PLUMAS BANK
Mobile Deposit Addendum
to Online Banking Services Agreement

ACCEPTANCE OF THIS ADDENDUM

By clicking "I Accept" when you enroll for Plumas Bank's mobile deposit feature ("Mobile Deposit"), you agree to the terms and conditions of this Addendum to Online Banking Services Agreement ("Addendum"). Except to the extent otherwise defined herein, defined terms in this Addendum will have the meaning provided in the Online Banking Services Agreement ("Agreement"). The term "Online Banking" will refer to the online banking system and services provided by Plumas Bank pursuant to the terms of the Agreement. To the extent there are conflicts between the terms of the Agreement and this Addendum, this Addendum will control.

The accounts that you access using the Mobile Banking Services are subject to the terms and conditions of the deposit or loan agreement for those accounts, as well as the terms and conditions of the Agreement, as supplemented and modified by this Addendum. **NOTICE TO CONSUMER ACCOUNT HOLDERS: The Agreement includes important consumer protection disclosures under the Electronic Fund Transfer Act which continue to apply, including with respect to the electronic fund transfers facilitated through the Mobile Banking Services.**

MOBILE DEPOSIT FEATURE

The Mobile Deposit Service enables you to use a software application together with your Wireless Access Device to create electronic images of the front and back of certain Original Checks (defined below) and transmit those images and other information, including, without limitation, information captured from the magnetic ink character recognition ("MICR") line, to us for review and processing in accordance with this Addendum.

Definitions. Capitalized terms defined in this Addendum shall have the meaning indicated in this Addendum, including the following:

"Business day" means a calendar day other than a Saturday or a Sunday, for our observed holidays.

"Check" means an Original Check, as defined in Regulation CC.

"Documentation" means all documentation, the user manual, any other manuals, all instructions (including on-line instructions) relating to the Mobile Deposit Service which Bank may provide to You from time-to-time in connection with the Mobile Deposit Services.

"Endpoint" means any Federal Reserve Bank, financial institution, local clearing house, courier or other entity or location for the delivery of cash letters or other presentment of Imaged Items or Substitute Checks.

"Imaged Item" means the digitized image of a Check that is created by You and transmitted to Bank using the Mobile Deposit Service.

"Image Exchange Item" means a digitized image of an Item cleared and settled directly with a Payor Financial Institution without conversion to a Substitute Check.

"Item" means a Check that is payable on demand, drawn on or payable through or at an office of a United States Financial Institution and payable or endorsed to You, and includes Original Checks, Substitute Checks and Image Exchange Items.

"Mobile Deposit Services" means the Mobile Deposit Services described in this Addendum, to be provided by Bank to You to enable the processing of Items digitally as Image Exchange Items through image exchange networks or through creation of Substitute Checks and presentment to established Endpoints, including collectively the procedures, protocols, and software used by Bank and its licensors and contractors in connection with the electronic processing of Items.

"Non-cash Item" means an Item that would otherwise be an Item, except that: (i) a passbook, certificate or other document is attached; (ii) it is accompanied by special instructions, such as a request for special advice of payment or dishonor; (iii) it consists of more than a single thickness of paper, except an Item that qualifies for handling by automated check processing equipment; or (iv) it has not been preprinted or post-encoded in magnetic ink with the routing number of the Payor Financial Institution.

"Non-qualifying Item" means Non-cash Items, Items payable in a medium other than United States money, currency, warrants, Items payable to third parties, demand drafts or remotely created checks as defined by the UCC and Regulation CC, respectively, Items that are stale dated by six months or more or post-dated, savings bonds, Items payable to "cash," Substitute Checks, non-negotiable Items, Items that have been returned unpaid for any reason and any Item that exceeds Your transaction limitations as established by Bank from time to time.

"Original" with respect to a Check means the first paper Item issued with respect to a particular payment transaction.

"Payor Financial Institution" means the United States Financial Institution ordered in an Item to make payment to the payee(s) named on the Item.

"Regulation CC" means 12 C.F.R. Part 229, as it may be amended from time to time.

"Substitute Check" means a paper reproduction of an Item that satisfies the requirements and definition of "substitute check" set forth in Regulation CC.

"UCC" means the Uniform Commercial Code as enacted and amended in the state whose law governs interpretation of this Addendum.

"United States Financial Institution" means (i) any person, located in the United States, engaged in the business of banking; (ii) a Federal Reserve Bank; (iii) a Federal Home Loan Bank; and (iv) to the extent it acts as a payor, the U.S. Treasury, the U.S. Postal Mobile Deposit Service, or a State or local government.

Your Responsibilities. In connection with the Mobile Deposit Services, you agree to comply with the following:

1. For holders of commercial accounts, you will be responsible for training your employees in the use of the Mobile Deposit Service;

2. The processed Imaged Item has been transmitted in compliance with the terms and conditions of this Addendum;

3. The Imaged Item is a digitized image of the front and back of the Original Check and accurately represents all of the information on the front and back of the Original Check as of the time you converted the Original Check to an Imaged Item;

4. The Imaged Item contains all endorsements applied by parties that previously handled the Original Check in any form for forward collection or return;

5. There will be no duplicate presentment of a Check in any form, including as a digitized image, as a paper negotiable instrument or otherwise and you will be liable for and otherwise assume responsibility for any such duplicate presentment of any Check. You agree to indemnify and defend us against any and all claims, causes of action or demands arising out of or directly or indirectly related to the duplicate presentment of any Check;

6. Except as otherwise specifically disclosed in writing to us, you are not now engaged, and will not during the term of this Addendum engage, in any business that would result in you being or becoming a "money service business" as defined in the Federal Bank Secrecy Act and its implementing regulations;

7. You will not engage in any activity directly or indirectly related to the use of the Mobile Deposit Service that is illegal or fraudulent;

8. You will only submit Items for processing to us that meet the definition of "Item" as provided in this Addendum and will ensure that the Items scanned meet the standards for image quality established by the American National Standard Institute (ANSI) required by Regulation CC, or other standards established or required by us or applicable law. You will not process any Non-qualifying Items. Our processing of any Non-qualifying Items shall not constitute a waiver by us or obligate us to process such Non-qualifying Items in the future. You agree that we may discontinue processing of Non-qualifying Items at any time, without cause or prior notice;

9. You will not attempt to scan and transmit to us any third party checks, or any Item which is drawn on a deposit account of yours with us or any other financial institution, or a deposit account of any business entity of which you are a principal, officer or authorized signer;

10. You will not attempt to scan and transmit to us any previously truncated and reconverted Substitute Check. Any previously truncated and reconverted Substituted Check must be physically deposited with us. Notwithstanding the foregoing, we may redeposit any returned Substitute Check or Image Exchange Item consistent with the terms of our deposit account agreements with you ("Deposit Account Agreements");

11. You will (i) ensure that Items are restrictively endorsed "For Deposit Only," and otherwise processed to permit only financial institutions to acquire rights of a holder in due course in the collection process of Items, (ii) handle, process, maintain and destroy Original Checks as set forth in this Addendum and in the Documentation, and (iii) ensure that no financial institution (depositary, collecting or payor), drawee, drawer or endorser receives presentment or return of, or otherwise is charged for an Item more than once in any form;

12. You will balance the dollar amount of each deposit to the sum of Checks prior to transmitting to us;

13. You will: (i) maintain a daily control record of all Checks, including transaction counts and dollar amounts; and (ii) balance transactions transmitted from the previous business day and immediately notify us of any error or discrepancy discovered;

14. You will not use the Mobile Deposit Service to deposit any Check or Checks that exceed the transaction limits established by us from time to time. You acknowledge that, at this time, the maximum aggregate amount you may deposit using the Mobile Deposit Service each business day is $2,500;

15. You shall be responsible for verifying our receipt of your transmission(s) by verifying that deposits have been posted to the appropriate Accounts, in addition to cooperating with us in any investigation and resolving any unsuccessful or lost transmissions;

16. You shall be responsible for installing and implementing any changes and upgrades to the Mobile Deposit Service as required by us within 5 days to ensure compliance with regulatory changes or developments, or to protect the integrity and security of the Mobile Deposit Services. You will ensure that your Wireless Access Device is clean and operating properly, and inspect and verify the quality of images and ensure that the digitized images of Items are legible for all posting and clearing purposes;

17. You shall exercise due care in preserving the confidentiality of any user identification, password, test key, or other code or authentication method provided by us or otherwise required for use of the Mobile Deposit Service and shall further prevent the use of the Mobile Deposit Service by unauthorized persons. You assume full responsibility for the consequences of any missing or unauthorized use of or access to the Mobile Deposit Service or disclosure of any confidential information or instructions by you, or anyone acting on your behalf;

18. You agree to indicate that the Item has been deposited via the Mobile Deposit Service by writing the word "Processed," the phrase, "mobile deposit XX/XX/XX (date)," or similar on the front of the Item, once the Check has been scanned and transmitted. If not directed otherwise by us, you will store Original Checks in a safe and secure environment for a minimum of 5 days and a maximum of 15 days after such Item has been digitized and processed. You shall take appropriate security measures to ensure that: (a) for commercial account holders, only authorized personnel shall have access to Original Checks, (b) that the information contained on such Original Checks or on any corresponding Imaged Items are not disclosed to third parties; (c) such Checks will not be duplicated or scanned more than one time; and (d) such Checks will not be re-deposited or renegotiated in any form. You will promptly (but in any event within 5 business days) provide any retained Original Check (or, if the Original Check is no longer in existence, a sufficient copy of the front and back of the Original Check) to us as requested to aid in the clearing and collection process to resolve claims by third parties with respect to any Item or as we otherwise deem necessary. You will use a commercially reasonable method which is consistent with any requirements of Regulation CC and the Bank to securely and permanently destroy Original Checks after your retention period has expired;

19. You understand and agree that an Item that is not paid by a Payor Financial Institution, or is otherwise returned for any reason, will be returned to you and your Account charged for the amount of the Item plus any associated fees as reflected in our then current Service Fees and Charges, which may be changed from time to time in our discretion. Our right to charge your Account will apply without regard to whether the Item is timely returned to us or whether there is any other claim or defense that the Item has been improperly returned to us. You understand and agree that since the Original Item is your property, it will not be physically returned to you and we may charge back an image of the Item, and ACH debit, or other electronic or payer debit or paper reproduction of the Original Item or Substitute Check; and

20. You agree to make all encoding, transfer, presentment and other warranties made under applicable law as we are deemed to make under applicable law, including without limitation those under the UCC, Regulation CC and the rules of any image exchange network.

Cutoff Hour. If we receive a scanned Original Check on or before 5:00 p.m. Pacific Standard Time on a business day we are open, we will consider that day to be the day of deposit. If we receive a scanned Item after 5:00 p.m. Pacific Standard Time or on non-business day, we may consider that the deposit was made on the next business day. At our option, however, we may treat the Original Check as received the same day as the day of receipt. Your account will be provisionally credited upon our acceptance of Imaged Items for deposit which are received by us from you through the Mobile Deposit Service.

Processing. For all Imaged Items processed pursuant to this Addendum, either: (i) digitized images will be converted to Substitute Checks and presented for payment to established Endpoints, or (ii) Imaged Exchange Items will be presented for payment through image exchange networks. We may in our sole discretion determine the manner of processing.

We will process any returned Items in accordance with applicable law and the Deposit Account Agreements. Availability of credit from Items processed under this Addendum will be subject to our then current availability schedule, which may be amended by us from time to time. We may at our sole option, with or without cause, at any time and from time to time, refuse to process any Imaged Items. We may from time to time establish and amend exposure limitations and assign them to you.

Notwithstanding any provisional credit that may be applied to an Account in connection with your transmitted Imaged Items, Imaged Items processed for deposit through the Mobile Deposit Service will be deemed to have been received by us for deposit at the time the

Imaged Items are actually received and accepted at the location where we or our designated agent posts the credit to the Account. A deposit of Imaged Items will be deemed to have been received and accepted by us for deposit when all of the following have occurred: (i) we have preliminarily verified that the image quality of the Imaged Item is acceptable to us in our discretion, all Item information is complete and the deposit totals are balanced to the Item information provided for the deposit; and (ii) we have successfully performed all further validation routines with respect to the deposit. Notwithstanding the foregoing, Imaged Items received by us for deposit may be rejected by us in our sole discretion.

You agree to view the images of each scanned Item that is sent to us. If Item information received by is not complete or cannot be processed by us for any reason, we may reject the Imaged Item, notwithstanding any transmission confirmation and charge the amount back against any provisional credit to your Account. You will be responsible for verifying our receipt of your transmissions by verifying that deposits have been posted to your Account.

If an Imaged Item is not accepted for deposit, you may then submit the Original Check to us for processing or contact the maker to reissue the Check. If you submit the Original Check for processing, we reserve the right to refuse to process the Check for deposit and presentment to the Payor Financial Institution and may instead require you to have the maker reissue the Check.

Compliance with Law. You shall comply with all laws, rules, and regulations applicable to you, to your business and operations, and to the Mobile Deposit Services, including, without limitation, Regulation CC, the Uniform Commercial Code and any rules established by an image exchange network through which Image Exchange Items are processed pursuant to this Addendum. You shall have the responsibility to fulfill any compliance requirement or obligation that Bank and/or you may have with respect to the Mobile Deposit Service under all applicable U.S. federal and state laws, regulations, rulings, including sanction laws administered by the Office of Foreign Assets Control, and other requirements relating to anti-money laundering, including but not limited to, the federal Bank Secrecy Act, the USA PATRIOT Act and any regulations of the U.S. Treasury Department to implement such Acts, as amended from time to time.

Reserves; Security Interest; Held Funds. You acknowledge that we may from time to time establish minimum amounts to be funded by you as reserve amounts. We will provide notice to you of any reserve requirement, and you shall immediately fund the reserve amount with good funds. We may withhold and use any amounts due to you to maintain any reserve amounts at levels specified by us. To secure all of your obligations us arising from this Addendum, you grant to us a security interest in all of your accounts with us, all funds in those Accounts, any reserve accounts or funds therein, all Items, whether now or hereafter established by or for your benefit, and all proceeds of the foregoing. Our security interest will survive after termination of this Addendum. This security interest is supplemental to and not in lieu of the security interest granted by you to us under any other agreement. In addition to any other rights we may have with regards the Accounts of yours, we may hold and use funds in any Account following termination of this Addendum for such time as we reasonably determine that any Item processed by us prior to termination may be returned, charged back or otherwise a cause for any loss, liability, cost, exposure or other action for which we may be responsible. Without limitation, you recognize that under the UCC, Regulation CC and the rules of any image exchange network our representations and warranties with regards to Image Exchange Items and Substitute Checks may expose us to claims for several years following processing of the Image Exchange Item or Substitute Check.

Availability. We may cause the Mobile Deposit Service to be temporarily unavailable to you, either with or without prior notice, for site maintenance, security or other reasons, and you acknowledge that factors beyond our reasonable control, such as telecommunications failure or equipment failure, may also cause the Mobile Deposit Service to be unavailable to you. You may deposit Original Checks and other items to any deposit account with us in person or in any other manner permitted by agreement between you and us, and you will be responsible for maintaining procedures and facilities to enable you to do so if the Mobile Deposit Service is unavailable to you.

Your Indemnification Obligation. You will indemnify and hold us harmless, including our licensors and providers of the Mobile Deposit Services, and our respective directors, officers, shareholders, employees and agents, against any and all third party suits, proceedings, claims, demands, causes of action, damages, expenses (including reasonable attorneys' fees and other legal expenses), liabilities and other losses that result from or arise out of: (i) your wrongful acts or omissions, or any person acting on your behalf, in connection with your use of the Mobile Deposit Service or processing of Items under this Addendum, including without limitation (a) the breach by you of any provision, representation or warranty of this Addendum, (b) your negligence or willful misconduct (whether by act or omission) or any third party on acting on your behalf, (c) any misuse of the Mobile Deposit Service by you, or any third party within your control or on behalf of you, (d) your failure to comply with applicable state and federal laws and regulations, or (e) any fine, penalty or sanction imposed on us by, any clearing house, or any governmental entity, arising out of or connected with any Imaged Item processed by us for you or at your instruction; (ii) any act or omission of ours that is in accordance with this Addendum or instructions from you; (iii) actions by third parties, such as the introduction of a virus that delay, alter or corrupt the transmission of an Imaged Item to us; (iv) any loss or corruption of data in transit from you to us; (v) any claim by any recipient of a Substitute Check corresponding to a Check processed by you under this Addendum, that such recipient incurred loss due to the receipt of the Substitute Check instead of the Original Check; or (vi) any claims, loss or damage resulting from your breach of, or failure to perform in accordance with, the terms of this Addendum.

Our Liability. In addition to applicable limitation on liability protections provided in the Agreement, the following will apply with respect to the Mobile Banking Service. Except to the extent prohibited by applicable law or regulation, we will not be liable to you for any of the following: (i) any refusal of a Payor Financial Institution to pay an Image Exchange Item or Substitute Check for any reason (other than our breach of contract, gross negligence or willful misconduct), including without limitation, that the Original Check, Image Exchange Item or Substitute Check was allegedly unauthorized, was a counterfeit, had been altered, or had a forged

signature; (ii) you or any other party's lack of access to the Internet or inability to transmit or receive data; or (iii) failures or errors on the part of Internet service providers, telecommunications providers or any other party's own internal systems.

To the fullest extent allowed by law, and subject to our limitations on liability provided otherwise in this Addendum, we will only be liable for damages that are solely and proximately caused by our gross negligence or willful misconduct. Our liability for errors or omissions with respect to the data transmitted or printed by us in connection with this Addendum will be limited to correcting the errors or omissions. Correction will be limited to reprocessing, reprinting and/or representing the Image Exchange Items or Substitute Checks to the Payor Financial Institution.

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By clicking "I Accept" you represent that you agree to these terms and conditions. You may elect to select "Decline to Agree" in which case your access to the Mobile Banking Services will not be activated.