in any account, you agree to reimburse the Bank for the amount of any dishonored or returned paper item. You also agree to pay the Bank any applicable fees in accordance with the Fee Schedule in effect at the time of the collection. Failure to do so may result in a charge-back to the Qualified Account which may cause the account to become overdrawn. In that scenario, the Bank's Overdraft Policy will be in effect. As a last resort, the Bank may seek other alternatives for reimbursement which could include legal channels.

Because you have retained and, after thirty (30) calendar days, destroyed the original paper item, you acknowledge that it is impossible for the Bank to return such original to you. You agree that the paper item returned will be in the form of an electronic or paper reproduction of the original paper as defined in the Check 21 Act.

### **Your Warranties to Jersey State Bank:**

You represent and warrant to Jersey State 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 JERSEY STATE 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 JERSEY STATE 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

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have created an Electronic Item. After transmitting the Electronic Item to us, you will retain the original Paper Items for thirty (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 securely and irretrievably destroy original Paper Items from which you have previously created and submitted to us an Electronic Item.

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).

### ***Your Agreement to Indemnify Jersey State Bank:***

You will indemnify, defend, and save harmless Jersey State Bank, its parent company and its affiliates and each of their respective directors, officers, employees, and agents (collectively in this Paragraph, "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 Agreement, including, but not limited to, (i) duplicate scanning 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 Agreement
3. The violation of any applicable law, statute, or regulation in the performance of your obligations under this Agreement
4. Jersey State 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) properly and timely dispose of original Paper Items in accordance with Paragraph Your Warranties.2, in which event such Losses and Liabilities shall include without limitation consequential damages.

This Paragraph shall survive the termination of the Service.

### ***Termination:***

Jersey State Bank reserves the right to terminate, or otherwise restrict, your usage of Mobile Deposit for any reason. In addition to complying with the Conditions of Use and Warranties above, users of this service are expected to maintain their account in good standing, which we define as having a positive balance, regular deposits, and few, if any, overdrafts.