

FEDERAL CREDIT UNION

REMOTE DEPOSIT AGREEMENT

1. Defining Terms, Scope of Agreement, and Fees. This Agreement governs use of KUE Federal Credit Union's (KUE FCU) Remote Deposit (sometimes referred to as the "Mobile deposit"). In this Agreement, the words "you" and "your" mean each person who is a KUE FCU account owner or is authorized by an KUE FCU's account owner to use Remote Deposit or to conduct transactions on the accessed account. "We," "our," and "us" means KUE FCU. By utilizing this service, you agree to the terms and conditions below.

Remote Deposit is designed to allow you to make a deposit to your checking account from a remote location by taking images of a check (sometimes referred to as an "item" or in the plural as "items") and delivering them and the associated deposit information to us using an internet-enabled mobile device. There may be a fee associated with this Service, see our Fee Schedule.

By enrolling in, requesting, using, or authorizing any other person to use the Service, you agree to the terms of this Agreement, which we may amend from time to time. Further, we may change features of Remote deposit from time to time. Any amendments and/or changes will be communicated to you through previously agreed upon methods. Your continued use of this Remote Deposit will indicate your acceptance of the amendments and/or changes. This Agreement supplements, and is a part of, your Online Banking Agreement with us. Your Membership and Account Agreement with us also continues to govern your KUE FCU membership, and this Agreement does not modify any other agreements you have with us, except as provided herein. In the event the terms of this Agreement conflict with any other agreement you have with us, the terms of this Agreement will control unless the terms of the other agreement expressly supersede this Agreement.

2. Requirements for the Service. To use Remote Deposit you must have the following services with us:

- Checking account in good standing for at least 90 days.
- Online Banking.
- Mobile Banking.

3. Eligible Items. You agree to image and deposit only "checks," as that term is defined in Federal Reserve Regulation CC ("Reg. CC"). You agree the image of any check transmitted to us shall be deemed an "item" within the meaning of Article 4 of the Uniform Commercial Code. You agree you will not use the Service to image and deposit any items of the following nature:

- Those payable to any person or entity other than you.
- Those payable to you and another party who is not a joint member on your account.
- Those with obvious alteration or forgery.
- Those you know or should suspect are fraudulent or otherwise not authorized by the owner of the account on which they are drawn.
- Those previously converted to a substitute check, as defined by Reg. CC.
- Those that are remotely created as defined in Reg. CC.
- Those previously deposited in any manner with us or any other financial institution.
- Those drawn on a financial institution located outside the U.S.
- Those not payable in U.S. currency.
- Those dated more than six months in the past.
- Those dated in the future.
- Travelers checks and money orders.
- Those issued by U.S. Treasury (e.g., IRS tax refund, Social Security, and U.S. Government pension checks).
- Those otherwise prohibited for deposit by the KUE FCU Membership and Account Agreement or other agreements we have with you.

4. Dollar Limits. The Service is limited to:

- \$500.00 per item deposited.
- \$5,000 per day in deposits.

5. Account Type Limits. The Service may only be used for share draft type accounts.

6. Image Submission. The image submitted must be clear and legible to us and provide all information on the front and back of the original check at the time presented to you by the drawer, including, but not limited to, information about the drawer and the paying bank that is preprinted on the original check, MICR information, signature(s), any required identification written on the front of the original check, and must be endorsed with a signature and **Remote Deposit Only at KUE FCU and any other required endorsements** to the back of the original check. The image quality must meet the standards established by the American National Standards Institute, the Board of Governors of the Federal Reserve, and any other regulatory agency, clearing house or association involved in the clearing of checks. Items not meeting these standards are subject to rejection. If you have endorsed a check that has been rejected for deposit through the Service it must be presented in person, or by mailing in to KUE FCU.

7. Endorsements. All checks submitted for deposit through the Service must be validly endorsed, including required signature(s). You must also include the following restrictive endorsement alongside the signature: “For **Remote Deposit Only at KUE FCU.**” **Checks received that are not endorsed in accordance with this provision may be rejected.** Any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you will be your responsibility.

8. Receipt of Deposit. All checks submitted for deposit through the Service will be treated as “deposits” under your Membership and Account Agreement with us and will be subject to all of the terms therein. You will be notified when we receive an image of a check through the Service. Our receipt of the image does not mean the item contains no errors and may not be rejected. We reserve the right, at our sole and absolute discretion, to reject any image of a check for deposit into your account. The manner in which items are cleared, presented for payment, and collected shall be in our sole discretion subject to our Membership and Account Agreement with you. You will be notified if an image of a check is rejected for deposit through the Service. We are not responsible for images of checks we do not receive. Images of checks received **after 3:00 PM Eastern Time** will be processed the next business day.

9. Retention of Original Checks. You should securely retain for 45 days each original check submitted for deposit through the Service. You agree you will never re-present an original check unless specifically requested by us to do so. In the event an image of a check cannot be processed for deposit through the Service, we may request that you submit the original check for processing. After the end of the retention period, you agree to write “VOID” on the front of each check and to then destroy it by crosscut shredding or another reliable method. You agree you are responsible if anyone is asked to make payment based on an original check that has already been deposited through the Service.

10. Errors. You agree to immediately notify us of any suspected errors regarding a check submitted for deposit through the Service. You agree that in no event will you notify us of such errors later than 60 days after you receive the statement showing such a deposit. You agree that if within 60 days of receiving a statement you do not notify us of a suspected error on such statement related to a deposit through the Service, you shall be prohibited from bringing a claim against us related to such error.

11. Returned Checks. Any credit to your account for checks deposited through **Remote Deposit** is provisional. If a check deposited through Remote deposit is dishonored, rejected, or otherwise returned unpaid by the drawer bank, or is rejected or returned by a clearing agent or collecting bank, for any reason, including, but not limited to, issues relating to the quality of the image, you agree that an original check will not be returned to you, but that we may charge back the amount of the check and provide you with a notice of returned check and an image of

the original check, a paper reproduction thereof, or a substitute check. You will reimburse us for all loss, cost, damage, and expense caused by or relating to the processing of the returned check. Without our approval, you shall not attempt to deposit or otherwise negotiate an original check if it has been charged back to you. We may debit any of your accounts to obtain payment for any check that has been rejected or returned, for any adjustment related to such item or for any warranty claim related to such item, whether or not such rejection, return, adjustment or warranty claim was made timely.

12. Cooperation with Investigations. You agree to cooperate with us in the investigation of unusual transactions, poor quality transmissions, and resolution of any claims, including by providing, upon request and without further expense to us, any original or copies of items submitted for deposit through the Service that are in your possession and providing your records related to such items and transmissions thereof.

13. Hardware, Security, and Software. To use Remote Deposit, you must obtain and maintain, at your expense, compatible hardware and software as specified by us from time to time. We are not responsible for any third party software you may need to use the 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.

14. Security. You understand check images captured using Remote Deposit are stored on your mobile device until the associated deposit has been successfully submitted. You agree to complete each deposit promptly. If you are unable to complete your deposit promptly, you agree to keep your mobile device securely in your possession until the deposit has been completed successfully or canceled. You agree it is your responsibility to maintain security procedures for your mobile device to safeguard against unauthorized deposits. You agree to notify us immediately if you suspect your security credentials for accessing the Service are compromised. You agree all use of the Service through your security credentials will be deemed use authorized by you and be binding upon you. You agree you assume the entire risk for the fraudulent or unauthorized use of your security credentials.

15. Limitations on Remote Deposit. When using Remote Deposit, you may experience technical or other difficulties. We cannot assume responsibility for any technical or other difficulties or any resulting damages that you may incur. There are Requirements for remote deposit and we reserve the right to change them at any time without prior notice. We reserve the right to change, suspend, or discontinue your use of Remote Deposit, in whole or in part, immediately and at any time without prior notice.

16. Ownership and License. You agree you have no ownership or proprietary rights in Remote Deposit, associated content, and technology. You agree KUE FCU and our technology suppliers retain all ownership and proprietary rights in the Service, associated content, and technology. You agree to not copy, reproduce, distribute or create derivative works from the content and agree not to reverse engineer any of the technology used to provide the Service. Your non-exclusive license to use the Service 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.

17. DISCLAIMER OF WARRANTIES. YOU AGREE YOUR USE OF REMOTE DEPOSIT 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 REMOTE DEPOSIT, 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 REMOTE DEPOSIT: (i) WILL MEET YOUR REQUIREMENTS, (ii) WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (iii) WILL PRODUCE ACCURATE AND/OR RELIABLE RESULTS, or (iv) WILL BE ABLE TO CORRECT ANY ERRORS IT MAKES OR THAT REMOTE DEPOSIT ITSELF WILL BE CAPABLE OF ANY NEEDED CORRECTION.

18. 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 REMOTE DEPOSIT, INCURRED BY YOU OR ANY THIRD PARTY ARISING FROM OR RELATED TO THE USE OF, INABILITY TO USE, OR TERMINATION OF USE OF REMOTE DEPOSIT, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE), EVEN IF KUE FCU HAS BEEN INFORMED OF THE POSSIBILITY THEREOF.

19. Warranties You Are Making to KUE FCU. You warrant to KUE FCU that:

- Remote Deposit will be used for eligible items only, dollar limits and account type limits will be observed, images will meet the content and quality requirements, and endorsement requirements will be observed.
- Requirements for retention of original checks and for errors will be observed.
- Requirements for securing your mobile device and security credentials will be observed, as well as requirements for cooperation with investigations.
- At the time of submission through Remote Deposit, you will be authorized to enforce and obtain payment of the original check.
- All information you provide to KUE FCU in connection with submission of a check for deposit through Remote Deposit will be true and accurate.
- You will not deposit or otherwise endorse to a third party the original check and no person will receive a transfer, presentment, or return of, or otherwise be charged for, the original check or a paper or electronic representation of the original check such that the person will be asked to make payment based on an item that has already been paid.
- With respect to each check you submit to us for deposit through Remote Deposit, you make to us all representations and warranties that we make or are deemed to make to any party pursuant to law, regulation, and check clearing rules.
- You will otherwise comply with this Agreement in all respects and with all applicable laws, regulations, and check clearing rules.

20. INDEMNITY YOU ARE GIVING KUE FCU. YOU UNDERSTAND AND AGREE YOU ARE REQUIRED TO AND WILL INDEMNIFY KUE FCU AND HOLD US HARMLESS AGAINST ANY AND ALL CLAIMS, ACTIONS, DAMAGES, LIABILITIES, COSTS, AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES ARISING FROM YOUR USE OF REMOTE DEPOSIT AND/OR BREACH OF THIS AGREEMENT. YOU UNDERSTAND AND AGREE THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

21. Construction and Interpretation and No Waiver. If any portion of this Agreement is ruled invalid or otherwise unenforceable, it shall be deemed amended to achieve as closely as possible the same effect as originally drafted. Any invalid or unenforceable portion shall be construed as narrowly as possible to give effect to as much of the Agreement as possible. No waiver by us of any of the foregoing terms shall cause this Agreement to otherwise not be applicable in all other respects to the subject transaction and no waiver shall be deemed to constitute a continuing waiver or waiver of any other terms.