

1ST SECURITY BANK

Business Mobile Deposit Services Agreement

This Business Mobile Deposit Services Agreement ("Agreement") provides the terms and conditions under which we will provide mobile deposit services to you. As used in this Agreement, the words "Bank," "we," "us" and "our" refer to 1st Security Bank of Washington. The words "you" and "your" refer to each person or entity, jointly and severally, who signs this Agreement, requests and/or accepts Services using the mobile banking application or otherwise. The word "Services" refers to the terms and conditions pursuant to which the Bank will provide to you our business mobile deposit services, as they may be amended from time to time. The word "Checks" refers to paper checks that you have scanned or want to scan and convert to digitized, electronic images ("Images"). When you request the Services and each time you use the Services, you agree to the terms and conditions of this Agreement (as amended from time to time) the Deposit Account Agreement and all other terms, conditions, agreements, fee schedules and disclosures applicable to banking services we provide to the extent that they affect the Services.

1. **Services.** We agree to provide the Services to you, subject to all of the terms and conditions of this Agreement. You and we each agree to perform the responsibilities appearing below.
2. **Fees.** You agree to pay us fees for Services according to our then-current fee schedule, a copy of which is available upon request. We may change our fees at any time, and we will notify you of those changes in advance if required by law. We may charge your Account (as defined in Section 6 below) for all of those fees. You are responsible for all sales, use and other taxes imposed on you with respect to the Services.
3. **Our Responsibilities.**
 - a. **Deposits.** We agree to accept Images transmitted by you for deposit to the Account, subject to the terms and conditions of this Agreement and our Deposit Account Agreement, as amended. Any capitalized terms not defined in the Agreement shall have the meaning assigned to it in the Deposit Account Agreement.
 - b. **Cut-off Times.** We must receive Images for same day credit by 4:00PM Pacific Time on a day that we are open for business, excluding Saturdays, Sundays and banking holidays ("Business Day"). Images received after 4:00PM Pacific Time will be processed on the following business day.
 - c. **Receipt.** We are not responsible for any Images we do not actually receive, including, without limitation, any Image that is dropped or altered during or after transmission by you. No Image will be considered received by us until you receive a confirmation number from us. Receipt of a confirmation number does not mean that the Image will be processed or is error-free. Images must be complete, usable and in compliance with any data specifications provided in this Agreement and other specifications we might establish. If an Image does not comply with those specifications or in our judgment is otherwise incomplete or unusable, we may decline to process the Image. In that case, the Image will not be deemed "received," and we will adjust your deposit and provide you with notification of the adjustment.
 - d. **Rejection of Images.** We reserve the right to reject any Image for any lawful reason without liability. Without limitation, we may reject any Image that does not comply with the content, quality or other requirements of this Agreement. We may also reject any Image (i) if you have failed to comply with your Account balance obligations, (ii) if the Image would cause any of your Exposure Limits (as defined in Section 8) to be exceeded, or (iii) for any other reason we, in our sole discretion, deem appropriate.
 - e. **Processing.** We will process Images only after we actually receive them. We will use commercially reasonable efforts to transfer and present Images for collection.
 - f. **Posting.** Unless we notify you otherwise, we will provide same-day credit to the Account for all Images transmitted by you and received by us in accordance with the requirements of this Agreement and received before the stated cutoff time. Any credit we give with respect to any Image is provisional, and you agree to indemnify us from and against any and all losses we sustain for accepting any Image.
 - g. **Funds Availability.** Except to the extent governed by Regulation CC, we will make funds available in accordance with our normal funds availability policy, as described in the Deposit Account Agreement. The effective date and time for all deposits will be based upon Pacific Time, regardless of the time zone from which you initiate a deposit.
 - h. **Clearing.** We may clear or present for payment any Image we receive in any manner we choose. Without limitation, we may clear or present Images as images or substitute checks (together, "Items"). We also reserve the right to select any clearing agent through which we clear Items.
 - i. **Returns and Claims.** If the bank on which a check is drawn ("Payor Bank") returns an Item to us unpaid, we will charge your Account for the returned Item and your Account will be charged a returned check (deposit item) fee

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based on our current schedule of fees and charges. In that case, we may either (i) return the Item to you, or (ii) re-present the Item to the Payor Bank before returning it to you. However, we have no obligation to re-present or retransmit a returned Item. We may return Items in any form we choose. We will notify you of our receipt of any returned Item using whatever means we deem appropriate no later than one Business Day after the Business Day of our receipt. We will have no liability to you if we reject or return any Image or Item or fail to give notice to you at an earlier time. If a Payor Bank or other third party makes a claim against us or seeks a re-credit with respect to any Item, we may provisionally freeze a like amount in your Account pending our investigation and resolution of the claim. We will have no liability to you for doing so.

4. Your Responsibilities.

- a. Transmission. You agree to scan, transmit and otherwise handle all Checks and Images in compliance with our then-current requirements and security procedures, and otherwise in accordance with this Agreement.
- b. Restrictions on what you may Deposit. You may scan and transmit only Checks drawn on United States financial institutions that are payable in U.S. funds. You will not scan or transmit any of the following:
 - i. Post-dated checks.
 - ii. Checks payable to any entity other than the authorized account owning entity (i.e. payable to another party and then endorsed to the authorized account owning entity.
 - iii. Checks payable to the authorized account owning entity and another entity or individual.
 - iv. Checks that contain evidence of alteration, or that 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
- c. Image Contents. You must ensure that each Image includes at least all of the following information in a clear and legible manner: (i) all information on the front and back of the Check; (ii) the amount of the Check, the payee, and the drawer's signature; (iii) the drawer and the Payor Bank that is preprinted on the Check, including the MICR line; and (iv) other information placed on the Check prior to scanning, including any endorsements on the back of the Check.
- d. Endorsements. Endorsements must be made on the back of each Check within 1½ inches from the top edge, although we may accept endorsements outside this space. Your endorsement must include the words, "For Mobile Deposit at 1st Security Bank". You agree to indemnify us for any loss we incur from any delay or processing error resulting from an irregular endorsement or other markings by you.
- e. Image Quality. You agree to inspect and verify the quality and clarity of all Images and ensure that the camera on your mobile device is clean and operating properly. All Images must comply with all standards for image quality established by the American National Standards Institute ("ANSI"), the Federal Reserve Board or any other regulatory agency, clearing house or association.
- f. Retention of Original Checks. You agree to keep each Check for at least sixty (60) days after it is scanned and transmitted. You agree to safeguard all Checks against fire, theft or unauthorized access, and you agree to notify us in writing immediately if any Check is lost or stolen. You agree to provide promptly any retained Check (or, if the Check is no longer in existence, a sufficient copy of the front and back of the Check) to us as we may request to aid in the clearing and collection process or to resolve claims by you or a third party with respect to the Check. If you are not able to provide the Check, we reserve the right to reverse the amount of the Check from your Account. After the 60 day period, you agree to shred or otherwise completely destroy Checks that you no longer wish to keep.
- g. Records. You agree to retain all information (in electronic form or otherwise) about all Checks scanned for ninety (90) days. If an Image is or becomes lost, mistaken, incomplete or unusable, or if there is a claim of fraud, alteration, counterfeit or otherwise, you agree to cooperate fully with us and provide us with access to that information.
- h. No Double Payments. You will ensure that no Check, Item or Image will be presented for payment such that an endorser, depository bank, Payor Bank, or drawer will be asked to make a payment twice. You will not attempt to re-deposit, or otherwise endorse to a third party, any original Check.
- i. Additional Procedures and Cooperation. It is your responsibility to safeguard against unauthorized deposits. You agree to follow any additional procedures we may from time to time require in order to enhance the security and efficiency of the Services. You agree to cooperate with us and provide promptly any information we request concerning your use of the Services or any Checks, Images or Items.

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5. **Malfunctions.** If it is reasonably apparent that the Services are unavailable or not functioning properly, you agree to refrain from scanning any Checks, and instead, will deliver those Checks to one of our branches for deposit. We will have no liability to you for any such unavailability or malfunction.
6. **Your Account.** You agree to open and maintain in good standing one or more business accounts, into which Images will be deposited and from which fees and other charges will be debited (collectively, the "Account"). The Account will be subject to this Agreement and the Deposit Account Agreement. You agree that you will not use the Service to scan or transmit any Checks for deposit into a consumer account and will only use the Service to deposit Checks into an authorized business account. If the Account has insufficient funds to cover any obligation you have to us under this Agreement, you agree that we may, without liability, debit any account you have with us for the amount of the deficiency.
7. **Statements and Errors.** You should carefully review and reconcile all statements against your records concerning Images transmitted under this Agreement. If you fail to report any errors to us within the timeframes set forth in the Deposit Account Agreement, we may deem all transactions reflected on a statement as correct, and you will be precluded from asserting against us any errors with respect to such transactions. You agree that this provision is commercially reasonable.
8. **Exposure Limits.** You acknowledge that our acceptance of Images may be dependent, among other things, upon (i) our assessment of your creditworthiness, and (ii) the total amount of Images and other Items outstanding at any one time which have been accepted by us but for which we have not received final settlement ("Unsettled Items"). We may set an exposure limit applicable to the Services ("Exposure Limits"), which may include a limit on your Unsettled Items. We may amend any Exposure Limit from time to time without notice to you. We have no obligation to accept any Image which, when combined with all Unsettled Items, exceeds your Exposure Limit.
9. **Financial Information.** You agree to furnish us with your then-current balance sheet, income statement and such other financial reports as we deem necessary upon request. You represent that all information when furnished will be true, correct and complete in all material respects.
10. **Fraud Risk: Suspension of Services.** You agree to maintain commercially reasonable procedures to safeguard against theft, misappropriation or other unauthorized access to any Checks or any information relating Check. These procedures must include, without limitation, conducting reasonable background checks and providing ongoing training and supervision of all employees who may have access to the Service or any Checks, whether or not that access is authorized. You expressly assume all liability for theft, misappropriation, misuse or other security breach that occurs with respect to any Check, Records, Image or Item that occurs during, or arises in any way out of your storage, handling, or processing of an Item and your performance of this Agreement, including, without limitation, any such actions caused by any of your employees, officers, directors, agents or contractors. You agree to notify us immediately if any of the foregoing events occur. We reserve the right to suspend immediately the Services, your right to use the Services, or the processing of any images we have reason to believe that there is or has been (i) a breach in the security of the Services, (ii) fraud involving you, the Services or the Account, or (iii) any uncertainty as to the authorization or accuracy of any Image.
11. **Your Representations and Warranties.** You represent and warrant that all of the following are true and will remain true throughout the term of this Agreement:
 - a. **Checks.** With respect to each Check and corresponding Image:
 - i. Each Image is a digitized version of the Check, complies in all respects with the content and quality requirements of this Agreement, and accurately represents all of the information on the front and back of the Check at the time the Check was converted to an Image.
 - ii. You are entitled to enforce the Check and Image.
 - iii. All signatures on the Check are authentic and authorized.
 - iv. The Check and Image have not been altered, and the Check is not counterfeit.
 - v. The Check and Image are not subject to a defense or claim of any party that can be asserted against you.
 - vi. You have no knowledge of any insolvency proceeding commenced with respect to you or the drawer of any Check.
 - vii. Any returned or rejected Image or Item is primarily enforceable against you and the drawer of the Check.
 - viii. You have possession of the original Check, and there are no other duplicate images of the Check.

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- b. Other Warranties. All transfer and presentment warranties imposed by the Uniform Commercial Code, other applicable law and the Deposit Account Agreement apply to you.
- c. Own Use. You will use the Services only to make deposits. You will not accept deposits for or on behalf of other persons or entities.
- d. Information. All information you provide, including all information scanned and transmitted to us, and all financial and credit-related information, is true, correct, accurate and complete in all material respects at the time you provided it.
- e. Compliance. At all times during the term of this Agreement, you will comply with all laws, rules and regulations applicable to the Services and all of your activities.
- f. Lawful Use. You will use the Services for lawful purposes only and in accordance with this Agreement.
- g. Viruses. You will not transmit to us any Check or Image that contains any viruses or disabling features that may have an adverse effect on our network, data or related systems.

12. Termination.

- a. Termination by Either Party. You may terminate this Agreement and the Services for any reason at any time by providing written notice to us. We may terminate this Agreement and the Services for any reason at any time without providing written notification.
- b. Effect of Termination. No termination will affect any rights or obligations of yours or ours incurred prior to the effective date of termination, including any provision that contemplates (expressly or otherwise) performance after termination. Without limitation, your obligation to maintain Checks and records, the confidentiality provisions in Section 12 and all of your representations and warranties will survive any termination of this Agreement.
- c. Confidential Information. Within thirty (30) days following any termination of this Agreement, you will destroy or return all copies of any Confidential Information. Upon any termination of this Agreement, you agree to maintain sufficient funds in your Account to cover any outstanding Items and processing fees. You agree to keep the Account open and in good standing for no less than sixty (60) days following the effective date of any termination. You agree to pay upon demand all amounts charged to your Account that exceed the available balance in the Account, along with any additional overdraft or other charges as provided in the Deposit Account Agreement. You agree to retain all Checks and otherwise cooperate with us as provided in Section 4 above.

13. Confidential Information. Each party acknowledges that it may obtain or have access to certain information which is of value to the other's business and the subject of reasonable efforts by the other to be maintained as confidential, which may include, but is not limited to, information regarding the party's software, hardware, business methods, plans and data, financial condition, suppliers and customers ("Confidential Information"). Each party agrees to do all of the following: (i) maintain the confidentiality, integrity and security of such Confidential Information, (ii) use such Confidential Information only for the purposes set forth in this Agreement and for no other purpose, (iii) disclose such Confidential Information only to its employees, agents, auditors, accountants, attorneys and regulators, and only as necessary to perform its obligations and exercise its rights under this Agreement, (iv) maintain physical, technical, procedural and administrative controls and safeguards reasonably designed to ensure the security, integrity and confidentiality of Confidential Information, and (v) protect against any anticipated threats or hazards to the security or integrity of, or unauthorized access to the Confidential Information.

14. Indemnification. You agree to indemnify, defend and hold harmless us, our directors, officers, employees, agents, contractors, technology services providers and affiliates from and against any and all claims, causes of action, damages, expenses (including reasonable attorney's fees and costs), liabilities and other losses that arise out of or relate to (i) your breach of this Agreement, including any breach of any of your promises as described in Section 11, (ii) negligent or willful misconduct by you or any person party acting on your behalf, (iii) any failure to prevent loss or theft of a Check; (iv) failure to prevent a Check, Image or Item from being presented for payment more than once, (v) any failure to properly void a Check, (vi) any misuse of the Services, (vii) failure to comply with all applicable federal, state and local laws, rules and regulations; (viii) any claim that the unavailability of an original Check has caused damage to a third party; (ix) the return of an Item, even if the Item has been initially paid by the Payor Bank, for any reason other than a breach by us of our duties under this Agreement; (x) any act or omission by us that is consistent with this Agreement or consistent with your written or oral instructions; (xi) the act, failure to act or the delay in acting by any financial institution other than us; or (xii) actions by third parties, such as the introduction of a virus, that delay, alter or corrupt the transmission of an Image to us. This provision will survive any termination of this Agreement.

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15. Limitation of Liability.

- a. General Limitation. 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 INCURRED BY YOU OR ANY THIRD PARTY ARISING FROM OR RELATED TO THE USE OF, INABILITY TO USE, OR THE TERMINATION OF THE SERVICES, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE), EVEN IF WE HAVE BEEN INFORMED OF THE POSSIBILITY THEREOF, EXCEPT AS OTHERWISE REQUIRED BY LAW.
- b. Specific Limitations. We will have no liability to you for any of the following, except to the extent that such liability or loss is a direct, proximate result of our material breach of this Agreement or the gross negligence of us or our employees or agents: (i) any damages, costs or other consequences caused by or related to our actions that are based upon information or instructions that you provide to us; (ii) any actions initiated or caused by you; (iii) the failure of third persons or vendors to perform satisfactorily, other than persons to whom we have delegated the performance of specific obligations under this Agreement; (iv) any refusal of a Payor Bank to pay an Item for any reason (other than our breach of contract, gross negligence or willful misconduct), including, without limitation, that the Check, Image or Item was allegedly unauthorized, was a counterfeit, had been altered, or had a forged signature; (v) any lack of access to the Internet or inability to transmit or receive data; (vi) failures or errors on the part of Internet service providers, telecommunications providers or any party's own internal systems; or (vii) any of the matters triggering your indemnification obligations.
- c. Force Majeure. We shall not be liable for any losses or liabilities caused by accident, strike, fire, flood, war, riot, act of terrorism, equipment breakdown, electrical or mechanical failure, acts of nature, legal constraint, interruption of transmission or communication facilities, pandemic event (which includes the fear of contracting an illness), emergency conditions or other act of god, or any other cause which is attributable to a third party and is reasonably unavoidable or beyond our reasonable control. We shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, war, emergency conditions or other circumstances beyond our reasonable control.
- d. Corrections. Our liability for errors or omissions with respect to any data we transmit or print will be limited to correcting the errors or omissions. Correction will be limited to reprinting and/or representing Items to the Payor Bank.
- e. Aggregate Liability. Notwithstanding anything else in this Agreement, our liability to you for claims relating to this Agreement, whether for breach, negligence, infringement, tort or otherwise will be limited to an amount equal to the total fees paid by you to us under this Agreement for the twelve (12) month period immediately preceding the first event that formed the basis of the claim.
- f. Acknowledgment. You acknowledge that the foregoing limitations of liability are an essential, material part of this Agreement and that we would not have entered into this Agreement without those limitations.

16. Exclusion of Warranties.

- a. YOU AGREE THAT YOUR USE OF THE SERVICES AND ALL INFORMATION AND CONTENT THEREOF (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR RISK AND IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE USE OF ANY SERVICES, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. WE MAKE NO WARRANTY THAT ANY REMOTE BANKING SERVICE WILL MEET YOUR REQUIREMENTS OR WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE. WE MAKE NO WARRANTY THAT ANY INFORMATION THAT MAY BE OBTAINED WILL BE ACCURATE OR RELIABLE OR THAT ANY ERRORS IN THE SERVICES OR TECHNOLOGY WILL BE CORRECTED.
- b. WE MAKE NO WARRANTIES AS TO THE SECURITY OF YOUR COMMUNICATIONS VIA OUR FACILITIES OR THE SERVICE (WHETHER SUCH COMMUNICATIONS ARE DIRECTED WITHIN THE SERVICE, OR OUTSIDE THE SERVICE TO THE INTERNET), OR THAT THIRD PARTIES WILL NOT GAIN UNAUTHORIZED ACCESS TO OR MONITOR YOUR COMPUTER(S) OR ONLINE COMMUNICATIONS. YOU AGREE THAT WE WILL NOT BE LIABLE FOR ANY SUCH UNAUTHORIZED ACCESS. YOU HAVE THE SOLE RESPONSIBILITY TO SECURE YOUR DEVICES.

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17. **Other Agreements.** You agree to be bound by the terms of all clearinghouse agreements, operating circulars, image exchange agreements and other agreements to which we are a party, to the extent they apply to the Services. The terms and conditions of our Deposit Account Agreement are incorporated by reference into this Agreement. Where there is an inconsistency between a provision in one or more of such agreements and this Agreement, this Agreement will be controlling.
18. **NOTICES.** Any notice or other communications to you or us required or permitted to be given under this Agreement must be in writing and shall be effectively given if sent to the addresses for us as set forth below, and to you at the address set forth at the conclusion of this Agreement, by (a) United States mail, certified or registered, return receipt requested, or (b) nationally recognized overnight courier::

1st Security Bank of Washington
Attn: Special Services Department
6920 220th Street SW
Mountlake Terrace, WA 98043

E-Mail: Info@fsbwa.com

The notice address of you or us may be amended by providing notice in the manner required herein to the other party hereto of the change in such party's notice address.

19. **Miscellaneous Provisions.**

- a. **Governing Law; Venue.** This Agreement and all Services will be governed by and construed in accordance with the laws of the State of Washington. Any action by either party with respect to this Agreement must be brought in Snohomish County, Washington in a court of appropriate jurisdiction. The substantially prevailing party in any action will be entitled to an award of all of its court costs and fees, including witness fees and attorney's fees.
- b. **Assignments.** You may not assign your rights or obligations under this Agreement without our prior written consent. However, we may assign any of our rights or delegate our responsibilities under this Agreement to one or more third party vendors or to any affiliate or subsidiary without your consent. This Agreement will be binding upon us, you and each party's respective permitted successors and assigns.
- c. **Amendments.** We may amend this Agreement at any time upon thirty (30) days written notice to you.
- d. **Severability.** If any portion of this Agreement is found by a court of competent jurisdiction to be invalid, the invalid provision will be deemed to be removed, and the remainder of the Agreement will be enforced to the maximum extent permissible to effectuate the intention of the parties.
- e. **Waiver.** Our failure to enforce any of our rights under this Agreement will not be deemed to be a waiver of our right to enforce such rights at a later time.
- f. **Counterparts.** This Agreement may be executed in any number of counterparts each of which shall be deemed to constitute an original Agreement, and all of which shall constitute one Agreement. The execution of one counterpart by any party shall have the same force and effect as if that party had signed all other counterparts.
- g. **Independent Contractors.** You and we are independent contractors. Your employees and agents will not for any purpose be deemed to be our employees or agents.
- h. **Entire Agreement.** Except as specifically provided above, this Agreement represents the entire agreement between the parties with respect to the Services and supersedes all prior agreements and understandings between the parties with respect to the Services.