

TERMS AND CONDITIONS FOR MOBILE DEPOSIT

This Mobile Deposit User Agreement ("Agreement") contains the terms and conditions for the use of Home State Bank's Mobile Deposit services that Home State Bank ("bank", "us", "our", or "we") may provide to you ("you," or "User"). Other agreements you have entered into with Home State Bank, as applicable to your Home State Bank account(s), are incorporated by reference and made a part of this Agreement, including the Online Banking Agreement.

- 1. Services.** Home State Bank's Mobile Deposit services ("Services") are designed to allow you to make deposits to your checking or savings accounts from home or other remote locations by capturing the image of a check and delivering the images and associated deposit information to Home State Bank or our designated processor.
- 2. Qualification Criteria.** Mobile Deposit may be made available to certain customers of Home State Bank, to be determined by the Bank at its sole discretion.
- 3. Acceptance of these Terms.** Your use of the Services constitutes your acceptance of this Agreement. This Agreement is subject to change at any time. We will notify you of any material change via e-mail, text message, or on our website by providing a link to the revised Agreement. Your continued use of the Services will indicate your consent to be bound by the revised Agreement. Further, Home State Bank reserves the right, in its sole discretion, to change, modify, add, or remove portions from the Services. Your continued use of the Services will indicate your acceptance of any such changes to the Services.
- 4. Limitations of Service.** When using the Services, you may experience technical or other difficulties. We will attempt to post alerts on our website to notify you of these interruptions in Service. We cannot assume responsibility for any technical or other difficulties or any resulting damages that you may incur. Some of the Services have qualification requirements, and we reserve the right to change the qualifications at any time without prior notice. We reserve the right to change, suspend or discontinue the Services, in whole or in part, or your use of the Services, in whole or in part, immediately and at any time without prior notice to you.
- 5. Hardware and Software.** In order to use the Services, you must obtain and maintain, at your expense, compatible hardware and software as specified by Home State Bank. See www.hsbroyal.com for current specifications. Home State Bank is not responsible for any third party software you may need to use the Services. Any such software is accepted by you as is and is subject to the terms and conditions of the software agreement you enter into directly with the third party software provider at time of download and installation.
- 6. Fees.** You are responsible for paying the fees for use of the Service as the Bank may charge them from time to time. The first five (5) Deposit Items (or checks) per statement cycle are free. Each Deposit Item (or check) after the first five (5) have a current consumer fee for the service of \$0.25 per Deposit Item (or check). The Bank may change the fees for the use of the Service at any time pursuant to the section titled "Amendment". You authorize the Bank to deduct any such fee from any account in your name.
- 7. Eligible items.** You agree 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 Home State Bank is converted to an image 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.

You agree that you 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 the person or entity that owns the account into which the check is being deposited.
 - Checks containing an alteration on the front of the check or item, or which you know or suspect, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the check is drawn.
 - 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.
 - 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 the bank's current procedures relating to the services or which are otherwise not acceptable under the terms of your account.
 - Checks with any endorsement on the back other than that specified in this agreement.
 - Checks that have previously been submitted through the Service or through a remote deposit capture service offered at any other financial institution.
 - Checks that have previously been deposited or negotiated in any way via any method at Home State Bank or any other financial institution.
- 8. Endorsements and Procedures.** You agree to restrictively endorse any item transmitted through the Services as **"For Mobile Deposit Only"** or as otherwise instructed by Home State Bank. You agree to follow any and all other procedures and instructions for use of the Services as Home State Bank may establish from time to time.
- 9. Receipt of Items.** We reserve the right to reject any item transmitted through the Services, at our discretion, without liability to you. We are not responsible for items we do not receive or for images that are dropped during transmission. An image of an item shall be deemed received when you receive a confirmation from Home State Bank that we have received the image. Receipt of such confirmation does not mean that the transmission was error free, complete or will be considered a deposit and credited to your account. We further reserve the right to charge back to your account, at any time, any item that we subsequently determine was not an eligible item. You agree that the Bank is not liable for any loss, costs, or fees you may incur as a result of our chargeback of an ineligible item.
- 10. Availability of Funds.** If an Image you transmit through the Service is received and accepted before 3:00PM Central Standard Time on a business day that we are open, we consider that day to be the day of your deposit. Otherwise, we will consider that the deposit was made on the next business day we are open. Funds from Items deposited through the Service will be made available to you pursuant to our Funds Availability disclosure provided during account opening.
- 11. Disposal of Transmitted Items.** Upon your receipt of a confirmation from Home State Bank that we have received an image that you have transmitted, you agree to prominently mark the item as "Electronically Presented", "VOID", or otherwise render it incapable of further transmission, deposit, or presentment. You agree never to re-present the item. You agree to retain the check for at least 90 calendar days from the date of the image transmission. After 90 days, you agree to destroy the check that you transmitted. During the time the retained check is available, you agree to properly handle the check and upon request, promptly provide it to Home State Bank.
- 12. Deposit Limits.** The Bank reserves the right to impose limits on the amount(s) and/or number of deposits (over a period of time set by the Bank) that you transmit using the Service and to modify such limits from time to time. The bank may change the imposed limits at any time pursuant to the section titled "Amendment". Our current daily deposit limit for this Service is \$2,000 per day. If you attempt to initiate a deposit in excess of these limits, we may reject your

deposit. If we permit you to make a deposit in excess of these limits, such deposit will still be subject to the terms of this Agreement, and we will not be obligated to allow such a deposit at other times.

13. Presentment. The manner in which the items are cleared, presented for payment, and collected shall be in Home State Bank's sole discretion subject to the agreements governing your account.

14. Errors. If you think your statement is wrong or if you need more information about a deposit made through this Service, we must hear from you no later than 60 days after we make available the FIRST statement on which the error or problem appears. Telephone us at the number listed on the front of your statement or write us at the address on the front of the statement.

- Tell us your name and account number.
- Describe the error or deposit you are unsure about and explain as clearly as you can why you believe there is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

Unless you notify Home State Bank within 60 days, such statement regarding all deposits made through the Service shall be deemed correct, and you are prohibited from bringing a claim against Home State Bank for such alleged error.

15. Errors in Transmission. By using the Services you accept the risk that an item may be intercepted or misdirected during transmission. Home State Bank bears no liability to you or others for any such intercepted or misdirected items or information disclosed through such errors.

16. Check Requirements (Including Image Quality). The image of an item transmitted to Home State Bank using the Services must be legible, as determined in the sole discretion of Home State Bank, and contain images of the front and the 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, clearinghouse or association. 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; the signature of the drawer (maker); the date; the Check number; the information identifying the drawer and the paying financial institution that is preprinted on the Check including the 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 endorsements applied to the back of the Check).

17. User Warranties and Indemnification. You warrant to Home State Bank that:

- You will only transmit eligible items.
- You will not transmit duplicate items.
- You will not re-deposit or re-present the original item.
- All information you provide to Home State Bank is accurate and true.
- You will comply with this Agreement and all applicable rules, laws, and regulations.
- You are not aware of any factor which may impair the collectability of the item.
- You agree to indemnify and hold harmless Home State Bank from any loss for breach of this warranty provision.

18. Cooperation with Investigations. You agree 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 items deposited through the Service in your possession and your records relating to such items and transmissions.

- 19. Amendment.** From time to time the Home State Bank may amend any of the terms and conditions contained in the Agreement, including without limitations, any cut-off time, any business day, and any part of the Schedules attached hereto. Such amendments shall become effective upon receipt of notice by the Customer or such later date as may be stated in the Home State Bank's notice to the Customer. If you do not agree with the change you may discontinue using the Service. However, if you continue to use the Service, that may be deemed your acceptance of agreement to the change.
- 20. Termination.** We may terminate this Agreement at any time, for any reason, and without notice. This Agreement shall remain in full force and effect unless and until it is terminated by us. Without limiting the foregoing, this service may be terminated if you breach any term of this Agreement, if you use the Services for any unauthorized or illegal purposes or you use the Services in a manner inconsistent with the terms of your account agreement or any other agreement with us. If you would like to terminate using this service, call us at (712) 933-5511 or send a written request to:
- Home State Bank**
PO Box 79
Royal, IA 51357
- 21. Enforceability.** We may waive enforcement of any provision of this Agreement. No waiver of a breach of this Agreement shall constitute a waiver of any prior or subsequent breach of the Agreement. Any such waiver shall not affect our rights with respect to any other transaction or to modify the terms of this Agreement. In the event that any provision of this Agreement shall be deemed to be invalid, illegal, or unenforceable to any extent, the remainder of the Agreement shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.
- 22. Ownership & License.** You agree that Home State Bank retains all ownership and proprietary rights in the Services, associated content, technology, and website(s). Your use of the Services is subject to and conditioned upon your complete compliance with this Agreement. Without limiting the effect of the foregoing, any breach of this Agreement immediately terminates your right to use the Services. Without limiting the restriction of the foregoing, you may not use the Services (i) in any anti-competitive manner, (ii) for any purpose which would be contrary to Home State Bank's business interest, or (iii) to Home State Bank's actual or potential economic disadvantage in any aspect. You may use the Services only in accordance with this Agreement. You may not copy, reproduce, distribute or create derivative works from the content and agree not to reverse engineer or reverse compile any of the technology used to provide the Services.
- 23. Your Authentication Method.** You agree that we are entitled to act upon instructions we receive with respect to the Service under your HSB E-Banking user ID, password, test key or other code or authentication method that we require (these components are referred to herein collectively as your "Authentication Method"). You are liable for all transactions made or authorized with the use of your Authentication Method. We have no responsibility for establishing the identity of any person who uses your Authentication Method. You agree that if you give any component of your Authentication Method to anyone or fail to safeguard its secrecy, you will be in violation of your obligations under your Internet and Mobile Banking Agreement and this Agreement. You agree to take appropriate steps to ensure that all components of your Authentication Method are protected and kept confidential. You agree to indemnify and release us from any and all liability, and agree not to make any claim or bring any action against us, relating to our honoring or allowing any actions or transactions that are conducted under your Authentication Method or acting upon instructions, messages or authorizations provided to us using your Authentication Method. By accessing the Service with

your Authentication Method, you authorize us to complete the requested transaction(s) through the Service. Any requests or instructions we receive from you through the Service using your Authentication Method shall be considered "in writing" under all applicable law and shall have the same force and legal effect as a writing signed by you. This includes, but is not limited to, inquiries, deposit transactions, Checks deposited, Check images, changes to accounts or services or any other communication you provide us through the Service using your Authentication Method.

- 24. Data Security.** You will complete each deposit promptly. If you are unable to complete your deposit promptly, you will ensure that your mobile device remains securely in your possession until the deposit has been completed. It is your responsibility to establish and maintain procedures to safeguard against unauthorized deposits. You will notify us immediately by telephone at (712-933-5511) if you learn of any loss or theft of original checks. You will ensure the safety and integrity of original Checks from the time of receipt until the time of destruction. If warranted in our reasonable judgment, we may audit and monitor you, and you agree to cooperate with us to permit such monitoring, to confirm that you have satisfied your obligations under this Agreement.
- 25. DISCLAIMER OF WARRANTIES.** YOU AGREE YOUR USE OF THE SERVICES 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. WE DISCLAIM 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. WE MAKE NO WARRANTY THAT THE SERVICES (i) WILL MEET YOUR REQUIREMENTS, (ii) WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (iii) THE RESULTS THAT MAY BE OBTAINED FROM THE SERVICE WILL BE ACCURATE OR RELIABLE, AND (iv) ANY ERRORS IN THE SERVICES OR TECHNOLOGY WILL BE CORRECTED.
- 26. LIMITATION OF LIABILITY.** YOU AGREE THAT WE WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER LOSSES RESULTING FROM THE USE OR THE INABILITY TO USE THE SERVICES INCURRED BY YOU OR ANY THIRD PARTY ARISING FROM OR RELATED TO THE USE OF, INABILITY TO USE, OR THE TERMINATION OF THE USE OF THIS SERVICES, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE), EVEN IF HOME STATE BANK HAS BEEN INFORMED OF THE POSSIBILITY THEREOF.