



Mobile Deposit Service Agreement.

This Mobile Deposit Service Agreement (“Agreement”) between People’s Community Federal Credit Union (“Credit Union” or “we”) and Member governs the Mobile Deposit service (“Mobile Deposit” or “Service”) provided to Member by Credit Union. By enrolling for or using the Service, Member agrees to the terms and conditions set forth in this Agreement. Credit Union may supply Member with additional online manuals, requirements, procedures, or specifications (collectively “Documentation”) for use of the Mobile Deposit Service. All Documentation supplied by Credit Union is incorporated into this Agreement as if fully set forth herein. The Mobile Deposit Service is also subject to the terms and conditions of the People’s Community Federal Credit Union Membership and Account Agreement. To the extent of any conflict, the provisions of this Agreement will govern the Mobile Deposit service.

1. Equipment/Software. All equipment used in connection with the Mobile Deposit service must satisfy technical specifications and requirements set forth in the Documentation. Such technical specifications and requirements may change from time to time in Credit Union’s sole discretion. Member assumes responsibility for any loss, damages, claims, expenses, or liability arising from malfunction of Member’s equipment. Credit Union will not be responsible in any manner for any deficiency caused in whole or in part by inaccurate or otherwise deficient data programs, equipment, or communication facilities provided by Member or parties other than Credit Union. In addition, Member agrees that Member will not (i) modify, change, alter, translate, create derivative works from, reverse engineer, disassemble, or decompile the Mobile Deposit technology or Service; (ii) copy or reproduce all or any part of the technology or Service; or (iii) interfere, or attempt to interfere, with the technology or Service.

2. Access to Service. Items deposited through the Service must be deposited into a checking account. If Member does not maintain an account in good standing or abuses the Service, Member will no longer be eligible for the Service. Member must be a credit union member for 30 days or more and over the age of 18 to be eligible for the Service. Credit Union may choose to not offer the Service to any Member for any reason. Mobile Deposit is accessed through the Online Banking software access point. Member shall maintain the confidentiality and security of any passwords, security information, or devices used to access the Mobile Deposit service.

3. Eligible Items.

a. Type of Item. Using the Mobile Deposit service, Member may deposit only items drawn on financial institutions located within the United States. Items deposited using Mobile Deposit must be payable in United States Dollars. We will not accept Substitute Checks, Third-party Checks, Stale-dated Checks, Post-dated Checks or Checks drawn by you on an Account of yours at Credit Union. Foreign Items and Remotely created checks are not eligible for deposit using the Mobile Deposit service.

b. Item Quality. Items deposited using the Mobile Deposit service must be legible, and must be of sufficient quality to create an image that satisfies all applicable requirements under Regulation CC, this Agreement, and any other written standards that Credit Union provides to Member.

c. Endorsement. Each item must be endorsed by or on behalf of the depositor with their signature and the term “For mobile deposit only, PCFCU account # _____” in accordance with the instructions in Mobile Deposit.



4. Image Quality. Member is responsible for creating images of checks to be deposited through the Mobile Deposit service. Each image of a check deposited through the Mobile Deposit service must accurately represent, in every respect, all the information on the front and back of the check as of the time the check is deposited. Such information includes but is not limited to the amount of the check, the payee, the drawer's signature, and all other elements of a negotiable instrument under Washington Uniform Commercial Code Article 3. The MICR line and information identifying the drawer and paying financial institution must be legible and unobscured. Member's endorsement and any other endorsements or information must also be unobscured. Images must conform to any standards for check image quality adopted by ANSI, the Federal Reserve, and any other standards communicated to Member by Credit Union.

5. Transmission and Receipt of Files.

a. File Transmission. Member shall transmit files containing check images and employing methods and procedures specified by Credit Union. Credit Union will acknowledge receipt of files by transmitting a message to Member in the manner specified in the Documentation. Member is responsible for providing Credit Union with a current Internet e-mail address and for notifying Credit Union of any changes. Files are not deemed received by Credit Union until Credit Union has notified Member acknowledging receipt of the file. Acknowledgment of receipt of a file by Credit Union serves only to confirm that the file was received, and shall not be construed as confirmation that the file complies with the requirements of this Agreement, or is error-free, or that any particular item was included in the file or has been deposited. All deposited items transmitted are reviewed prior to being credited to Member's account. Credit Union shall not bear any liability to any party for errors in transmissions, including images dropped, distorted, or otherwise degraded in transmission.

b. Rejection of Files. Credit Union may in its discretion reject any file transmitted by Member or to reject any item within a file, and shall have no liability of any nature to Member for doing so. Credit Union shall notify Member as soon as reasonably possible when it rejects any file or item transmitted by Member. You agree that Credit Union may at any time, in its sole discretion, refuse to accept deposits of checks from you via Mobile Deposit session. In the event that the Service is interrupted or are otherwise unavailable, you may deposit checks in-person at a Credit Union branch or via night drop or mail or other contractually acceptable method.

c. Receipt and Crediting of Deposits. No item is deposited to Member's account until Credit Union has received and processed the file containing the item, determined the item is acceptable for deposit, and has credited the item to Member's account. Member shall be responsible for verifying that deposits have been posted to appropriate accounts, and shall cooperate in any investigation and resolution of any unsuccessful or lost transmissions with the Credit Union. This may require Member to provide Credit Union with original documents as needed to resolve questions, disputes related to unusual transactions, or poor-quality transmissions.

d. Reconciliation. Credit Union shall notify Member of any discrepancy in a file (such as variation in the amount Member purports to deposit and the amount as determined by Credit Union) within two business days after a file is processed by Credit Union.

6. Duty to Report Errors. Member shall notify Credit Union of any errors, omissions, or interruptions in, or delay or unavailability of, the Services as promptly as practicable, and in any event within one (1)



business day after the earliest of discovery thereof or the date discovery should have occurred through the exercise of reasonable care and, in the case of any error, within fourteen (14) days of the date of the earliest notice to Member which reflects the error. Failure of Member to notify Credit Union of any error, omission, or other discrepancy within seven (7) days from the date of a loss shall relieve Credit Union of any liability for such error, omission, or discrepancy.

7. Deposit/File Limitations. Credit Union has established a daily deposit limit of \$1,500 on the aggregate or individual dollar amount of checks deposited using Mobile Deposit each day. The Credit Union reserves the right to establish different daily limits for all members from time to time and individual members based upon credit risk, subject to notice of such changes. Member agrees to abide by such limits and understands that Credit Union may reject deposits exceeding such limits. Credit Union may establish other limits on transactions by notifying Member.

8. Cutoff Times. Deposits received by 3 p.m. Pacific Time through Mobile Deposit will receive next business day processing based on the business day on which they were received. If accepted, Credit to the Member's account will occur the business day the check has been processed. If the Mobile Deposit is received after 3 p.m. Pacific Time, the Deposit will be treated as if received and processed the next business day. All Mobile Deposits made during a weekend or holiday when the Credit Union is not open will be processed and credited as stated above on the next business day. Some deposits may require administrative approval by Credit Union before they are processed.

9. Funds Availability. Credit Union will generally make funds from items deposited through Mobile Deposit available on the next business day following the processing of the deposit. The cutoff time set forth in this Agreement supersedes the cutoff time set forth in the funds availability policy. For purposes of funds availability, the Credit Union's headquarters is considered as the place of deposit.

10. Clearing and Presentment of Items. Credit Union may present or send items deposited through Mobile Deposit for presentment by any method and procedures Credit Union in its sole discretion deems appropriate. For example, Credit Union may transmit items as images or as data without images, or Credit Union may use images transmitted by Member to create a "substitute check" (also referred to as image replacement document or "IRD"). Credit Union may present or send items for presentment through the Federal Reserve, through local, regional, or national clearinghouses or exchanges, or through any other channel(s) Credit Union deems appropriate.

11. Returned Deposits. Member acknowledges and agrees that items deposited through Mobile Deposit and dishonored or otherwise returned unpaid will be returned to Member in the form of an electronic image, IRD, or paper copy of an IRD. Credit Union shall have no obligation regarding returned deposited items except as provided by applicable law, regulation, Federal Reserve rule or procedure, or clearinghouse rule. A Deposit Item Return Fee may be charged for any returned deposit.

12. Warranties. With respect to each item transmitted to Credit Union through the Mobile Deposit service, Member warrants as follows:

a. The item is of the type that is permitted to be deposited using the Mobile Deposit service as set forth in this Agreement.

b. Member is a person entitled to enforce the item or is authorized to obtain payment on behalf of a person entitled to enforce the item.



c. The original item and the electronic image of the item satisfy all standards set forth in this Agreement and in any additional documentation provided by Credit Union.

d. The image is not a duplicate of any image or item previously deposited by any method. The image is a true and accurate representation of the front and back of the original check, without any alteration. The drawer of the check has no defense against payment of the check.

e. The original item will not be deposited in any account or transferred to any other party by any means, 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 that has already been paid.

f. Credit Union will not incur any loss or liability due to Member's transmission of an image rather than the original check.

g. All information provided by Member in connection with the item, including but not limited to the image of the item, is true and correct and accurate to the best of Member's knowledge.

h. The original item will be destroyed in accordance with the terms of this Agreement.

i. Member has handled the original item in accordance with all applicable laws, rules, and regulations. Member has complied with the terms of this Agreement, and any applicable laws, regulations, and with any additional rules, procedures, or guidelines Credit Union has supplied to Member.

j. Member has not transmitted any virus, worm, or data of any kind that will harm Credit Union's information or communication systems.

13. Fees. Member shall pay Credit Union the fees, if any, associated with use of the Mobile Deposit service as set forth in Credit Union's current fee schedule applicable to Member's account.

14. Compliance with Law. Member agrees to use the Service for lawful purposes, and to comply with all applicable laws, rules, and regulations applicable to the Service and to Member.

15. Indemnification. Member agrees to indemnify, defend, and hold Credit Union harmless from and against any and all claims, damages, liabilities, or losses of any nature incurred by or asserted against Credit Union in connection with or related to Member's negligence, intentional misconduct, or breach of this Agreement.

16. Destruction of Original Items. All original items deposited through the Mobile Deposit service are to be properly destroyed and disposed of within sixty (60) days after the date of deposit, unless Credit Union asks Member to retain an original of any specific item(s). During the period that you maintain any original checks, you understand and agree that you must use a high degree of care to protect these original checks against security risks. These risks include, without limitation, (i) theft or reproduction of the original checks (including by employees) for purposes of presentment for deposit of these original checks (i.e., after the original checks have already been presented for deposit via the Service) and (ii) unauthorized use of information derived from the original checks. When you dispose of any original checks, you understand and agree that you must use a high degree of care when selecting and implementing disposal procedures to ensure that the original checks are not accessed by unauthorized



persons during the disposal process and, once destroyed, the original checks are no longer readable or capable of being reconstructed.

17. Data and Systems Security. Member agrees to implement and maintain appropriate security measures to safeguard the security of images and data in Member's possession or control from unauthorized access or disclosure. In no event shall Member take precautions any less stringent than those employed to protect its own proprietary and confidential information. On request, Member shall provide Credit Union with information regarding Member's internal controls and security procedures. If Credit Union believes that Member's controls, security measures, and procedures are inadequate to safeguard the item images and data maintained by Member, Credit Union may require Member to establish additional controls, security measures, and procedures. Member agrees to indemnify, defend, and hold Credit Union harmless from and against any disclosure of or unauthorized access to any other party's confidential information (such as checking account number and financial institution) maintained by Member. Member agrees to notify Credit Union of any such disclosure, or of any penetration of Member's systems or information security measures by unauthorized parties.

18. Alternate Deposit Method. Credit Union makes no warranty or representation as to availability of the Mobile Deposit service. Member shall maintain backup procedures and capabilities in order to deposit items by an alternate method if for any reason the Mobile Deposit service is inoperative or unavailable. Alternative deposit methods include but are not limited to, in person at Credit Union branch, via night drop, ATMs accepting deposits, US Mail, or other contractually accepted methods.

19. Amendment. The Credit Union may amend the terms of this Agreement and the Service at any time by providing notice to Member.

20. Term and Termination. This Agreement, together with the Membership and Account Agreement shall govern all use of the Service by Member. Either Credit Union or Member may terminate Member's use of the Service at any time for any reason. Notwithstanding termination, this Agreement shall govern the parties' rights, liabilities, and duties as to all items deposited using the Mobile Deposit service before or after termination.

21. Financial Responsibility. You understand that you remain, solely and exclusively responsible for any and all financial risks, including, without limitation, insufficient funds associated with accessing the Service. The Credit Union shall not be liable in any manner for such risk unless Credit Union fails to follow the procedures described in materials for use of the service. You assume exclusive responsibility for the consequences of any instructions you give to the Credit Union, for your failures to access the Service properly in a manner prescribed by the Credit Union, and for your failure to supply accurate input information, including, without limitation, any information contained in an application.

22. Enforcement. You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. This Agreement shall be governed by and construed under the laws of the State of Washington as applied to contracts entered into solely between residents of, and to be performed entirely in, such state. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to Washington law, to payment by the other party of its reasonable



attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. Should any one or more provisions of this Agreement be determined illegal or unenforceable in any relevant jurisdiction, then such provision may be modified by the proper court, if possible, but only to the extent necessary to make the provision enforceable and such modification shall not affect any other provision of this Agreement.

23. Disclaimer of Liability. MEMBER ACKNOWLEDGES THAT THE SERVICE IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. THE CREDIT UNION IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN OR TO ANY INFORMATION RESULTING FROM YOUR USE OF THE SERVICE. THE CREDIT UNION MAKES NO AND EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE SERVICE INCLUDING THE WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE CREDIT UNION DISCLAIMS ANY WARRANTIES REGARDING THE OPERATION, PERFORMANCE OR FUNCTIONALITY OF THE SERVICE (INCLUDING, WITHOUT LIMITATION, THAT THE SERVICE WILL OPERATE WITHOUT INTERRUPTION OR BE ERROR FREE). MEMBER FURTHER ACKNOWLEDGES THAT THERE ARE CERTAIN SECURITY, CORRUPTION, TRANSMISSION ERROR AND ACCESS AVAILABILITY RISKS ASSOCIATED WITH USING OPEN NETWORKS SUCH AS THE INTERNET AND/OR TELECOMMUNICATION LINES OR CIRCUITS. MEMBER HEREBY ASSUMES ALL RISKS RELATING TO THE FOREGOING.

Credit Union shall have no liability to you, or any other person or entity for any loss, damage, cost, or expense arising out of this Agreement or the Service regardless of the form in which asserted, whether in contract, tort (including negligence), warranty, or any other legal or equitable grounds, and regardless of whether the remedies available fail of their essential purpose, except as provided by applicable law for any error or delay in performing the Service provided for in this Agreement, and we shall have no liability for not effecting a transaction, if:

- We receive actual notice or have reason to believe that you filed or commenced a petition or proceeding for relief under any bankruptcy or similar law
- The ownership of funds involving a transaction is in question
- We suspect a breach of the security procedures
- We suspect that your account has been used for illegal or fraudulent purposes; or
- We reasonably believe that a transaction is prohibited by federal law or regulation, or otherwise so provided in the Agreement.

Credit Union will not be liable if Member fails to report timely any error or discrepancy reflected in an account statement prepared by Credit Union, or if Member fails to report a breach of a security procedure. If Credit Union fails to perform under this Agreement in accordance with the standards set herein, Credit Union's liability for damages, losses, and other compensation owing to you will be limited as set forth above.