

## Terms and Conditions – Mobile Deposit Capture Agreement

This Mobile Deposit Capture Service End User Agreement (Agreement) contains the terms and conditions for the use of the Mobile Deposit Capture service (Mobile Deposit Capture) that Kentucky Bank (hereafter referred to as Kentucky Bank, the Bank, our, us, or we) may provide to you (you, your or User). This Agreement supplements the terms of other agreements you have entered into with the Bank, including the Account Rules and related fee schedules and disclosures that govern the terms, conditions and fees of your deposit account(s) with us, each as may be amended from time to time (such deposit account agreements, fee schedules and related disclosures being referred to hereinafter individually as an Account Agreement and collectively as the Account Agreements). The terms and conditions of your Account Agreement are incorporated by reference and made a part of this Agreement. In the event of a conflict between the terms of this Agreement and your Account Agreement the terms of this Agreement shall control as it regards the provision of the Service.

1. **Services.** The Mobile Deposit Capture service provides you the ability to access and make deposits to your designated eligible Accounts using the Software. The Mobile Deposit Capture service is designed to take advantage of The Check Clearing for the 21st Century Act and its regulations (collectively "Check 21"). The Mobile Deposit Capture service enables you to use a compatible handheld device to scan an image of original paper checks ("Original Checks") that are drawn on or payable through United States financial institutions (each a "Check Image") and to electronically submit the Check Image and associated deposit information to Kentucky Bank using the Software for deposit into a designated eligible Account for collection thereafter by Kentucky Bank.
2. **Acceptance of Terms.** By electronically accepting this Agreement, you are agreeing to all of the terms outlined within it. This Agreement is subject to change from time to time. We will notify you of any material change. We will provide you with advance notice of any changes to the terms of this Agreement when required to do so by applicable law. Your continued use of the Service after we provide you notice of changes will indicate your acceptance of the revised Agreement.
3. **Fees.** There is currently no Mobile Deposit Capture fee for either the service or per check deposited. This can be changed at any time per the Bank's discretion. We will notify you at least 30 days before we increase the Mobile Deposit Fee. Continued use of the Service after we provide notice of the change in the fee amount indicates your acceptance to pay the new Mobile Deposit Fee amount.
4. **Deposit Limits.** You may scan and submit Check Images for deposit to Kentucky Bank within the dollar limits ("Deposit Limits") established for you by Kentucky Bank. You may deposit up to \$2,000 a day using Mobile Deposit. Kentucky Bank reserves the right to limit the frequency and dollar amount of deposits submitted through the Mobile Deposit Capture Service. If you exceed the Deposit Limits established for you, Kentucky Bank may in its sole discretion accept or refuse the Check Image deposit. If at any time Kentucky Bank accepts a Check Image deposit that exceeds your Deposit Limits, Kentucky Bank will have no obligation to do so in the future. Kentucky Bank may at any time at its sole discretion raise or lower your Deposit Limits.
5. **Types of Checks.** You can only deposit checks using Mobile Deposit, however, there are some checks that you cannot deposit. These include:
  - Checks payable to any person or entity other than you.
  - 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.

- Any checks that are not in original form with a signature, such as substitute checks or remotely created checks.
- Traveler's cheques or money orders.
- Returned checks.
- Postdated checks or stale dated checks (more than 6 months old).
- Checks written off an account at a financial institution located outside the United States.
- Checks not payable in United States currency.

Note that any check that you attempt to deposit using Mobile Deposit is subject to verification by Kentucky Bank. We may reject an item for deposit for any reason and will not be liable to you. In such a case, you will need to deposit the item using other means, such as visiting a Kentucky Bank branch.

6. **Deposit Processing.** Scanning and submitting Check Image deposits does not constitute receipt of the deposit by Kentucky Bank. Generally, Check Image deposits received prior to 2:30 p.m., Eastern Standard Time are processed on the Business Day of receipt. Any Check Image deposit received after this time or on Saturdays, Sundays, and holidays when Kentucky Bank is closed will be processed on the next Business Day. Acknowledgment that your Check Image deposit has been received by Kentucky Bank does not mean that the Check Image deposit was received error free.
7. **Funds Availability.** Funds Availability. Our policy is to make funds from your check deposits available to you the next business day as the day we process your deposit. See preceding section on Deposit Processing. However, all deposits are subject to verification and not available for immediate withdrawal. Mobile deposits are subject to verification and not available for immediate withdrawal.
8. **Deposit Verification.** You may verify receipt and the amount of your Check Image deposit credited to your account by reviewing your statement online or transaction activity on your mobile device.
9. **Your Responsibility.**
  - You agree that you will use the Mobile Deposit Capture service to scan only Original Checks payable to and properly endorsed by you by signing your name(s) and writing "for mobile deposit only" under your endorsement, drawn on financial institutions in the United States with a valid ABA/Routing Number and denominated in U.S. Dollars, and intended for deposit by you to your designated Account with Kentucky Bank. All other items may be deposited by alternate methods such as in person.
  - You understand that Kentucky Bank is not obligated to accept for deposit any Check Image that Kentucky Bank in its sole discretion determines to be ineligible for the Mobile Deposit Capture service. Ineligible items include: Check Images of items drawn on banks located outside the United States, Check Images that are illegible, images of checks previously converted to Substitute Checks (as defined by Check 21), and Check Images with unreadable magnetic ink character recognition ("MICR") information. The quality of any Check Image must comply with the requirements established from time to time by ANSI, the Board of Governors of the Federal Reserve Board, or any other regulatory agency, clearing house or association. You acknowledge and agree that even if Kentucky Bank does not identify a Check Image as ineligible, the Check Image may be returned to Kentucky Bank because, among other reasons, the Check Image or any Substitute Check created from the Check Image is deemed ineligible by the financial institution upon which it is drawn or any intermediate collecting financial institution. Kentucky Bank's failure to identify a Check Image you transmit to Kentucky Bank as ineligible shall not preclude or limit your obligations.

- You shall fully destroy each Original Check in your Check Image deposit fourteen (14) Days following receipt and crediting of your Check Image deposit or as Kentucky Bank may otherwise instruct. Prior to destruction you shall maintain each Original Check in a secure location. You understand each Original Check must be fully destroyed following any retention period and that a paper shredder is one such method to assure destruction. You are responsible if an Original Check is misused following submission by Check Image deposit and its full destruction.

**10. Warranties.** You make the following representations and warranties:

- You shall not alter any Original Check or Check Image and shall review the Check Image to ensure that it accurately represents all of the information on the front and the back of the Original Check at the time you scanned the Check Image.
- You shall submit to Kentucky Bank only Check Images that are suitable for processing, including, but not limited to, Check Images that are legible and contain machine-readable MICR data.
- You shall destroy the Original Checks as stated above.
- You shall not submit to Kentucky Bank or to any other person or entity for deposit or credit any Original Check if a Check Image of the Original Check has already been submitted and accepted for deposit into your Account with Kentucky Bank or which you previously submitted to and was accepted by any other person or entity for deposit.
- You shall not deposit into your Account with Kentucky Bank or any other deposit taking institution, or otherwise negotiate or transfer to anyone, any Original Check that you submitted as a Check Image deposit to Kentucky Bank, unless following receipt of your submission, Kentucky Bank notifies you that the Check Image is ineligible and not accepted for deposit or that the Check Image or any Substitute Check created from the Image is refused by the financial institution upon which it is drawn.
- You shall indemnify, defend, and hold Kentucky Bank and its agents from and against all liability, damage and loss arising from any claims, suits, or demands, brought by third parties with respect to any Check Image, Substitute Check, or Original Check processed through the Mobile Deposit Capture service as described above.
- You shall use the Mobile Deposit Capture service only for your own personal, home office, or small business use in accordance with the terms of this Agreement. You shall not make the Mobile Deposit Capture service available or transfer your rights to use the Mobile Deposit Capture service for the benefit of any third party.

**11. Deposit Receipt.** Kentucky Bank will acknowledge receipt of your Check Image deposit submitted through the Mobile Deposit Capture service and notify you if a Check Image is not eligible for deposit using the mobile application. Kentucky Bank's ability to provide the Mobile Deposit Capture service is conditioned upon the availability of the wireless or computer services and systems used in transmitting your requests and Kentucky Bank's response. Kentucky Bank shall not be liable or responsible for any loss or damage incurred due to the failure or interruption of the Mobile Deposit Capture service, wireless or computer services, or systems, resulting from the act or omission of any third party or other causes not reasonably within Kentucky Bank's control.

**12. Accountholder's Indemnification Obligation.** You understand and agree that you are required to indemnify us and hold us harmless against any and all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees and expenses arising from your use of the Service and/or breach of this Agreement. You understand and agree that this paragraph shall survive the termination of this Agreement.

13. **DISCLAIMER OF WARRANTIES.** YOU AGREE YOUR USE OF THE MOBILE DEPOSIT CAPTURE SERVICE AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR RISK AND IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. KENTUCKY BANK DISCLAIMS ALL WARRANTIES OF ANY KIND AS TO THE USE OF THE SERVICES, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. KENTUCKY BANK MAKES NO WARRANTY THAT THE MOBILE DEPOSIT CAPTURE SERVICE (i) WILL MEET YOUR REQUIREMENTS, (ii) WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR FREE, (iii) THAT THE RESULTS OBTAINED FROM THE MOBILE DEPOSIT CAPTURE SERVICE WILL BE ACCURATE OR RELIABLE, AND (iv) THAT ANY ERRORS IN THE SERVICES OR TECHNOLOGY WILL BE CORRECTED. IN NO EVENT WILL KENTUCKY BANK BE LIABLE TO YOU FOR ANY CONSEQUENTIAL, INCIDENTAL, OR INDIRECT DAMAGE ARISING OUT OF THE USE, MISUSE OR INABILITY TO USE THE MOBILE DEPOSIT CAPTURE SERVICE OR FOR ANY LOSS OF DATA, EVEN IF KENTUCKY BANK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.