

Brattleboro Savings & Loan

Mobile Check Deposit Disclosure and Agreement

2013

This Mobile Check Deposit Agreement (“Agreement”) is the contract that covers your and our rights and responsibilities concerning Mobile Check Deposit Services offered to you by Brattleboro Savings & Loan (“BS&L”). In this Agreement, the words “we,” “our,” “us,” and “Bank” refer to BS&L. “You” or “your” refers to each person with authorized access to your Account(s) who applies for and uses BS&L’s Mobile Check Deposit Service. The word **Service(s)** refers to BS&L’s Mobile Check Deposit Service.

Please read this entire agreement prior to using this Service. By enrolling in or using the Service, you acknowledge your receipt and understanding of and agree to all terms and conditions of this Agreement. Please maintain a copy for your records.

Your Mobile Banking Agreement (Sections A and B), your Online Banking Enrollment Agreement, your Truth-in-Savings Disclosure, Electronic Fund Transfers Disclosure, Funds Availability Disclosure and Check 21 Disclosure, as well as any other account agreements to which you agreed previously, are incorporated into and made part of this Agreement.

Terms and Conditions

BS&L’s MOBILE CHECK DEPOSIT Service “Services” are designed to allow you to make deposits to your checking, savings, or money market accounts from home or other remote locations by capturing the image of a check and delivering the images and associated deposit information to us or our designated processor. We, in turn, transmit the image, ACH data, or a substitute item to the paying financial institution for collection.

The MOBILE CHECK DEPOSIT Service is subject to the following terms and conditions. One or more subcontractors may provide this Service.

Definitions

“**Account(s)**” means your eligible BS&L checking, savings, money market deposit accounts and other Bank products that can be accessed through this Service.

“**Business Day**” means Monday through Friday, excluding federal banking holidays.

“**Check**” is defined as set forth in Check 21.

“Check 21” refers to the Check Clearing for the 21st Century Act, as well as Federal Reserve Regulation CC.

“Capture Device” means any device acceptable to us from time to time that provides for the capture of images from Items and for transmission through the clearing process. A supportable mobile device includes a cellular phone or other mobile device that is web-enabled and allows secure SSL traffic and is capable of receiving text messages.

“Image Replacement Document” (IRD) means the electronic image of the front and back of an Item, in addition to other required information, as specified by us, in the format we specify, including:

- a) A substitute check as defined in Check 21; or
- b) The paper reproduction that will be created when an item cannot be converted to an ACH transaction

“Item” is defined as a check, money order, cashier’s check, official check, U.S. Treasury check, or any other payment instrument drawn on a United States financial institution in US dollars, from a Payor to you that may be transmitted as either data or image, and where applicable, includes the electronic image of the front and back of an item, in addition to other required information as may be specified by BS&L. For an item to be processed for deposit, it must be restrictively endorsed in the proper location on the back of the item: “For Deposit Only,” with your signature and account number.

“Mobile Banking” means the banking services accessible from the device you have registered with us.

“Payor” refers to consumers or businesses that make payments to you by means of an Item as defined above.

1. Use of the Mobile Check Deposit Service

Following receipt of an email notifying you that you have been approved by us for use of this Service, you are authorized to remotely deposit paper checks that you receive by electronically transmitting a digital image of the paper check to us for deposit. You agree to comply with any hardware or software requirements as set forth below.

2. Check Processing

You agree that the manner in which the items are cleared (e.g., substitute check, image exchange, ACH) or presented for payment shall be determined by the Bank, in our sole discretion. We reserve the right to select the clearing agents through which we clear items. You agree to be bound by any clearinghouse agreements, operating circulars, and image exchange agreements to which we are party.

3. Funds Availability

Funds from the deposited items will be made available according to BS&L's Regulation CC Funds Availability Disclosure, as amended from time to time and incorporated into this document by reference. (You received a copy of this policy with your Truth in Savings Disclosures when you opened your underlying account.) For purposes of determining availability of funds deposited, the checks deposited via MOBILE CHECK DEPOSIT are considered received by BS&L when the MOBILE CHECK DEPOSIT system expressly indicates that the checks were received by or delivered to BS&L. The scanning and transmitting of checks in and of itself does not constitute receipt by us. Generally, checks scanned and transmitted via Remote Deposit before 5 pm (ET) on a business day will be considered received by us on that day. Acknowledgement of receipt or delivery does not constitute an acknowledgement by us that the transmission of a check or items does not contain errors.

4. Fees

A per deposit item fee may be charged for the Service. You are responsible for paying the fees for the use of the Service. Any fee that is charged will be disclosed prior to your deposit. We may change the fees for use of the Service at any time pursuant to this agreement. You authorize us to deduct such fees from the same bank account as your mobile deposit.

5. Connectivity

In order to use the Service, you must obtain and maintain, at your expense, compatible hardware and software as specified by us. See www.brattbank.com for current specifications. We are not responsible for any third party software you may need to use this Service. 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 the time of download and installation.

6. Availability of Service

MOBILE CHECK DEPOSIT Services may at times be unavailable due to maintenance or technical difficulties, including those of the Internet service provider and Internet software. We will attempt to post alerts on our website to notify you of interruptions in Service if they are anticipated to be for extended periods of time. We cannot assume responsibility for any technical or other difficulties or any resulting damages that you may incur. In the event that the Mobile Check Deposit Service is interrupted or unavailable, you may deposit checks in person at any of our branches, by ATM or night drop or by mail.

7. Eligible Items

You agree to scan and deposit only "checks" as that term is defined above. When the image of the check transmitted to us 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 in 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 that the check is being deposited into.
- 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.
- Any item that is stamped with a "non-negotiable" watermark.
- Checks dated more than 6 months prior to the date of deposit.
- Checks or Items prohibited by our 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.

8. Endorsements and Procedures.

You agree to restrictively endorse any item transmitted through the Service as "For Mobile Deposit Only, to account # _____" or as otherwise instructed by us. You agree to follow any and all other procedures and instructions for use of the Service as we may establish from time to time.

9. Receipt of Items

We reserve the right to reject any item transmitted through the Service, 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 us 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. The Bank shall not be liable for any service or late charges levied against you due to rejection of any item. In all cases, you are responsible for any loss or overdraft and any applicable fees resulting from item or items being returned.

10. Customer Liability

You are solely responsible if any Item for which we gave you provisional credit is subject to return or reversal. Neither BS&L nor our subcontractors shall be liable or responsible for the same. You agree that all credits received for deposit are provisional, subject to verification and final settlement. Any dishonored items will be returned as an image of the original or a substitute check as the charged-back item.

11. Disposal of Transmitted Items

Upon your receipt of a confirmation from us 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 original check for at least sixty (60) calendar days from the date of the image transmission. You must securely store each original check, particularly if you are using the Service to deposit items into an account. After 60 days, you agree to destroy the original 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 us. You understand and agree that you are responsible for any loss caused by failure to secure the original checks.

12. Deposit Limits

If your account qualifies for Mobile Check Deposit, We reserve the right to establish limits on the dollar amount and/or number of items or deposits that you may make. 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 the Bank’s sole discretion subject to the agreements governing your account.

14. Errors

Any remote deposits made through this Service will be reflected on your monthly account statement. You agree to notify us of any suspected errors regarding items deposited through the Service immediately, and no later than 30 days after the applicable Bank account statement is sent. Unless you notify us within 30 days, such statement regarding all deposits made through the Service shall be deemed correct, and you are prohibited from bringing claim against us for such alleged error.

15. Errors in Transmission

By using the Service you accept the risk that an item may be intercepted or misdirected during transmission. Brattleboro Savings & Loan bears no liability to you or others for

any such intercepted or misdirected items or information disclosed through such errors.

16. Image Quality

The image of an item transmitted to us using the Service must be legible, as determined in the sole discretion of the Bank. Without limiting the foregoing, the image quality of the items must comply with the requirements established from time to time by the Bank, the Board of Governors of the Federal Reserve Board, or any other regulatory agency, clearinghouse or association.

17. User Warranties and Indemnification

You make the following warranties and representations with respect to each image of an original check that you transmit to BS&L using the MOBILE CHECK DEPOSIT Service:

- You will only transmit eligible items.
- Each check that you submit to us for deposit will be directly payable to the individual or business in whose name the account to which you are requesting it be deposited is open.
- You will not transmit duplicate items. Each check that you submit to us for deposit will not be resubmitted in any format to us or to any other person for payment and will not cause the same drawer's account to be debited twice.
- You will not re-deposit or re-present the original item. You have possession of each original check deposited using the Services, and no party will submit the original check for payment.
- Other than the digital image of an original check that you remotely deposit through our Service, there are no other duplicate images of the original check.
- All information you provide to the Bank is accurate and true.
- Each image of a check transmitted to the Bank is a true and accurate rendition of the front and back of the original check, without any alteration, and the drawer of the check has no defense against payment of the check.
- The amount, the payee, signature(s), and endorsement(s) on the original check are legible, genuine, and accurate.
- You have instituted procedures to ensure that each original check was authorized by the drawer in the amount stated on the original check and to the payee stated on the original check.
- 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 an item.
- You agree to indemnify and hold harmless Brattleboro Savings and Loan from any loss for breach of this warranty position.
- Files and images transmitted to the Bank will contain no viruses or any other disabling features that may have an adverse impact on our network, data, or related systems.

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 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. 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 Agreement may be terminated if you breach any term of this Agreement, if you use the Service for any unauthorized or illegal purposes or you use the Service in a manner inconsistent with the terms of your account agreement or any other agreement with us.

20. 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.

21. Ownership & License

You agree that the Bank retains all ownership and proprietary rights in the Services, associate 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 Service. Without limiting the restriction of the foregoing, you may not use the Service (i) in any anti-competitive manner, (ii) for any purpose which would be contrary to the Banks' business interest, or (iii) to Banks' actual or potential economic disadvantage in any aspect. You may use the Service 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.

22. Compliance with the Law

You agree to comply with all laws, statutes, regulations and ordinances pertaining to the Service, all laws relating to the banking transactions contemplated hereunder, as well as all laws pertaining to the conduct of your business if applicable. You promise to indemnify us and hold us harmless from any damages, liabilities, costs, expenses (including attorneys' fees) or other harm arising out of any violations thereof. This indemnity will survive termination of your Account and this Agreement.

23. Other Disclosures

The information within this document applies only to the MOBILE CHECK DEPOSIT

Service described herein. Provisions in other disclosure documents, as may be revised from time to time, remain effective with regard to all other aspects of the Account.

24. Governing Law

This Disclosure and Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in accordance with Mobile Check Deposit governance with the internal laws of the State of Vermont, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary.

25. DISCLAIMER OF WARRANTIES

YOU AGREE YOUR USE OF THE SERVICE AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR RISK AND IS PROVIDED ON AN “AS IS” AND “AS AVAILABLE” BASIS. WE DISCLAIM 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. 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 SERVICE 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, INABILITY TO USE, OR THE TERMINATION OF THE USE OF THIS SERVICE. 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.

Use of Services

Use of the Bank’s MOBILE CHECK DEPOSIT Service constitutes your acceptance of the terms and conditions of this Disclosure and Agreement. We will notify you of any material change via email, text message, or on our website by providing a link to the revised agreement. Your continued use of the Service after a notification of change from the Bank constitutes your acceptance of the change. Further, we reserve the right, in our 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. You authorize us to gather and exchange whatever credit and checking account information we consider appropriate from time to time and understand that we may make credit or other decisions based in part on this information.

END – MOBILE CHECK DEPOSIT USER AGREEMENT