

Remote Deposit Capture Services Disclosure and Agreement

Effective: August 2016

This disclosure is being provided in addition to Pen Air Federal Credit Union Membership and Account Agreement (the "Membership Agreement") and Electronic Funds Transfer Agreement and Disclosure ("EFT Agreement"). In this Disclosure and Agreement, the words "you," "your", "member" and "Accountholder" mean the member that applied for and/or uses any of the Mobile Check Deposit Services ("Mobile Deposit," "Service") described in this Disclosure and Agreement. The words "we," "us," "ours," and "the Credit Union" mean Pen Air Federal Credit Union.

Your use of the Mobile Check Deposit Services shall be governed by this Disclosure and Agreement, along with the Membership Agreement, the EFT Agreement and applicable law. In the event of a discrepancy between this Disclosure and Agreement, the Membership Agreement, or the EFT Agreement, this Disclosure and Agreement will supersede all other information, documents, disclosures, agreements, and addendum. You understand that your use of Mobile Check Deposit constitutes your acceptance of the terms and conditions of this Disclosure and Agreement, and that our approval of your use of Mobile Check Deposit must occur before you can use the Service. You agree to comply with the hardware and software requirements of the Service set forth by the Credit Union and our service providers.

USE OF THE SERVICE

Upon acceptance of this Disclosure and Agreement and our approval, you will be authorized by us to remotely deposit a valid paper check ("check," "item") that has been made payable to you, or to a joint owner on your Pen Air Federal Credit Union account ("Account"), or to the Credit Union, to your Account by using Mobile Check Deposit to electronically transmit a digital image of the check ("image," "item") to us. Upon receipt of an image, you will receive a confirmation of receipt. This confirmation does not verify that the image/item is acceptable for deposit. It only confirms that the image has been sent and verifies the item amount. You may be asked for additional images of the check or for more information before the image will be considered for deposit. Following receipt of the image, we may process the image by clearing the item as an image. Notwithstanding anything to the contrary, we reserve the right, within our sole and absolute discretion, to accept or reject any item for deposit into your Account. You understand that any amount credited to your Account for any item deposited using the Service will be considered provisional until such time that we receive payment for the item from the financial institution on which the item was drawn.

You understand that we are not responsible for errors in images that may prevent or delay the deposit of funds into your Account, and that we are not responsible for any image that we do not receive.

You agree that you will not:

- Modify, change or alter any item or image;
- Modify, change, alter, translate, create derivative works from, reverse engineer, disassemble or de compile the technology or the Service;
- Copy or reproduce all or any part of the technology or the Service; or
- Interfere, or attempt to interfere, with the technology or the Service.

Hardware and Software

In order to use the Services, you must obtain and maintain, at your expense, compatible hardware and software as specified by Credit Union from time to time. See PenAir.org for current hardware and software specifications. Credit Union 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.

Eligibility Requirements

You are eligible for the Service if:

- Have a valid email address
- Have a valid physical address
- Account must be in good standing which may include, but is not limited to the following:
 - ◆ Not past fifteen (15) days delinquent on any Credit Union loan or obligation
 - ◆ Must be eligible for Overdraft Privilege
 - ◆ Account must not be overdrawn any more than your Overdraft Privilege limit
- Minor accounts, Trust accounts, Representative Payee accounts, and Benefit/Memorial accounts are not eligible.

Limitations on Deposit Frequency and Dollar Amount

Understand and agree that there are limitations on deposit frequency and dollar amounts of remote deposits made through Mobile Check Deposit, that you will not exceed these limits, and that we may change these limits from time to time without notice. Limits are tiered and based on account standing. Your Per Deposit Limit will be displayed on the Mobile Check Deposit screen. The tiered limits are as follows:

Tier 1: \$2000.00 Per Deposit

Tier 2: \$3000.00 Per Deposit

Tier 3: \$4,500.00 Per Deposit

BUSINESS DAY AND FUNDS AVAILABILITY DISCLOSURE

You agree that items transmitted using the Services are not subject to the funds availability requirements of Federal Reserve Board Regulation CC. You understand and agree that, for purposes of deposits made using the services, the place of deposit is Pensacola, FL. With regard

to the availability of deposits made using the services, such funds will be available as set forth in our Funds Availability Policy located on our website.

COMPLIANCE WITH LAW

You agree to use our products and the Service for lawful purposes and in compliance with all applicable laws, rules and regulations, as well as all laws pertaining to the conduct of your business, if applicable. You warrant that you will only transmit valid items that are acceptable to us for deposit, and that all original checks and items have been handled in accordance with applicable laws, rules and regulations. You promise to indemnify and hold The Pen Air Federal Credit Union harmless from any damages, liabilities, costs, expenses (including reasonable attorneys' fees) or other harm arising out of any violation thereof, or that arise due to our acceptance of any item you submit for deposit. This indemnity will survive the termination of your Account and this Agreement.

CHECK AND CHECK IMAGE REQUIREMENTS

Any image of a check that you transmit to use must accurately and legibly provide all the information on the front and back of the check at the time it is presented to you by the payer. Prior to capturing the image of the original check, you will endorse the back of the check. Your endorsement will include your Account Number.

A check and any image of a check transmitted via the Service must include the accurate and legible presentation of the following and other features as appropriate:

- Pre-printed information that identifies the check payer and the financial institution on which the original check is drawn;
- The encoded account number and financial institution routing and transit number;
- The date the check was written;
- The payer's signature(s); and
- Other information placed on the check prior to the time an image of the check is captured, such as any endorsements applied to the back of the check.
- The image quality of the check will meet the standards for image quality established by the American National Standards Institute ("ANSI"), the Board of Governors of the Federal Reserve, the Credit Union and any other regulatory agency, clearing house or association.

Image Quality

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

UNACCEPTABLE DEPOSITS

You understand and agree that you are not permitted to deposit the following items using the Service:

- Any item not drawn on a credit union, savings and loan, financial institution not located in the United States.
- Any item drawn on your Account.
- Any item made payable to "cash".
- Any item payable to a member and another party who is not a joint owner on the Account.
- Any third party checks (checks made payable to any person or entity other than a member).
- Any item that is stamped "non-negotiable," "void," or any other word or phrase indicating that the item is not valid.
- Any item that appears to contain altered information.
- Any item issued by a financial institution in a foreign country, or is written for an amount in non U.S. currency.
- Any traveler's checks.
- Any item that is incomplete or contains incomplete information.
- Any item that is "post-dated" or "stale-dated" per our current guidelines.
- Any item that has been previously negotiated or deposited into any account.

REJECTION OF DEPOSIT

You understand that you are solely responsible for any service charges, overdraft charges, late fees, and returned check/non-sufficient funds charges levied against you, your Account, or any accounts you may have at other financial institutions that may result from our rejection of any item, check holds, or deposit delays of any kind.

DEPOSITED ITEMS RETURNED UNPAID

In the event that an item that you transmit to us for remote deposit for credit to your Account is dishonored, rejected, or returned for any reason, you authorize us to debit the amount of the item from your Account, or offset the amount from any of your other accounts, and assess appropriate fees per your Membership Agreement and Pen Air Federal Credit Union's Rate and Fee Schedule. You understand that returned deposit activity may result in the cancellation of your Mobile Check Deposit privileges. You will receive an image of any returned item. You agree that the Credit Union is not liable for any loss, costs, or fees you may incur as a result of our chargeback of an ineligible item.

FEES

Consumer Accounts

There are no monthly fees charged for the Mobile Check Deposit Service and no per item deposit fee for use of the Service for all consumer accounts. For any fees associated with your Account see Pen Air Federal Credit Union's Rate and Fee Schedule.

Business Accounts

There are no monthly fees charged for the Mobile Check Deposit Service and no per item deposit fee for use of the Service for Sole Proprietorships and DBA (Doing Business As) accounts.

Please refer to Pen Air Federal Credit Union's Rate and Fee Schedule for fees associated with using this service for Partnerships, LLC, Corporation, and Association Business accounts.

CHANGES TO CONTACT INFORMATION

You agree to notify us immediately of any changes to your contact information, including your email address, residential and/or mailing address, and telephone number(s), so that all your records at Pen Air Federal Credit Union can be updated accordingly. You authorize us to send information and inquiries to the email address we have on file for your Account.

SERVICE UNAVAILABILITY

You understand and agree that the Service may, at times, be temporarily unavailable due to system maintenance or technical difficulties that are within or beyond our control, including but not limited to those of the Internet service provider, cellular service provider, internet software. In the event that the Service is unavailable, you understand that you can deposit an original check at our branch or through our ATMs. It is your sole responsibility to verify that items deposited using the Service have been received and accepted for deposit by us.

ACCOUNTHOLDER'S WARRANTIES

You make the following warranties and representations with respect to each image of an original check you transmit to us utilizing the Service:

- Each image of a check transmitted to us is a true and accurate rendition of the front and back of the original check, without any alterations.
- The amount, payee, signature(s), and endorsement(s) on the original check are legible, genuine, and accurate.
- You will not deposit or otherwise endorse to a third party the original item (the original check) and no person will receive a transfer, presentment, or return of, or otherwise be charged for, the item (either the original item, or a paper or electronic representation of

the original item) such that the person will be asked to make payment based on an item it has already paid.

- Other than the digital image of an original check that you remotely deposit through the Service, there are no other duplicate images of the original check.
- The information you provided to use the Service remains true and correct and, in the event any such information changes, you will immediately notify us of the change.
- You have not knowingly failed to communicate any material information to us.
- You have possession of each original check you have deposited using the Service and no party will re-submit any original check for payment that has already been submitted to us or to another financial institution.
- Files and images transmitted to us will contain no viruses or any other disabling features that may have an adverse impact on our network, data, or related systems.
- You are not aware of any factor which may impair the collectability of the item.

STORAGE OF ORIGINAL CHECKS

You must securely store each original check that you deposit using the Service for a period of ninety (90) days after transmission to us. You shall mark any original check submitted via Mobile Check Deposit which the Credit Union has accepted as "For Mobile Deposit" next to the signature endorsement. You understand and agree that you are responsible for any loss caused by your failure to secure the original checks. After 90 days, You agree to destroy the check that you transmitted as an image, mark it "VOID", or otherwise render it incapable of further transmission, deposit, or presentment. During the time the retained check is available, you agree to promptly provide it to Credit Union upon request.

ACCOUNTHOLDER'S INDEMNIFICATION OBLIGATION

You understand and agree that you indemnify us 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 the Service and/or breach of this Disclosure and Agreement. You understand and agree that this indemnification shall survive the termination of this Agreement.

IN CASE OF ERRORS

In the event that you believe there has been an error with respect to any original check or image transmitted to us for deposit or a breach of this Agreement, you will immediately contact us regarding such error. Please refer to your EFT Agreement for information on error reporting and resolutions.

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.

PERIODIC STATEMENT AND ERROR RESOLUTION

Any remote deposits made through the Service will be reflected on your monthly account statement. You understand and agree that you are required to notify us of any error relating to images transmitted using the Service as reflected on your account statement. Please refer to your EFT Agreement for error reporting and resolution.

Image Quality

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

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 Credit Union HAS BEEN INFORMED OF THE POSSIBILITY THEREOF.

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. YOU UNDERSTAND THAT PEN AIR FEDERAL CREDIT UNION DOES NOT MAKE ANY WARRANTIES ON EQUIPMENT, HARDWARE, SOFTWARE OR INTERNET PROVIDER SERVICE, OR ANY PART OF THEM, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PEN AIR FEDERAL CREDIT UNION IS NOT RESPONSIBLE FOR ANY LOSS, INJURY OR DAMAGES, WHETHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL, CAUSED BY THE INTERNET PROVIDER, ANY RELATED SOFTWARE, OR THE CREDIT UNION'S USE OF ANY OF

THEM OR ARISING IN ANY WAY FROM THE INSTALLATION, USE, OR MAINTENANCE OF YOUR PERSONAL COMPUTER HARDWARE, SOFTWARE,, OR OTHER EQUIPMENT.

CHANGE IN TERMS

We may amend, modify, add to, delete from, or change the information or terms for the Service indicated in this Disclosure and Agreement from time to time without notice to you, and you agree to accept these changes to information and terms.

TERMINATION OF THE SERVICES

You may terminate the Service provided for in this Disclosure and Agreement by contacting us in writing at 1495 East Nine Mile Road, Pensacola, Florida, 32514, Attention: eServices. We may terminate your use of the Service at any time without notice. In the event of termination of the Service, you will remain liable for all transactions performed on your Account. Without limiting the foregoing, this Agreement 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 Credit Union Membership Account Agreement, Business Membership & Account Agreement or any other agreement with us.

Ownership & License

You agree that Credit Union 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 Credit Union's business interest, or (iii) to Credit Union's actual or potential economic disadvantage in any aspect. You may use the Services only for non-business, personal use 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.

RELATIONSHIP TO OTHER DISCLOSURES

The information in this Disclosure and Agreement applies only to the Services described herein, Provisions in other disclosure documents, as may be revised from time to time, remain effective for all aspects of your Account.

GOVERNING LAW

You understand and agree that this Disclosure and Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in

accordance with federal law and the laws of the State of Florida, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary. You also agree to submit to the personal jurisdiction of the courts of the State of Florida.