

THE FARMERS AND MECHANICS BANK MOBILE CHECK DEPOSIT SERVICES AGREEMENT

This Mobile Check Deposit Services Agreement (this “Agreement”) governs the terms of The Farmers and Mechanics Bank’s (“Bank”) consumer Mobile Check Deposit service, which the Bank refers to in this Agreement as “Mobile Check Deposit,” the “Service,” or “Remote Banking Service.” The Bank customer (“Customer”) enrolling in Mobile Check Deposit agrees to comply with and be bound by this Agreement. An individual enrolling in Mobile Check Deposit on behalf of a Customer that is a corporation, partnership, limited liability company, trust or other entity or association represents that he or she is authorized on behalf of the Customer to enroll in Mobile Check Deposit, enter into this Agreement and deposit Original Checks into the Customer’s Account using Mobile Check Deposit.

Scope of Agreement. Mobile Check Deposit is designed to allow a Customer to make deposits of original, paper negotiable demand drafts (“Original Checks”) to Customer’s deposit account at the Bank (“Account”) in accordance with the Check Clearing for the 21st Century Act (“Check 21 Act”) and Federal Reserve Board Regulation CC (“Regulation CC”). Customer agrees that the Bank shall determine, at its sole discretion, the manner in which checks are cleared or presented for payment, including without limitation, by substitute check, Automated Clearing House, or image exchange. If Customer has more than one Account, Mobile Check Deposit will require Customer to select the Account to which each deposit is being made. Customer can make deposits using Mobile Check Deposit from remote locations by scanning the Original Checks and delivering the digital images and associated deposit information (“Images”) to the Bank or its service provider with Customer’s compatible and supported camera-enabled mobile phone or other device that meets the Bank’s required standards (“Mobile Device”).

The terms and conditions of this Agreement are in addition to, and do not cancel, supersede, or replace Customer’s application to use the Service, the Bank’s notification of approval of the application, or any other agreements, rules, disclosures, procedures, standards, policies, or signature cards relating to Customer’s deposits, loans, services, or other business relationships with the Bank. Additionally, Customer’s use of the Mobile Check Deposit service is subject to all of the terms or instructions that may appear on-screen when Customer accesses the Mobile Check Deposit service, or in user guides, or in other information or documentation that Bank may provide to Customer from time to time. Customer’s use of the Remote Banking Service also is subject to, and Customer agrees to comply with, the applicable rules and regulations of the National Automated Clearing House Association, the Account Agreement (as defined below), and all other applicable clearing house rules, regulations, operating circulars, and agreements, the Check 21 Act, Regulation CC, and all other applicable federal, state, or local laws and regulations, as amended from time to time (collectively “Applicable Law”).

General Requirements. In order to use Mobile Check Deposit, Customer must:

- Maintain an Account;
- Download and install the latest version of the Bank’s mobile banking application to Customer’s Mobile Device;
- Use a Mobile Device that has camera functionality;
- Use a Mobile Device that is enabled to receive and transmit data through a mobile carrier service data plan, wireless Internet connection or similar source; and
- Be a registered Online Banking user and be enrolled in the Bank’s mobile banking.

To deposit an Original Check using Mobile Check Deposit, all endorsements must be made on the back of the Original Checks within 1 inch from the top edge, although the Bank may accept endorsements outside this space. For Accounts used primarily for personal, family or household purposes (“Consumer Accounts”), the endorsement must include Customer’s signature and the words “for Mobile Check Deposit.” For Accounts used primarily for business purposes (“Business Accounts”), the endorsement must include Customer’s authorized signer’s signatures and the words “for Mobile Check Deposit.” Any loss the Bank incurs from a delay or processing error resulting from an irregular endorsement or other markings will be Customer’s responsibility.

For deposits to a Consumer Account, an Original Check may be payable jointly to Customer and a joint owner of the Consumer Account. An Original Check payable to Customer and a joint owner of a Consumer Account must be endorsed by both payees. Additionally, for deposits to a Consumer Account, an Original Check may be payable to either Customer or a joint owner of the Consumer Account. An Original Check payable to Customer or a joint owner of a Consumer Account must be endorsed by at least one of the two payees.

For deposits to a Business Account, an Original Check must be payable to the Customer only. Customer agrees that any individual endorsing an Original Check to be deposited to a Business Account will be an authorized signer on the Business Account and otherwise authorized to endorse items on behalf of Customer. Customer understands and acknowledges that all endorsements by Customer’s authorized signers are valid even if the agency relationship is not indicated on the Original Check or Image. The Bank has no duty to inspect the Image to confirm that two or more authorized signers have endorsed the Original Check.

Requirements for Images of Original Checks. Each Image must provide all information on the front and back of the Original Check at the time it was presented to Customer by the drawer, including, but not limited to, information about the drawer and the paying bank that is preprinted on the Original Check, MICR information, signature(s), any required identification written on the front of the Original Check and any endorsements applied to the back of the Original Check. The Image quality must meet the standards established by the American National Standards Institute (“ANSI”), the Board of Governors of the Federal Reserve (“Federal Reserve”), and any other regulatory agency, clearing house or association involved in the processing of the Original Checks and Images (“Applicable Standards”).

Eligible items. Customer agrees to use Mobile Check Deposit only to scan and deposit Original Checks that:

- Are drawn on a financial institution located in the United States and payable in US dollars;
- Are made payable to Customer or, for a Consumer Account only, are made payable to Customer and/or a joint owner on the Account to which Customer is depositing the Original Check;
- Contain all endorsements applied by the parties that handled the Original Check; and
- Contain only authorized and authentic signatures.

Customer agrees that the Service will NOT be used to deposit any item that:

- Is not payable to Customer in the first instance (i.e., payable to another person or entity and then endorsed to Customer);
- Is payable to Customer and/or another person or entity if the item is being deposited to a Business Account;
- Is payable to Customer and/or another person or entity other than a joint owner on the Consumer Account to which Customer is depositing the Original Check;

- Is counterfeit or altered, contains evidence of alteration, or that Customer knows or suspects, or should know or suspect, are counterfeit, altered, fraudulent or otherwise not authorized by the owner of the account on which the check is drawn;
- Is more than six months old or made payable at some point in the future;
- Is payable in some currency other than US dollars or drawn on a financial institution located outside of the United States;
- Has previously been deposited with any financial institution;
- Is not an Original Check.

Limits. The Bank has established limits on the dollar amount of items that Customer can deposit using Mobile Check Deposit. Currently, deposit limits for Accounts are \$2,500 per Original Check / \$5,000 per day / \$50,000 rolling 30-day limit. The Bank may change these deposit limits from time to time. The Bank will notify Customer of any changes in accordance with this Agreement. Additionally, the Bank may establish limits on the number of Original Checks that Customer may deposit using Mobile Check Deposit. If the Bank establishes such additional limits, the Bank will notify Customer in accordance with this Agreement. If Customer attempts to initiate a deposit in excess of any applicable limit, the Bank may reject the deposit. If the Bank permits Customer to make a deposit in excess of an applicable limit, such deposit will still be subject to the terms of this Agreement and the Bank will not be obligated to allow any deposit that does not comply with an applicable limit at any other time.

Fees. Customer agrees to pay all fees and charges that the Bank may impose for the Bank Mobile Check Deposit. Customer agrees that the Bank may deduct such fees and charges from any of Customer's Accounts. The current Schedule of Fees and Charges is attached as Exhibit A. The Bank may change its fees and charges for Mobile Check Deposit by providing Customer notice in accordance with this Agreement.

Mobile Check Deposit Security. Customer will complete each deposit promptly. If Customer is unable to complete a deposit promptly, Customer will ensure that the Mobile Device remains securely in Customer's possession until the deposit has been completed. It is Customer's responsibility to establish and maintain procedures to safeguard against unauthorized deposits. Customer will notify the Bank immediately by telephone at 1-309-343-7141 if Customer learns of any loss or theft of Original Checks or any attempt to resend or re-deposit Images. The Bank may require Customer to provide additional notice in writing.

Customer will ensure the safety and integrity of Original Checks from the time of receipt until the time of destruction. If warranted in the Bank's reasonable judgment, it may audit and monitor Customer, and Customer agrees to cooperate with the Bank to permit such monitoring, to confirm that Customer's obligations under this Agreement have been satisfied.

Customer is solely responsible for the quality, completeness, accuracy, validity, and integrity of all Images. Customer is solely responsible if, intentionally or unintentionally, Customer submits fraudulent, incorrect, or illegible Images to the Bank or if the Service is used by authorized or unauthorized persons to submit fraudulent, unauthorized, inaccurate, incorrect, or otherwise improper or unusable images to the Bank. Customer agrees that the security procedures that the Bank uses in connection with Mobile Check Deposit are commercially reasonable and suitable for Customer's intended use of the Service.

Authentication Method. Customer agrees that the Bank is entitled to act upon instructions received with respect to a Mobile Check Deposit entered under Customer's user identification, password, test key, or other code or authorization (collectively "Authentication Method"). Customer is liable for all transactions made or

authorized with the use of Customer's Authentication Method. Customer agrees to indemnify and release the Bank from any and all liability relating to any actions or transactions conducted under Customer's Authentication Method. By accessing Mobile Check Deposit, Customer authorizes the Bank to complete the required transactions. Any requests or instructions received by the Bank through Mobile Check Deposit under Customer's Authentication Method shall be deemed to be "in writing" under the Applicable Law and shall have the same force and effect as a writing signed by Customer.

Receipt of Deposit. Each Image processed for deposit through Mobile Check Deposit will be treated as a "deposit" under the agreements governing Customer's Account ("Account Agreement") and will be subject to all terms of the Account Agreement. Any confirmation from the Bank that it has received an Image does not mean that the Image is free of errors. The Bank is not responsible for any Image that it does not receive.

Following receipt, the Bank may process the Image by preparing a Substitute Check (as that term is defined in Regulation CC, 12 CFR 229), or clearing the item as an Automated Clearing House item.

The Bank reserves the right, at its sole and absolute discretion, to reject any Image. A rejected Image will not be deposited to Customer's Account. The Bank will notify Customer of rejected Images.

Retention of Original Checks. After Customer receives confirmation that the Bank has received an Image and Customer receives full credit for the deposit of the Image, Customer must destroy the Original Check by first marking it "VOID" and then destroying it by cross-cut shredding or another commercially acceptable means of destruction. Destroying the Original Check prevents it from being presented for deposit another time. After destruction of an Original Check, the Image will be the sole evidence of the Original Check.

Customer agrees to never re-present an Original Check or any copy or Image of an Original Check to the Bank or any other financial institution. Customer understands that Customer is responsible if anyone is asked to make a payment based on an Original Check, Image or other item that has already been paid.

Returned Deposits. Any credit to Customer's Account for Original Checks deposited using Mobile Check Deposit is provisional. If Original Checks deposited through the Bank's Mobile Check Deposit are dishonored, rejected, or otherwise returned unpaid by the paying bank, or are rejected or returned by a clearing agent or collecting bank, for any reason, including, but not limited to, issues relating to the quality of the Image, Customer agrees that an Original Check will not be returned to Customer, but that the Bank may charge back the amount of the Original Check and provide Customer with an Image of the Original Check, a paper reproduction of the Original Check, or a Substitute Check (as defined in the Check 21 Act). Customer will reimburse the Bank for all losses, costs, damages, or expenses caused by or relating to the processing of the returned item. Without the Bank's approval, Customer shall not attempt to deposit or otherwise negotiate an Original Check or any copy of an Original Check (including a Substitute Check) if the Original Check has been charged back to Customer.

The Bank may debit any of Customer's Accounts to obtain payment for any item that has been rejected or returned, for any adjustment related to such item or for any warranty claim related to such item, whether or not the rejection, return, adjustment or warranty claim was made timely.

Warranties Regarding Original Checks and Images. Customer makes the following warranties and representations with respect to each Image and the related Original Check deposited using Mobile Check Deposit:

- The Original Check and Image are payable to Customer in US dollars;
- The Original Check and Image are drawn on a US financial institution;
- The Original Check and Image do not bear any evidence of alteration and Customer does not know or have reason to believe that the Original Check or Image has been altered since the time the drawer presented the Original Check to Customer;
- All signatures on the Original Check and Image are authentic and authorized;
- The Original Check and Image are not counterfeit and, except for the Image submitted through the Mobile Check Deposit, neither the Original Check nor the Image has been duplicated or copied;
- Each Original Check and Image bears all endorsements necessary for the paying bank to properly pay the Original Check or Image;
- Each Image is a true and accurate rendition of the front and back of the related Original Check, without any alteration, and the drawer of the Original Check has no defense against payment of the Original Check or Image;
- Each Original Check and Image meets all Applicable Standards;
- Each Original Check and Image contains all MICR line information required for a Substitute Check;
- The amount, payee(s), signature(s), and endorsement(s) on the Original Check and Image are legible, genuine, and accurate;
- Customer will not deposit or otherwise endorse to a third party the Original Check or any Image or other copy of the Original Check and no person will receive a transfer, presentment, or return of, or otherwise be charged for, the Original Check or a paper or electronic representation of the Original Check such that the person will be asked to make payment based on an Original Check or Image that has already been paid;
- The Original Check was authorized by the drawer in the amount stated on the Image and to the payee(s) stated on the Image;
- Customer is authorized to enforce, collect and obtain payment for the Original Check and Image;
- Customer has handled the Original Check and Image in accordance with all Applicable Law; and
- Customer has possession of the Original Check and no party will submit the Original Check or any Image or other copy of it for payment.

Additionally, with respect to each Image deposited through Mobile Check Deposit, Customer makes to the Bank all representations and warranties that the Bank makes or is deemed to make to any party pursuant to Applicable Law. Customer agrees that files and Images transmitted to the Bank will not contain any viruses or any other disabling features that may have an adverse impact on its network, data, or related systems.

General Warranties. Customer represents and warrants to the Bank that:

- Customer will use Mobile Check Deposit, any software related in any way to the Bank Mobile Check Deposit, and any other technology or products supplied by the Bank or any of its technology partners or service providers solely for lawful purposes and in compliance with all Applicable Laws, court orders, governmental agency orders, and judgments;
- No Applicable Law, court order, governmental agency order, or judgment will prohibit any transaction Customer conducts using Mobile Check Deposit; and Customer will not use Mobile Check Deposit to deposit or attempt to deposit a copy of any Substitute Check or any remotely created check without the Bank's specific written authorization.

Mobile Check Deposit Unavailability. Mobile Check Deposit may be unavailable temporarily due to system maintenance or technical difficulties, including those of the Internet service provider or cellular service

provider. Customer agrees to have a contingency plan for the deposit of Original Checks in the event that Mobile Check Deposit is unavailable. In the event that Mobile Check Deposit is unavailable, Customer may deposit Original Checks at the Bank branches, subject to the terms of Customer's Account Agreement. The Bank is not liable for delays resulting from the unavailability of Mobile Check Deposit. Customer agrees to promptly notify the Bank by phone at 1-309-343-7141 if Mobile Check Deposit is unavailable or if there have been any interruptions in the availability of Mobile Check Deposit.

Funds Availability. The funds for Original Checks deposited through Mobile Check Deposit may not be immediately available to Customer. Customer understands and agrees that the Bank shall not be deemed to have received a Mobile Check Deposit until the Bank notifies Customer via on-screen messaging and/or e-mail that the Mobile Check Deposit was received. Except as otherwise provided in this Agreement or the Account Agreement, the place of deposit shall be the Bank's main branch in Galesburg, Illinois.

Confidential and Proprietary Information. Customer acknowledges that Mobile Check Deposit, any databases and any proprietary data, processes, methods, information or documentation disclosed or made available to Customer are the exclusive and confidential property of the Bank or its technology partners and other service providers. In addition, Customer agrees to not modify, change, alter, translate, create derivative works from, reverse engineer, 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. The Bank and its technology partners, inclusive of, but not limited to, Digital Insight and Vertifi Software, LLC ("Vertifi"), retain all rights, title and interests in and to the Services, Software and any other technology or materials made available to Customer. For purposes of this Agreement, "Software" means any of the Bank's or any of its technology partner's software used to provide the Service and any software created as a result of providing the Service.

Indemnification. Customer agrees to indemnify the Bank, its affiliates, and its officers, agents, and employees, and hold the Bank, its affiliates, and its officers, agents, and employees harmless against any and all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees and expenses arising from Customer's use of Mobile Check Deposit or Customer's breach of this Agreement. Customer understands and agrees that this paragraph shall survive the termination of this Agreement. Customer understands and agrees that Customer is required to indemnify the Bank's technology partners, including but not limited to, Digital Insight and Vertifi, and hold harmless Digital Insight, its affiliates, officers, employees and agents, as well as Vertifi, its affiliates, officers, employees, and agents, from and against any third party claims, suits, proceedings, actions or demands, including to claims of another financial institution, business entity or governmental authority, and all losses, liabilities, damages, fines, penalties, costs and expenses, including court costs and reasonable attorney fees and expenses, arising from such claims, to the extent such claim is related to the Bank or Customer's use of the Services, Vertifi or Digital Insight Applications, unless such claim directly results from an action or omission made by Digital Insight or Vertifi in bad faith. Customer understands and agrees that this paragraph shall survive the termination of this Agreement. For purposes of this Agreement, "Applications" shall mean the downloadable application that will allow you to upload Original Checks.

DISCLAIMER OF WARRANTIES. CUSTOMER AGREES THAT THE USE OF ANY REMOTE DEPOSIT SERVICE AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT CUSTOMER'S OWN RISK AND IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. THE BANK DISCLAIMS ALL WARRANTIES OF ANY KIND AS TO THE USE OF THE SERVICE, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE

IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. THE BANK MAKES NO WARRANTY THAT THE SERVICE WILL MEET CUSTOMER'S REQUIREMENTS OR WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE. THE BANK MAKES NO WARRANTY THAT THE RESULTS OBTAINED WILL BE ACCURATE OR RELIABLE OR THAT ANY ERRORS IN MOBILE CHECK DEPOSIT OR ANY RELATED TECHNOLOGY WILL BE CORRECTED.

LIMITATION OF LIABILITY. CUSTOMER AGREES THAT THE BANK 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 INCURRED BY CUSTOMER OR ANY THIRD PARTY ARISING FROM OR RELATED TO THE USE OF, INABILITY TO USE, OR THE TERMINATION OF THE USE OF ANY REMOTE BANKING SERVICE, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE), EVEN IF THE BANK HAS BEEN INFORMED OF THE POSSIBILITY THEREOF, EXCEPT AS OTHERWISE REQUIRED BY LAW.

Responsibility for Expenses. Customer is solely responsible for any expenses related to imaging Original Checks, accessing Mobile Check Deposit, and maintaining Customer's Mobile Device. Customer is responsible for the payment of all telecommunication costs associated with using Mobile Check Deposit, and the Bank will not be responsible for providing, servicing, repairing, or replacing any Mobile Device.

Suspension of Mobile Check Deposit, Termination of Agreement. Either Customer or the Bank may terminate this Agreement upon five days advance written notice to the other. Additionally, the Bank may terminate this Agreement at any time without advance notice if Customer is in default under this Agreement, if the Bank reasonably believes Customer has used Mobile Check Deposit in violation of this Agreement or Applicable Law, if the Bank reasonably believes that Customer has used Mobile Check Deposit in a manner not specifically permitted in the Agreement. This Agreement will automatically terminate if Customer does not maintain an Account at The Bank, delete the Bank's mobile application from Customer's Mobile Device, or if Customer is not enrolled in Internet banking or mobile banking. Upon termination of the Agreement, Customer will no longer be able to use Mobile Check Deposit. However, termination of this Agreement will not affect Customer's obligations under this Agreement, even if the Bank allows a transaction to be completed after the termination of this Agreement.

Furthermore, the Bank may suspend Customer's use of Mobile Check Deposit without terminating this Agreement if it reasonably suspects that Customer has violated the Agreement or Applicable Law or has used Mobile Check Deposit in a manner not specifically permitted in the Agreement. If the Bank suspends Customer's use of Mobile Check Deposit, the Bank will/may allow continued use of Mobile Check Deposit if the Bank determines that Customer has not violated the Agreement or Applicable Law.

Amendment of Agreement. The Bank may change any term of this Agreement at any time. The Bank will notify Customer of any change in accordance with this Agreement. To the extent required by law, the Bank will provide advance notice of a change. Customer will be deemed to accept a change to this Agreement if Customer continues to use Mobile Check Deposit after notice of the change.

Notices. All notices that the Bank is required or permitted to provide to Customer under this Agreement will be in writing, will be effective upon sending unless otherwise specified in the notice, and shall be delivered to Customer's last known address as set forth in the Bank's records. All notices that Customer is required or permitted to provide to the Bank under this Agreement will be in writing, will be effective upon receipt, and shall be delivered to F&M Bank, 21 East Main Street, PO Box 1208, Galesburg, Illinois 61402-1208.

Severability. To the extent permitted by applicable law, the Bank and Customer each hereby waive any provision of law that would render any clause of this Agreement invalid or otherwise unenforceable in any respect. In the event that a provision of this Agreement is held to be invalid or otherwise unenforceable, such provision will be interpreted to fulfill its intended purpose to the maximum extent permitted by applicable law, and the remaining provisions of this Agreement will continue in full force and effect.

Entire Agreement. This Agreement, including Exhibit A, and the Account Agreement embody the entire agreement between the Bank and Customer with regard to Mobile Check Deposit. Any oral agreements, promises, negotiations, or representations not expressly set forth in this Agreement or the Account Agreement are of no force or effect. To the extent that this Agreement and any Account Agreement are inconsistent, this Agreement shall control to the extent of the inconsistency.

No Waiver. No waiver of the performance or breach of, or default under, any condition or obligation in this Agreement will be deemed to be a waiver of any other performance, or breach or any other condition or obligation of this Agreement.

Governing Law. This Agreement is governed by, and shall be construed in accordance with the laws of the State of Illinois without regard to the conflict of laws principles thereof.

Jury Waiver. Customer and the Bank each knowingly and voluntarily waive any right to trial by jury in any litigation regarding Mobile Check Deposit or this Agreement.

Exhibit A
Schedule of Fee and Charges

The Bank does not currently charge for use of Mobile Check Deposit. Please refer to your Account Agreement and the Schedule of Fees for any additional charges associated with your account. Data or usage charges may apply from your mobile device carrier.