



Think of Us First!®
FIRST NATIONAL BANK
of Milaca

www.fnbmilaca.com

Mobile Banking Terms and Conditions - August 20, 2018

- 1. SERVICE.** The Mobile Banking Service ("Service") is designed to allow customers ("You") access to most of the services provided with Online Banking plus additional services available with the First National Bank of Milaca ("Bank"/"We") Mobile Banking application using approved mobile devices. This Service is only available to Online Banking customers of the Bank

The terms and conditions of this Agreement supplement the Bank's Online Banking Agreement and Disclosure and your existing Account Agreement and Disclosures governing your accounts with the Bank.

- 2. ACCEPTANCE OF THESE TERMS.** After you have carefully read this Agreement in its entirety, you will be asked to accept the terms and conditions of this Agreement by clicking the "I ACCEPT" button below. By accepting this Agreement, you are agreeing to all of the terms and conditions outlined within it. You are not permitted to alter or amend this Agreement or any related document without our express written consent. Any attempt to do so will be void and unenforceable. This Agreement is subject to change. Updates to this Agreement will be sent electronically if you have agreed to our Electronic Disclosure Consent Agreement, otherwise they will be mailed to you at the last known address in our files. We will provide you with advance notice if any changes to this Agreement are required by applicable law. If you have any questions about this Agreement, or if you want a paper copy, please contact our Digital Banking Department at [\(320\) 983-1330](tel:3209831330), send us a secure email through the Internet Banking Service, or write us at First National Bank of Milaca, ATTN: Digital Banking Department P.O. Box 38, Milaca MN 56353. You should print and/or save a copy of this Agreement for your records.

If you do not agree to the terms of this Agreement and/or do not accept the electronic version of this document, select the "CANCEL " button.

- 3. MOBILE BANKING SERVICES.** We may provide Mobile Banking Services to you during the Term from time to time as described in this Agreement. You understand and agree that we may, and you authorize us to, provide Mobile Banking Services through one or more third party vendors. This Agreement supplements your Online Banking Agreement with the Bank.

Please refer to the online help and instructions on how to use our Mobile Banking Services. Please note that during your use of this Service, we may provide you with additional requirements and limitations regarding the use of Mobile Banking Services through the system by which we may provide this Service. You agree to be bound by any and all such additional requirements and limitations. You also agree to be bound by any and all of our published policies and procedures, whether published on the Website, through the Online Banking Services, or otherwise. This agreement supplements all such policies and procedures.

4. TYPES OF MOBILE BANKING SERVICES. You, or someone you have authorized by giving them access to your login information, password, or other Security Devices and Procedures (even if that person exceeds your authority), can instruct us to perform the following transactions: (a) transfer funds between Connected Accounts; (b) obtain information that we make available about Connected Accounts; and (c) obtain other services or perform other transactions that we allow, as discussed in this Agreement and your Online Banking Agreement. You hereby authorize us to process and execute any and all requests, payment orders, or other transactions initiated by you through Mobile Banking Services. The following are the types of additional Mobile Banking Services we provide under this Agreement:

5. MOBILE DEPOSIT. Checks are scanned using the camera on the mobile device and securely transmitted to the Bank for review and deposit. By using the Service, you authorize the Bank to convert checks to images or create substitute checks for the purpose of clearing the check

5.1. Qualifications. Use of Mobile Deposit Service is subject to Bank approval. In order to be eligible to use the Service, your account(s) must meet qualification criteria set by the Bank. We will review all accounts for which you are a signer in order to determine your qualification for the Service. If you are not eligible for this Service, we will notify you of our decision. If the Bank determines that there has been an adverse change in your financial condition, the Bank, in its sole discretion, may change or discontinue the Service in whole or in part, effective immediately.

5.2. Fees. There is no fee (Service Fee) associated with using the Mobile Deposit Service.

This Service Fee can be changed at any time per the Bank's discretion. We will notify you at least 30 days before we increase the Service Fee. If increased, this Service Fee will be charged per deposit and all Service Fees will be debited from your Account. Continued use of the service after we provide notice of the change in the fee amount indicates your acceptance to pay the new Service Fee amount.

5.3. Deposit Limits. We reserve the right to impose limits on the amount(s) and/or number of deposits that you transmit using the Mobile Deposit Service and to modify such limits from time to time. If you attempt to initiate a deposit in excess of these limits, we may reject your deposit. If we permit you to make a deposit in excess of these limits, such deposit will still be subject to the terms of this Agreement, and we will not be obligated to allow such a deposit at other times. We are not responsible for any losses incurred as a result of rejecting deposits that you have made through the Mobile Deposit Service which exceed your deposit limits.

You agree to the following fees and deposit limits by using this Service. Deposit limits are defaulted to Bronze level. Advanced levels are subject to Bank approval. Deposit limits are subject to change from time to time.

| Approved Level | Deposit Limits | | # of Checks/day |
|----------------|----------------|---------|-----------------|
| | Per Deposit | Per Day | |
| Bronze Level | 2,500 | 2,500 | 5 |
| Silver Level | 15,000 | 15,000 | 5 |
| Gold Level | 50,000 | 50,000 | 5 |

5.4. Ineligible Checks. You agree that you will not use the Mobile Deposit Service to scan and deposit any checks as listed below:

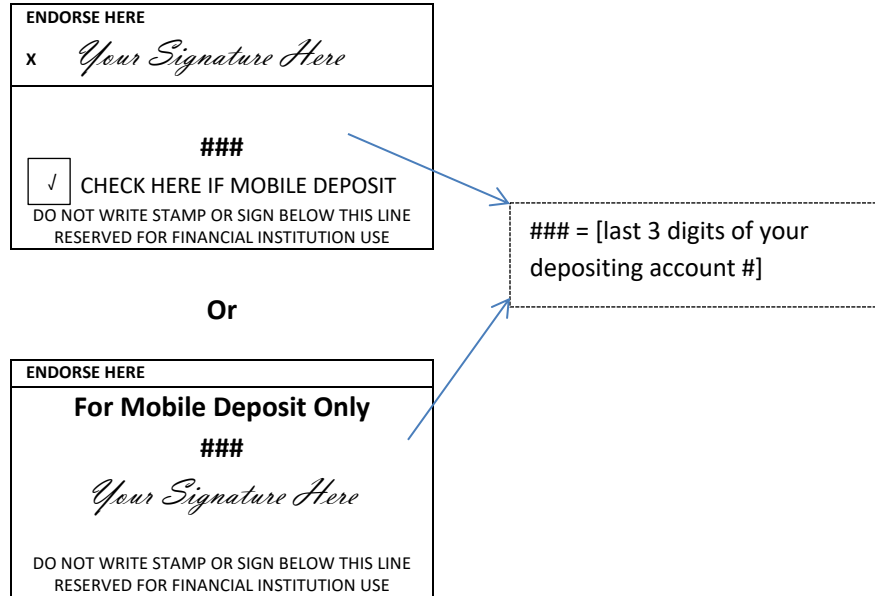
- Checks payable to any person or entity other than the person or entity that owns the account that the check is being deposited into.
- Checks payable jointly, unless deposited into an account in the name of all payees.
- Checks with any endorsement on the back other than that specified in this Agreement.
- Checks containing obvious alteration to any of the fields on the front of the check, 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.
- Electronically Created Items (ECI), which are images created electronically and not from a paper check (i.e. emailed checks).
- Checks drawn on a financial institution located outside the United States.
- Checks not payable in United States currency.
- Checks that are remotely created.
- Checks dated more than 6 months prior to the date of deposit or future-dated checks.
- Checks that are in any way incomplete.
- Checks prohibited by the Bank's current procedures relating to the Service or which are otherwise not acceptable under the terms of your Account Agreement.
- Checks on which the numerical and written amount are different.
- Checks that have been previously returned unpaid by the financial institution on which they are drawn, including substitute and remotely created checks.
- Checks that are payable to cash.
- Checks that have been previously submitted through the Service or through a remote deposit capture service offered at any other financial institution.

5.5. Image Quality. The image of a check transmitted to the Bank using the Mobile Deposit Service must be legible, as determined by the sole discretion of the Bank. The image that is transmitted must be of such quality that the following information can easily be read:

- The amount of the check.
- The payee.
- The drawer's signature.
- The date of the check.
- The check number.
- Information identifying the drawer and the paying bank that is preprinted on the check in a commercially acceptable format, including the routing number, account number and check number.

5.6. **Endorsements.** You agree to restrictively endorse any check transmitted through the Mobile Deposit Service as follows or otherwise instructed by the Bank:

Your endorsement must include your signature, the restriction of ‘For Mobile Deposit Only’ and the last three (3) digits of the account number of the Account it is to be deposited. Any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you will be your responsibility.



5.7. **Receipt of Checks.** We reserve the right to reject any check transmitted using the Mobile Deposit Service, at our discretion, without liability to you. We are not responsible for checks we do not receive or for images that are dropped during transmission. An image of a check shall be deemed received when the funds are deposited in your account. Receipt of such confirmation does not mean that the transmission was error free or complete. Receipt of such confirmation of funds does not mean that your Account will not be charged back for the amount of the deposit and any applicable fees or charges under the Account Agreement if the check image presented is dishonored or returned unpaid for any reason by the financial institution on which it is drawn.

5.8. **Availability of Funds.** You agree that checks transmitted using the Service are subject to the funds availability requirements of Federal Reserve Board Regulation CC. For purposes of determining the availability of funds deposited via the Service, you agree that checks transmitted through the Service are classified as “not in-person deposits” as defined in Regulation CC. In general, if an image of a check you transmit through the Service is received and accepted before 3:00 p.m. Central Time, U.S.A. (‘CT’) on a business day that we are open, we consider that day to be the day of your deposit. Otherwise, we will consider that the deposit was made on the next business day we are open. For determining the availability of your deposit, every day is a business day, except Saturdays, Sundays, and Federal holidays. Review your Regulation CC Funds Availability Disclosure given at account opening for more details.

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| Deposits approved by Bank before 3:00 p.m. CT | Credited that business day, available after end-of-day process. |
| Deposits approved by Bank after 3:00 p.m. CT | Credited the following business day, available after end-of-day process. |

- 5.9. **Confirmation of Deposits.** It is your responsibility to verify that your deposit has been completed successfully by signing into the mobile application, viewing the status of your mobile deposit history and verifying the funds are available in your account.
- 5.10. **Disposal of Transmitted Checks.** Upon proper clearing of funds and confirmation of your deposit from the Bank, you agree to prominently mark the check as “**Electronically Presented**” and to properly store the check to ensure that it is not presented again for payment. You agree that you will never represent the check to the Bank or any other financial institution. You agree to retain all checks you have deposited through the Service for at least 14 business days and, following the 14-day retention period, you agree to dispose of your check in a manner, which will ensure the check will not be presented again.
- 5.11. **Returned Checks.** Any credit, which we deposit into your account immediately following a transaction initiated by you, will be a provisional credit. If a check that you deposit using the Service is returned or charged back on your account, it will be deducted in full from your account along with any fees or charges that are incurred due to the check’s rejection as described in our Common Fee Schedule and Account Agreements. We are not responsible for any losses incurred as a result of deposits returned on your account.
- 5.12. **User Warranties and Indemnification.** You warrant to Bank that:
- You will only transmit eligible checks.
 - Images will meet the image quality standards.
 - You will not transmit duplicate checks or checks previously deposited at a financial institution.
 - You will not deposit or represent the original check.
 - All information you provide to Bank is accurate and true.
 - You will comply with this Agreement and all applicable rules, laws and regulations.
- You agree to indemnify and hold harmless the Bank from any loss for breach of this warranty provision.
- 5.13. **Errors in transmission.** By using Mobile Deposit Service, you accept the risk that a check may be intercepted or misdirected during transmission. Bank bears no liability to you or others for any such intercepted or misdirected checks or information disclosed through such errors.
- 5.14. **Your Responsibility.** You are solely responsible for the quality, completeness, accuracy, validity and integrity of the image. You are solely responsible for the security of your mobile device. You are solely responsible if you, intentionally or unintentionally, submit fraudulent, incorrect or illegible images to us or if the Service is used, by authorized or unauthorized persons, to submit fraudulent, unauthorized, inaccurate, incorrect or otherwise improper or unusable images to us. You will promptly provide any retained check, or a sufficient copy of the front and back of the check, to the Bank as requested to aid in the clearing and collection process, to resolve claims by third parties with respect to any check or check image, or for the Bank’s audit purposes
- 5.15. **Mobile Deposit Security.** You will complete each deposit promptly. If you are unable to complete your deposit promptly, you will ensure that your mobile device remains securely in your possession until the deposit has been completed. It is your responsibility to establish and maintain procedures to safeguard against unauthorized access to your device. You will notify us immediately by telephone with written confirmation if you learn of any loss or theft of original checks. You will ensure the safety and integrity of original checks from the time of receipt until the time of destruction. If warranted in our reasonable judgment, we reserve the right to monitor your Mobile Deposit activity, and you agree to cooperate with us to permit such monitoring, to confirm that you have satisfied your obligations under this Agreement.

- 6. ERRORS.** You agree to notify Bank of any suspected errors regarding checks deposited through the Mobile Banking Service right away by calling us at **(320) 983-3101** or write us at **First National Bank of Milaca, ATTN: Error Resolution Department, P.O. Box 38, Milaca, MN 56353**. You should contact us no later than 60 days after the applicable Bank account statement reflecting the suspected error is provided or mailed to you. Review your account opening Deposit Account Agreement and Disclosure for further details.
- 7. CONTACTING US BY E-Mail.** Sending e-mail is a very good way to communicate with us regarding the Connected Accounts or the Online/Mobile Banking Services. However, unless you use the "Messages" feature available through Online Banking Services AFTER YOU HAVE SECURELY LOGGED INTO THE ONLINE BANKING SITE, your e-mail is sent via your own software and, as a result, may not be secure. Because of this, you should not include confidential information, such as account numbers and balances in any unsecured e-mail to us. You cannot use e-mail to initiate Online/Mobile Banking Services transactions. All such transactions must be initiated using the appropriate functions within the Online Banking Services. We will not be liable for any errors, omissions, claims, or problems of any kind involving your e-mail.
- 8. HARDWARE AND SOFTWARE.** In order to use the Mobile Banking Service, you must obtain and maintain, at your expense, compatible hardware and software as specified by Bank. Visit www.fnbmilaca.com for current and software specifications. Bank is not responsible for any third-party software you may need to use the Service. Any such software is accepted by you as is and is subject to the terms and conditions of the software agreement you enter into directly with the third-party software provider at time of download and installation.
- 9. YOUR RESPONSIBILITY.** You agree that you will not modify, change, alter, translate, create derivative works from, reverse engineer, or disassemble or decompile the technology or Service, copy or reproduce all or any part of the technology or Service; or interfere, or attempt to interfere, with the technology or Service. We and our technology partners retain all rights, title and interests in and to the Service, Software and Development made available to you.
- 10. LIMITATION OF SERVICE.** When using the Mobile Banking Service, you may experience technical or other difficulties. The Bank is not liable for or responsible for any technical difficulties or any resulting damages that you may incur. We reserve the right to change, suspend or discontinue the Service, in whole or in part immediately and at any time without prior notice to you. If the Bank determines that there has been an adverse change in your financial condition, the Bank, in its sole discretion, may change or discontinue the Service in whole or in part, effective immediately.
- 11. TERMINATION.** The Bank has the right to terminate this Agreement at any time. You may terminate this Agreement by written notice to **First National Bank of Milaca, ATTN: Digital Banking Department P.O. Box 38, Milaca MN 56353**. The Bank is not responsible for any mobile deposits made before we have a reasonable opportunity to act on your termination notice. You remain obligated for any mobile banking transaction made by the Bank on your behalf.

12. OWNERSHIP & LICENSE. You agree that the Bank retains all ownership and proprietary rights in the Mobile Banking Service, associated content, technology, website(s) and app(s). Your use of the Service is subject to and conditioned upon your complete compliance with this Agreement. Without limiting the effect of the foregoing, any breach of this Agreement immediately terminates your right to use the Service. Without limiting the restriction of the foregoing, you may not use the Service (i) in any anti-competitive manner, (ii) for any purpose, which would be contrary to Bank's business interest, or (iii) to Bank's actual or potential economic disadvantage in any aspect. You may not copy, reproduce, distribute or create derivative works from the content and agree not to reverse engineer or reverse compile any of the technology used to provide the Service.

13. DISCLAIMER OF WARRANTIES. YOU AGREE YOUR USE OF THE SERVICES AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR SOLE RISK AND IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE USE OF THE SERVICES, WHETHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. WE MAKE NO WARRANTY THAT THE SERVICES (i) WILL MEET YOUR REQUIREMENTS, (ii) WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (iii) THE RESULTS THAT MAY BE OBTAINED FROM THE SERVICE WILL BE ACCURATE OR RELIABLE, AND (iv) ANY ERRORS IN THE SERVICES OR TECHNOLOGY WILL BE CORRECTED. YOU AGREE AND ACKNOWLEDGE THAT NO EXPRESS WARRANTIES HAVE BEEN GIVEN.

14. LIMITATION OF LIABILITY. YOU AGREE THAT WE WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER LOSSES RESULTING FROM THE USE OR THE INABILITY TO USE THE SERVICES INCURRED BY YOU OR ANY THIRD PARTY ARISING FROM OR RELATED TO THE USE OF, INABILITY TO USE, OR THE TERMINATION OF THE USE OF THIS SERVICES, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE), EVEN IF BANK HAS BEEN INFORMED OF THE POSSIBILITY THEREOF.

Governing Law and Attorney Fees. The laws of the State of Minnesota shall govern all issues under the Mobile Deposit Terms and Conditions agreement, and all actions, claims and defenses shall be brought in the Minnesota prevailing court. In the event of any dispute, the prevailing party shall be entitled to recover its reasonable attorney fees, court costs, collection expenses and litigation costs.