

## **Champion Credit Union Mobile Banking**

### **Remote Deposit Capture (Mobile Deposit Services) Terms and Conditions**

This agreement (this "Agreement") contains the terms and conditions of Champion Credit Union's ("Credit Union"), Remote Deposit Capture ("RDC") Services (the "Service" and sometimes "Services") and sets forth the obligations and responsibilities of the Credit Union and you with respect to these Services. Your use of the Services is subject to the approval of Credit Union. If you, the account-holder, are approved for the Service, you agree that use of RDC is subject to the following terms and conditions. Your use of the Services constitutes your acceptance of the terms and conditions, which are subject to change from time to time. Credit Union reserves the right, in its sole discretion, to change, modify, add, terminate or remove any or all of the portions or features of the Services. Your continued use of the Services constitutes your acceptance of any revisions to these terms and conditions or the Services. Any other agreements you have entered into with Credit Union are incorporated herein.

1. **Statement of Service**. This Service allows you to make deposits to your accounts remotely by scanning both sides of Checks and delivering the Images and associated deposit information to Credit Union or Credit Union's designated third- party service provider. The scanned Images are transmitted to Credit Union through a specified protocol and, those Images that satisfy the terms and conditions of this Agreement, are credited to your account. You must provide legible Images of the Checks to be deposited and the Checks must otherwise be eligible for deposit as if they were being presented in person for deposit at a physical Credit Union branch.
2. **Security Procedures**. You will complete each deposit promptly. If you are unable to complete your deposit promptly, you will ensure that your mobile device remains securely in your possession until the deposit has been completed. It is your responsibility to establish and maintain procedures to safeguard against unauthorized deposits. You will notify Credit Union immediately by telephone: 1-800-204-0596 and may be asked to provide written confirmation if you learn of any loss or theft of original checks. You will ensure the safety and integrity of original checks from the time of receipt until the time of destruction.
3. **Eligible Items and Images**. You represent and warrant to Credit Union with respect to each check ("Check") or image ("Image"), that:
  - a. You will only scan and deposit check(s) as that term is defined in Federal Reserve Board Regulation CC ("Reg CC"), which are payable to You. You agree that the image of the check that is transmitted to Credit Union (each such check and other item a "Check" or "Image" and, if more than one, "Checks" or "Images") shall be deemed an "item" within the meaning of Article 4 of the Uniform Commercial Code (1990 Official Text);
  - b. Any Image you transmit will meet the standards for image quality established by the American national standards Institute ("ANSI") or other applicable standards established by Credit Union, the Board of Governors of the Federal Reserve System, and any other applicable regulatory agency, clearing house or association;
  - c. Any information you transmit to Credit Union accurately represents all of the information on the front and back of any Check as of the time such Check was truncated, including without limitation: payment instructions placed on the check by, or as authorized by, the drawer, such as the amount of the Check, the payee, the drawer's signature; the information identifying the drawer and the paying bank that is preprinted on the Check, including the MICR line; and any other information placed on the Check prior to the time an image of the Check is captured, such as any required identification written on the front of the Check and any endorsements applied to the back of the Check; and
  - d. You shall not attempt nor permit duplicate presentment of a Check in any form, including as an Imaged Item, a paper negotiable instrument or otherwise and you will not deposit or otherwise negotiate the original Item(s) from which the Image(s) was created. That no subsequent transferee, including but not limited to Credit Union, a collecting or returning bank, drawer, drawee, payee or endorser, (i) will be asked to pay the original Item from which the Image(s) was created or a duplication (whether paper or electronic, including ACH entries) of the Item(s), or (ii) shall sustain a loss as the result of the fact that the Image was presented for payment or returned instead of the original Check/Item.
  - e. You will only transmit checks payable to you. If you are engaged or intend to engage in any business that would result in your being classified as a "money service business" ("MSB") as defined in the Federal Bank Secrecy Act and its implementing regulations, you agree to

immediately notify Credit Union of same, and agree that Credit Union at its sole discretion may refuse to provide or terminate (as applicable) this Service.

- f. Any Third Party Agent utilized by you is familiar with, and shall at all times be in compliance with the terms hereof, including without limitation, image quality, prohibition of duplicate items, and proper storage and destruction of original checks.
4. **Prohibited Checks.** You agree that, unless we specifically agree otherwise in writing, you may **not** use the Service to deposit:
- a. Checks or items payable to any person or entity other than you (i.e., payable to another party and then endorsed to you or payable to cash);
  - b. Checks or items containing obvious alteration to any of the fields 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 or item is drawn;
  - c. Checks that are irregular in any way (e.g., where the numerical and written amounts are different);
  - d. Checks or items previously converted to a substitute check, as defined in Reg CC (i.e., paper checks created from an electronic image);
  - e. Checks or items that you know or have reason to believe are fraudulent or otherwise not authorized by the owner of the account on which the check is drawn;
  - f. Checks or items that you have any reason to believe will not be paid by the institution on which it is drawn;
  - g. Checks or items that are demand drafts or remotely created checks as defined in Reg CC (i.e., checks lacking the original signature of the drawer);
  - h. Checks or items drawn on a foreign bank or payable in a foreign currency;
  - i. Checks or items that have previously been returned unpaid for any reason;
  - j. Checks or items that are postdated or more than six (6) months old;
  - k. Checks or items payable to "Cash.";
  - l. Items drawn on any account of yours (whether at the Credit Union or another financial institution);
  - m. Checks payable to you and another party who is not a joint owner on the account;
  - n. Money Orders;
  - o. Traveler's checks;
  - p. Savings bonds;
  - q. Un-encoded checks; or
  - r. Checks or items prohibited by Credit Union's procedures relating to the Services or which are not otherwise acceptable under the terms of your account.

Paper originals must be endorsed before being scanned. The images of Items you send us will be sufficiently inclusive and high quality to permit us to satisfy all pertinent requirements of the following: the Check 21 Act, 12 USC 5001, et seq.; all related laws or regulations; all other state or federal laws and regulations; The American National Standards Institute; The Electronic Check Clearing House Organization; and all other clearing houses or associations.

5. **Endorsement Requirements.** Endorsements must be made on the back of the Check within 1 ½ inches from the top edge, although Credit Union may accept endorsements outside this space. Your endorsement MUST include your signature and "FOR MOBILE DEPOSIT ONLY AT CHAMPION CREDIT UNION". Any loss Credit Union incurs from a delay or processing error resulting from an irregular endorsement or other markings by you will be your responsibility. A check payable to two payees on your account must be endorsed by both payees if the check is payable to you and your joint owner.
6. **Processing.** All images processed for deposit through RDC will be treated as "deposits" under your current membership agreement with Credit Union and will be subject to all terms of your membership agreement with Credit Union. When Credit Union receives an Image, Credit Union will confirm receipt via email to you (the email will be sent to the email address registered with your account). Credit Union shall not be deemed to have received the image for deposit until Credit Union confirms receipt to you. Confirmation does not mean that the Image contains no errors and is accepted by Credit Union for deposit.
7. **Receipt of File.** You acknowledge and agree that you shall remain liable for and that Credit Union shall not be accountable to you for any Image that is not received by Credit Union and for an Image that is intercepted or altered by an unauthorized third party. You acknowledge and agree that Credit Union has no obligation to accept an Image and therefore may reject any Images submitted by you. Credit Union has no obligation to notify you of the rejection of an Image. Credit Union shall have no liability to you for rejection of any Image(s) or for failure to notify you of a rejection. Upon receipt of the Image submitted by You, Credit Union may examine the Image to ensure that you have followed the procedures set forth herein. If you have not followed the procedures or if errors exist in the data or the Images, Credit Union, in its sole discretion, may reject and not accept the entire Image. Notwithstanding the fact that Credit Union has accepted an Image for deposit, any credit made to your account shall be provisional and you shall remain liable to Credit Union for any errors, inaccuracies, breach of warranties and any other loss sustained by or claim made against

Credit Union on the part of any party. Credit Union reserves the right to refuse to process or reject any Image for any reason at its sole discretion.

8. **Provisional Credit and Availability of Funds.** Upon acceptance of the Image, Credit Union shall grant your account Provisional Credit, defined below, for the total amount shown on the Image. "Provisional Credit" means that the credit is made to your account subject to final payment of the Items and subject to the terms of account agreement with Credit Union. For the purpose of determining availability of funds, the Credit Union may hold funds for the period of time permitted by Credit Union's funds availability disclosure. Checks will only be processed on Business Days. Business Days are Monday through Friday, except holidays ("Business Days").
9. **Maintenance and Destruction of Original Item.** You shall securely store all original Checks for a period of fifteen (15) days after you have received notice from Credit Union that the Check has been accepted (the "Retention Period"). During the Retention Period, you must make the original Check accessible to Credit Union, upon request by Credit Union. Upon Credit Union's request, from time to time, you will deliver to Credit Union, within forty-eight (48) hours of such request and at your expense, the requested original Check in your possession. If not provided in a timely manner, such amount will be reversed from your account. You shall destroy, after marking such Checks "VOID", original Checks upon the expiration of the Retention Period applicable to such Checks. You agree that you will never re-present the original Check. You understand that you are responsible if anyone is asked to make payment based on an original Check that has already been paid.
10. **Requested Information.** You agree to provide such information as requested by Credit Union in order to qualify you for the Service, including without limitation, providing information and Images as requested by Credit Union to facilitate investigations related to unusual transactions or poor quality transmissions or to resolve disputes. Such documents may include copies of Images or original items, if available.
11. **Failed Deposits.** If a Check fails to process through RDC, you may bring the Check to the nearest Credit Union location for processing. There are limitations to the Checks Credit Union will accept:
  - a. A Check with a restrictive endorsement in another institutions name will not be accepted, you will need to contact the issuer for a new check.
  - b. A Check having a restrictive endorsement with Credit Union listed may be processed with an extended hold (up to 15 days) placed on it.
  - c. A Check having a restrictive endorsement and no financial institution listed may be processed with an extended hold (up to 15 days) placed on it.
12. **Returned Checks.** Any credit to your account for Checks deposited using RDC is a Provisional Credit to your account. Credit Union will process any returned Checks in accordance with applicable law and the deposit account agreement governing your account with Credit Union for which the Check is presented. If Checks previously deposited by you are dishonored and returned unpaid by the drawee bank or are returned by a clearing agent for any reason, including but not limited to issues relating to the quality of the Image, you understand and agree that, since you either maintain the original Check or have destroyed the original Check in accordance with this Agreement, that the original Check cannot be returned to you and Credit Union may charge back an Image of the Check to your checking account. You understand and Agree that the Image may be in the form of an electronic or paper reproduction of the original Check or a substitute check, but not the paper originals. Unless otherwise instructed by Credit Union, you agree not to deposit the original Check if an Image or other debit as previously described is charged back to you. Return items are processed the same way as they would be for a check that was imaged. You will reimburse Credit Union for all loss, cost, damage or expense caused by or relating to the processing of the returned item. Credit Union may debit any of your accounts to obtain payment for any item 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 the rejection, return, adjustment or warranty claim was made timely.
13. **Indemnification and Liability; Third Party Claims.** In addition to any other indemnification herein, you hereby indemnify and agree to reimburse, protect, defend and hold Credit Union and each of its parents, subsidiaries and affiliates and their respective officers, directors, employees, and agents harmless from and against, all actions, causes of action, claims, damages, loss, liabilities, including without limitation all incidental and consequential damages, and all reasonable out-of-pocket expenses (including reasonable attorneys' fees) of any nature or kind (including those by third parties) arising directly or indirectly from: (a) any breach of warranty or other breach, or failure to by you under the terms of this Agreement; (b) your use of the Services; (c) any warranty or indemnity claim brought against Credit Union by a third party under 12 CFR 229.52, 12 CFR 229.53 or other regulations in connection with a Check transmitted to Credit Union by you; (d) any wrongful acts or omissions of you or any person acting on your behalf in connection with your use of the Service provided, however, you are not obligated to indemnify Credit Union for any damages solely and proximately caused by Credit Union's gross negligence or willful misconduct. The terms of this paragraph shall survive the termination of this Agreement.
14. **Equipment.** To use the Services, you must obtain and maintain, at your expense, a compatible mobile device and software as specified by Credit Union from time to time. 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 the time of download and installation. Credit Union is not responsible for any technical difficulties or any resulting damages you experience

attempting to use the Services, including, but not limited to, items we do not receive or for images that are dropped during transmission.

15. **RDC Unavailability.** RDC may be unavailable temporarily due to system maintenance or technical difficulties, including those of the internet service provider, cellular service provider, or internet software. In the event that RDC is unavailable, you may deposit original checks at local Credit Union branches.
16. **Funds Availability.** For purposes of funds availability from a RDC, mobile deposits are confirmed as received before 3:00 p.m. (E.S.T.) on a business day will be credited to your account the same day. Mobile deposits received after 3:00 p.m. (E.S.T.) on a Business Day will be credited to your account on the following Business Day. 12 CFR 229.10, et seq.). If a hold is placed on a Check, you will be notified by Credit Union, via regular mail to the address you have on file with the Credit Union, with a Notice of Delayed Availability. Extended holds can be placed at Credit Union's discretion. Even after funds are available to you and have been withdrawn, you will still be responsible for returned items or any other problems with the remote deposit.
17. **Representations and Warranties.** Unless prohibited by law, by making remote deposits, you make the following warranties to Credit Union and agree to indemnify Credit Union and hold Credit Union harmless from any breach of such warranties, including payment of our reasonable attorneys' fees and litigation expenses:
  - a. That you are the lawful and intended payee of each Check that you deposit and are legally entitled to enforce and obtain payment of that Check;
  - b. To the best of your knowledge, the image transmitted to us accurately represents the front and back of the Check at the time of scanning, without any alteration, and the drawer of the Check has no defense against payment of the Check;
  - c. That the amount, payee, signature and endorsement on the scanned image and the Check are legible, genuine, and accurate;
  - d. That 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;
  - e. That Credit Union is authorized to enforce and obtain payment of the original Check;
  - f. That only paper originals of bona fide Checks have been scanned for remote deposit;
  - g. That each of the Checks included in your remote deposit(s) was duly authorized in the amount stated on the Check and to the payee stated on the Check;
  - h. That there was and will be no duplication among Checks included in your remote deposit(s);
  - i. That the Check has not be altered or modified from its original state;
  - j. That you will not deposit or redeposit the paper originals of the Check included in your remote deposit(s) or make any other deposits or re-deposits of such Checks without our Informed consent;
  - k. That Credit Union will not suffer any loss as a result of your remote deposit(s);
  - i. That Credit Union will not suffer any loss as a result of your retention or destruction of the paper originals of Checks included in your remote deposit(s);
  - j. That all information you provide to Credit Union regarding your remote deposit(s) will be accurate;
  - k. That your remote deposit(s) and all information you provide to us will be virus-free;
  - l. That your remote deposits will not violate any laws; and
  - m. That you have performed and will perform all your obligations under this Agreement.

With respect to each Image, you make to Credit Union all representations and warranties that Credit Union makes or is deemed to make to any party pursuant to law, regulation or clearinghouse rule. You agree that files and images transmitted to Credit Union will contain no viruses or any other disabling features that may have an adverse impact on our network, data, or related systems.

18. **Your Other Responsibilities.** You will use the Services for lawful purposes and in compliance with all applicable laws, rules, and regulations. You warrant that you will only transmit acceptable items for deposit and have handled the original items in accordance with all applicable laws, rules, and regulations. You agree to provide us with all information we may reasonably request to resolve any discrepancy, including, without limitation a copy of the original check if it has not been destroyed. You also agree to cooperate and assist Credit Union in its investigation of any lost or unsuccessful transmission of Checks, including providing Credit Union with copies of original checks and other records and documentation. You are solely responsible for the quality, completeness, accuracy, validity, and integrity of the images you submit through the Service. You are solely responsible if you, intentionally or unintentionally, submit fraudulent, incorrect or illegible images to Credit Union or if the Service is used by authorized or unauthorized persons to submit fraudulent, unauthorized, inaccurate, incorrect, or otherwise improper or unusable images to Credit Union.
19. **Amendment and Revocation.** This Agreement may be amended from time to time by Credit Union with or without notice to you. This Agreement and the Services can be revoked at any time at the sole discretion of Credit Union.
20. **Governing Law.** You understand and agree that this Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in

accordance with the laws of the state of North Carolina, 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 North Carolina.

21. **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. CREDIT UNION DISCLAIMS 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. CREDIT UNION MAKES NO WARRANTY THAT THE SERVICE (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 RDC SERVICE OR TECHNOLOGY WILL BE CORRECTED.
22. **LIMITATION OF LIABILITY.** YOU AGREE THAT CREDIT UNION 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 SERVICE 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 RDC SERVICE, 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.