



**CAPITOL
BANK**

**Capitol Bank
Mobile Deposit Business Addendum**

This Mobile Deposit Business Addendum (“**Addendum**”) to the Online Banking - Business Agreement and Mobile Banking Business Addendum between Company and Capitol Bank (together, the “**Agreement**”) contains additional terms and conditions for Company’s use of Mobile Deposit Business. This Addendum is incorporated into the Agreement by reference. It also describes the rights and obligations of Capitol Bank. If there is a conflict or inconsistency between the provisions of this Addendum and the Agreement, this Addendum will control as to any conflict or inconsistency relating to our Mobile Deposit Business service.

In this Addendum, the words “Bank,” “we,” “us” or “our” mean Capitol Bank and its successors or assigns. The words “Company,” “you” and “your” mean the Company, its successors or assigns, and Company’s Authorized Users authorized by the Company to access the Mobile Deposit Business Services. Capitalized terms not defined in this Addendum have the meanings ascribed to them in the Agreement.

Please read this Agreement carefully. By participating in Mobile Banking Deposit, Company agrees to comply with the terms and conditions of this Addendum.

1. Service. Mobile Deposit Business is designed to allow Company to make deposits to those checking, or savings accounts designated as mobile deposit accounts on Company’s Authorization Form (each a “**Deposit Account**” and collectively, the “**Deposit Accounts**”) from a mobile device such as a smart phone or tablet. To use Mobile Deposit Business, Company must have a camera-enabled mobile device acceptable to us that is capable of capturing check images and information and electronically delivering the items and associated deposit information to us or our service provider. Company will designate the Authorized Users that will have access to Mobile Deposit Business on Company’s Employee Authorization Form.
2. Eligible items. Company agrees to scan and deposit only “**checks**” as that term is defined in Federal Reserve Regulation CC (“**Reg. CC**”). When the image of the check transmitted to us is converted to an image replacement document for subsequent presentment and collection, it shall thereafter be deemed an “item” within the meaning of Articles 3 and 4 of the Uniform Commercial Code. When used in this Addendum, the term “check” also refers to the image of the check and is considered an “item” as used in Articles 3 and 4 of the Uniform Commercial Code.
3. Company agrees that it will not scan and deposit any of the following types of checks or other items which shall be considered ineligible items:
 - Checks payable to any person or entity other than Company and a joint deposit account owner.
 - Checks that are prohibited by the Bank or in violation of any law, rule or regulation.
 - Checks containing an alteration on the front of the check or item, or which Company knows or suspects, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the check is drawn.
 - Checks payable jointly, unless deposited into an account in the name of all payees.

- Checks previously converted to a substitute check, as defined in Reg. CC or other applicable law or regulation or "image replacement documents" that purport to be substitute checks.
- Checks drawn on a financial institution located outside the United States.
- Checks that are remotely created checks, as defined in Reg. CC.
- Checks not payable in United States currency.
- Checks dated more than 6 months prior to the date of deposit.
- Checks or items prohibited by our current procedures relating to Mobile Deposit Business or which are otherwise not acceptable under the terms of Company's account with us.
- Checks drawn on any Company deposit account.
- Checks with any endorsement on the back other than that specified in this Addendum.
- Checks that have previously been submitted through Mobile Deposit Business or through a remote deposit capture service offered at any other financial institution.
- Checks that have been dishonored or returned to Company unpaid for any reason.
- Checks or items that are drawn or otherwise issued by the U.S. Treasury Department.
- Deposits that exceed Company's per check or dollar amount limits set forth in this Addendum on Schedule 1.

4. Presenting Checks More Than Once

- a. In addition to and not in lieu of Section 3, Company agrees that once Company has used Mobile Deposit Business to deposit a check Company will not present, or allow anyone to present, that original check or a substitute check of that original check again for deposit through Mobile Deposit Business or by any other means. IF COMPANY OR ANYONE ELSE PRESENTS A CHECK OR SUBSTITUTE CHECK FOR DEPOSIT MORE THAN ONCE IN VIOLATION OF THIS ADDENDUM, COMPANY AGREES TO INDEMNIFY, DEFEND AND HOLD US HARMLESS FROM AND AGAINST ALL LIABILITY AND LOSSES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) THAT MAY RESULT FROM ANY CLAIMS, SUITS OR DEMANDS FROM THIRD PARTIES WITH RESPECT TO SUCH CHECK OR SUBSTITUTE CHECK.
- b. Company agrees that we may debit from Company's Deposit Account the aggregate amount of any checks that are deposited more than once. To the extent that funds in Company's Deposit Account are insufficient to cover such amount, we shall debit the deficiency amount from any other of Company's account(s) with us at our sole discretion.
- c. Company grants the Bank a security interest in all Deposit Accounts or other deposits (whether general or special) of Company's at the Bank, and in all funds in such Deposit Accounts or other deposits, to secure Company's obligations to Bank under this Addendum. This security interest will survive termination of this Addendum.

5. User Warranties and Indemnification: Company agrees and warrants to us that:

- Company will only transmit eligible check or items.
- Company will not transmit duplicate checks or items.
- Company will not re-deposit or re-present the original check or item.

- Company will comply with this Addendum and all applicable rules, laws and regulations.
- Company is not aware of any factor which may impair the collectability of the check or item.
- Company will not use Mobile Deposit Business for any illegal activity or transaction.
- All information Company provides to the Bank is accurate and true.
- No subsequent transferee, including but not limited to the Bank, a collecting or returning bank, drawer, drawee, payee or endorser, will be asked to pay the original check from which the image(s) was created or a duplication (whether paper or electronic, including ACH entries) of the check(s).
- No subsequent transferees of check(s) or other item(s), including but not limited to the Bank, a collecting or returning bank, drawer, drawee, payee or endorser, shall sustain a loss as the result of the fact that an item was presented for payment or returned instead of the original check.
- No items or files contain any viruses or other harmful, intrusive or invasive codes.
- Each check transmitted by Company to the Bank contains an accurate representation of the front and back of each check and complies with the terms of this Addendum.
- All checks and Company transactions are, and will be, bona fide. All signatures on checks are authentic and authorized.
- This Addendum is valid and enforceable against Company in accordance with its terms; and the entry into, and performance of, this Addendum by Company will not violate any law, or conflict with any other agreement, to which Company is subject.

COMPANY AGREES TO INDEMNIFY AND HOLD HARMLESS US FROM ANY LOSS, INCLUDING OUR REASONABLE ATTORNEYS' FEES, FOR BREACH OF ANY OF THE FOREGOING WARRANTIES.

6. Deposit Limits: For security reasons, we reserve the right to establish and assign to Company's deposit limits for Mobile Deposit Business (including limits on the dollar amount and/or number of checks Company may transmit through Company and its Authorized Users mobile devices each day or in any other period) and to modify such limits from time to time at our sole discretion, and Company agrees to comply with all such limits. If Company attempts to initiate a deposit in excess of these limits, we may reject Company's deposit. If we permit Company to make a deposit in excess of these limits, such deposit will still be subject to the terms of this Addendum, and we will not be obligated to allow such a deposit at other times. Company's deposit limits are set forth on attached Schedule 1.
7. Endorsements and Procedures: Company agrees to restrictively endorse any item transmitted through Mobile Deposit Business as "**FOR MOBILE DEPOSIT ONLY**" or as we may otherwise instruct Company. Company agrees to follow any and all other procedures and instructions for use of Mobile Deposit Business as we may establish from time to time. Endorsements must be made on the back of the check within 1^{1/2} inches from the top edge, although we may accept endorsements outside this space. Any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by Company will be Company's responsibility.

8. Funds Availability: Company agrees that the images of checks transmitted using Mobile Deposit Business are not subject to the funds availability requirements of Reg. CC. In general, if an image of an item Company transmits through Mobile Deposit Business is received and accepted before [6:00 p.m. Central Time] on a business day that we are open, we consider that day to be the day of Company's deposit. Otherwise, we will consider that the deposit was made on the next business day we are open. Funds deposited using Mobile Deposit Business will generally be made available in one to three business days from the day of deposit, although there may be delays in the availability of the funds and we are not responsible for any loss, costs or fees that you may incur as a result of any such delay. We may make such funds available sooner based on such factors as credit worthiness, the length and extent of Company's relationship with us, transaction and experience information, and such other factors as we, in our sole discretion, deem relevant.
9. Check Requirements (including image quality): The image of an item transmitted to us using Mobile Deposit Business must be legible and contain images of the front and back of the check. The image quality of the items must comply with the requirements established from time to time by the American National Standards Institute ("ANSI"), the Board of Governors of the Federal Reserve Board, or any other regulatory agency, clearing house or association and must be acceptable to us in our discretion. These requirements include, but are not limited to, ensuring the following information can clearly be read and understood by sight review of the check image:
- the amount of the check (both written and numeric);
 - the payee of the check;
 - the signature of the drawer (maker);
 - the date of the check;
 - the check number;
 - the information identifying the drawer and the paying financial institution that is preprinted on the check including the magnetic ink character recognition ("MICR") line; and
 - all other information placed on the check prior to the time of an image of the check is captured (such as any required identification written on the front of the check and any endorsements applied to the back of the check).

Company shall ensure that all of the following information is captured on the MICR line of each check: (i) the American Bankers Association routing transit number ("RTN"); (ii) the number of the account on which the check is drawn; (iii) when encoded the amount of the check; and (iv) when encoded, the serial number and the process control field of the check.

10. Rejection of Checks: We reserve the right to reject any image of a check transmitted through Mobile Deposit Business, at our discretion, without liability to Company. We are not responsible for images of checks we do not receive or for images that are dropped during transmission. Company acknowledges and agrees that, while we normally provide notice of rejected deposits, unless otherwise protected by law, we may reject any check transmitted through Mobile Deposit Business at our sole discretion without notice to Company, and we will not be liable for any such rejection or failure to notify Company of such rejection. If we

reject a check for Mobile Deposit Business, Company must physically deposit the original check. We are not liable for any service or late charges that may be imposed against Company due to our rejection of any check that Company transmits for deposit through Mobile Deposit Business.

11. Receipt of Deposits: Company is solely responsible for verifying that images of checks that Company deposits by using Mobile Deposit Business have been received and accepted for deposit by us. Our receipt of the image of the check does not mean that the transmission was error free, complete or will be considered a deposit and credited to Company's Deposit Account. Company agrees that all deposits received by us are subject to verification and final inspection and may be subsequently rejected by us in our sole discretion, and Company shall be liable to us for any errors, inaccuracies, breach of warranties and any other loss sustained by, or claim made against us relating to such deposits. After we receive check images and all other required deposit information from Company through Mobile Deposit Business, we shall provisionally credit Company's designated Deposit Account for the total amount of such check images, subject, however, to the Deposit Limits set forth in this Addendum. The provisional credit is subject to final payment of the checks and is also subject to Company's Deposit Account Agreement with us. We further reserve the right to charge back to Company's account at any time, any check or item that we subsequently determine was not an eligible check or item as defined in this Addendum or is otherwise subject to chargeback as described in the Deposit Account Agreement. Company agrees that we are not liable for any loss, costs, or fees Company may incur as a result of our chargeback of an ineligible item. In all cases, Company is responsible for any loss or overdraft plus any applicable fees to Company's account due to a check being returned.
12. Unpaid Checks: We will provide Company with notice of any deposits that we are unable to process because the checks were returned unpaid by the payor financial institution. Company agrees to accept such notices at Company's address on file with us, but we may choose any reasonable method for providing such notices to Company. In the event that we credit Company's Deposit Account for a check that is subsequently dishonored and returned, Company authorizes us to debit the amount of such check plus any associated fees from Company's Deposit Account. To the extent that funds in Company's Deposit Account are insufficient to cover such amount, we shall debit the deficiency amount from any of Company's other account(s) with us at our sole discretion. Our right to charge Company's Deposit Account will apply without regard to whether the check was timely returned or whether there is any other claim or defense that the check was improperly returned. Company further agrees that any image that we charge back may be in the form of an electronic or paper reproduction of the original check or a substitute check or ACH debit. As a result, if Company's check is returned unpaid, Company will only receive a copy of the substitute check or image, or in the case of an ACH debit, the Automated Clearing House information. Company agrees to comply with any additional instructions we may provide to Company in connection with returned checks.
13. Fees and Charges: Company will be charged a fee of \$0.65 for each check deposited through Mobile Deposit Business. Capitol Bank's fees are subject to change. Capitol Bank will notify the Company in writing regarding any fee changes at least thirty (30) days in advance

of the effective date of these changes. Company authorizes us to deduct any fees incurred in connection with Mobile Deposit Business from any of Company's Deposit Accounts with us. Other fees such as returned check fees continue to apply. Please refer to Capitol Bank's fee schedule for a list of additional fees.

14. Authentication Method: Company is liable for all transactions made or authorized with the use of an Authorized User's Access ID, password, and, if applicable, Security Token PIN ("**Authentication Method**"). By accessing Mobile Deposit Business with an Authorized User's Authentication Method, Company authorizes us to complete the requested transaction(s) through Mobile Deposit Business. Any requests or instructions we receive from an Authorized User through Mobile Deposit Business using an Authorized User's Authentication Method shall be considered "in writing" under all applicable law and shall have the same force and legal effect as writing signed by Company. This includes, but is not limited to, inquires, deposit transactions, checks deposited, check images, changes to accounts or services or any other communication Company provides us through Mobile Deposit Business or Mobile Banking using an Authorized User's Authentication Method.
15. Duty to Report Errors: We will provide Company with periodic statements that will identify the deposits that Company makes through Mobile Deposit Business. In addition, Company may access our Internet Banking or Mobile Banking services for information about Company's deposits, return items, deposit adjustments, checks and other transactions on Company's account. Company agrees that it is Company's responsibility to review all such information that we make available to Company in a timely manner to verify that deposits made through Mobile Deposit Business have been received and accepted by us and are accurate. Company agrees to notify us promptly of any errors, omissions, or discrepancies in a deposit within the time periods established in Company's Deposit Account Agreement. Company may notify us by writing to Capitol Bank, Attention: Deposit Operations, 710 N. High Point Road, Madison, WI 53717 or telephoning us at (608) 836-1616. Subject to applicable law, any failure by Company to notify us of any error, omission or other discrepancy within the time periods established in Company's Deposit Account Agreement in accordance with this Addendum and Company's Deposit Account Agreement shall relieve us of any liability for such error, omission or discrepancy.
16. Storage, Security and Destruction/Disposal of the Checks: After Company receives confirmation that we have received an image of a check, Company must securely store the original check for 14 days after transmission to us and make the original check accessible to us at our request. Upon our request from time to time, Company will deliver to us within two business days, at Company's expense, the requested original check in Company's possession. If not provided in a timely manner, such amount will be reversed from Company's account. Promptly after the 14-day retention period expires, Company must destroy the original check by first marking it "**VOID**" and then destroying it by shredding or another commercially acceptable means of destruction. After destruction of the original check, the image will be the sole evidence of the original check. Company agrees that Company will never re-present the original check. Company understands that Company is responsible if anyone is asked to make a payment based on an original check that has already been paid.

17. Availability of Service/Contingency: In the event Company is unable to capture, balance process, produce or transmit a file to us for any reason, including but not limited to, communications, equipment or software outages, interruptions, maintenance or failures, Company may transport or mail the originals of all checks to the closest Bank location. The deposit of original checks at our office shall be governed by the terms and conditions of Company's Deposit Account Agreement and not by the terms of this Addendum.
18. Problems in Transmission: By using Mobile Deposit Business Company accepts the risk that an image may be intercepted or misdirected during transmission. Company understands that, while we and our service providers have established certain security procedures, such as firewalls, codes and data encryption designed to prevent unauthorized access to Company's accounts or transactions, there can be no assurance that Mobile Deposit Business will be completely secure. Company also understands that access to Mobile Deposit Business will not be free from delays, malfunctions, or other inconveniences generally associated with the Internet. Company agrees that we are not responsible for any such unauthorized access, delays or malfunctions, and we are not responsible for the acts of third parties or for any delay or interruption in Mobile Deposit Business beyond our control. We bear no liability to Company or others for any such intercepted or misdirected items or information disclosed through such errors or other problems in the course of transmission of the images.
19. Data Security: Company agrees to notify us IMMEDIATELY by telephone at (608) 836-1616 and with written notice at Capitol Bank, Attention: Deposit Operations, 710 N. High Point Road, Madison, WI 53717 if Company learns of any loss or theft of any check. Company also agrees during the time Company's retained check is available to keep the check in a safe and secure location and to safeguard it. If warranted in our reasonable judgment, we may audit and monitor Company's safeguarding practices, and Company agrees to cooperate with us to permit such monitoring, to confirm that Company has satisfied Company's obligations under this Addendum.
20. Cooperation with Investigations: Company agrees to cooperate with us in the investigation of unusual transactions, poor quality transmissions and resolution of customer claims, including by providing, upon request and without further cost, any originals or copies of item deposited through Mobile Deposit Business in Company's possession and Company's records relating to such items and transmissions.
21. Termination of Mobile Deposit Business: We may suspend or terminate Company's use of Mobile Deposit Business at any time without notice to Company. Even after we terminate Company's use of Mobile Deposit Business, Company's indemnification of us and our Disclaimer of Warranties and Limitations of Liability set forth in the Agreement and this Addendum will continue to apply and will be in full force and effect.

Schedule 1
Mobile Deposit Limits

COMPANY

Company is subject to the following deposit limits:

Daily Limits

Total number of checks per day \$ _____

Total deposit amount per day _____

Monthly Limits

Total number of checks per month _____

Total deposit amount per month \$ _____