

MOBILE DEPOSIT CAPTURE AGREEMENT TERMS & CONDITIONS

This Mobile Deposit Capture Agreement (the "Agreement") governs the use of the First Service Credit Union ("FSCU") Mobile Deposit Capture Service (the "Service"). The words *you* and *your* refer to either and all of the persons subscribing to or using the Service. The words *we*, *us*, and *our* refer to FSCU. By accepting this Agreement and using Mobile Remote Deposit Capture, you agree to all the terms, conditions, and notices contained in this agreement and accept responsibility for your use of the service. Other agreements you have entered into with us, including the Terms and Conditions of Your Member Service Agreement and Online Banking Agreement, as applicable to your account(s) with FSCU, are incorporated by reference and made a part of this Agreement.

Qualification

In order to enroll in this service, you must be designated as an owner of an FSCU account (the "Account") that is eligible for this service and be approved by FSCU.

To be approved for this service, the following criteria will be considered:

- Activity on your account must not have had three (3) or more Returned Deposit items within the last year;
- Activity on your account must not include insufficient items or overdraft status within the past six (6) months.
- You must be currently enrolled in FSCU's Online Banking product.

In the event your account does not meet the criteria above, you will be eligible to reapply for Mobile Remote Deposit Capture after a time period when these conditions are met.

Conditions

As conditions to FSCU's provision of service, you must maintain your accounts in good standing and comply with requirements and restrictions set forth in these Terms and Conditions, as well as those of the Member Service Agreement

Indemnification and Hold Harmless

FAILURE TO PROTECT YOUR HARDWARE AND SECURITY CREDENTIALS MAY ALLOW AN UNAUTHORIZED PARTY TO ACCESS THE SERVICE AND TRANSMIT AN ELECTRONIC ITEM FOR DEPOSIT. ALL USES OF THE SERVICE THROUGH YOUR SECURITY CREDENTIALS WILL BE DEEMED TO BE AUTHORIZED BY YOU AND BE BINDING UPON YOU. YOU ASSUME THE ENTIRE RISK FOR THE FRAUDULENT OR UNAUTHORIZED USE OF YOUR SECURITY CREDENTIALS AND INDEMNIFY AND HOLD FSCU HARMLESS FOR ANY UNAUTHORIZED USE OR LOSS. YOU AGREE TO (I) FOLLOW THE SAFETY AND SECURITY RULES FOR YOUR MOBILE DEVICE, (II) FOLLOW THE INSTRUCTIONS AND RECOMMENDATIONS THAT FSCU PROVIDES YOU WITH RESPECT TO THE SERVICE AND (III) USE MAXIMUM CAUTION IN PROTECTING YOUR HARDWARE AND SECURITY CREDENTIALS FROM UNAUTHORIZED ACCESS. YOU AGREE TO NOTIFY FSCU IMMEDIATELY IF YOU BECOME AWARE OF ANY LOSS OR THEFT OF, OR ANY UNAUTHORIZED USE OF THE SERVICE OR YOUR SECURITY CREDENTIALS.

You will use the service only for paper items that are payable to, and endorsed by you.

You will properly secure all hardware you use in connection with the Service (including, but not limited to, securing the hardware with Security Credentials to prevent unauthorized use). You will maintain control over and be responsible for secure retention, storage, and destruction of original paper items for which you have created an Electronic Item. After transmitting the Electronic Item to us, you will retain the original paper items as discussed in the *Check Safekeeping, Record Retention and Destruction* section of this document.

Safety and Security Rules for Your Mobile Device

Following these rules is important to ensure the safety and integrity of your deposited items and to protect your accounts, as you are liable for any negligence:

- Treat your mobile device with the same care as you do your personal computer.
- Avoid storing sensitive information, like passwords and Social Security numbers, on your phone.

- Password protect your mobile device and lock it when you are not using it.
- Be aware of your surroundings and do not type sensitive information where others can see you.
- Protect your phone from viruses and malware by installing mobile security software.
- Download the updates for your phone and mobile apps.
- If you change your phone number or lose your mobile device, let us know right away.
- Monitor your accounts regularly and report suspicious activity immediately.
- Always sign off completely when you finish using your mobile app. Simply closing the browser is not enough.

Fees

FSCU currently offers the benefits and convenience of the Service to you at no additional charge but reserves the right to charge fees for the Service in the future.

Eligible Checks

Mobile Deposit allows you to deposit most U.S. consumer and business checks; however, certain checks are not supported. These items include but are not limited to: third party checks, foreign checks, substitute checks, government bonds, checks payable in a medium other than U.S. dollars, U.S., state, or other savings bonds.

Deposit Limits

FSCU reserves the right to establish and assign to you deposit limits for the Service (including limits on the dollar amount and/or number of checks you may transmit through the Service each day/month) and to modify such limits from time to time at FSCU's sole discretion at any time without prior notice to you, and you agree to comply with all such limits. Our current limits for the Service are \$5,000 deposited per day and \$25,000 deposited per month.

Inspecting Physical Checks and Check Images

- **You** are responsible for inspecting both the physical check items and check images as they appear on the screen of your mobile device. Because some physical security features on the actual checks, such as watermarks, may not survive the imaging process, you must manually examine checks prior to transmission to FSCU to verify their authenticity.
- Additionally, when depositing a check via MOBILE DEPOSIT, **you** are required to examine check images to ensure the payee name, amount, signature and other important pieces of information are legible and in accordance with the physical check. If they are not, cancel the photograph and re-photograph the item.
- Any original paper check items that remain illegible after repeated scanning/photographing attempts must be physically deposited at FSCU.

MICR Lines on the Check

The bottom of your check contains numeric information that identifies FSCU the check is drawn on, the account number and the check number. This information is known as the MICR line (Magnetic Ink Character Recognition). A MICR defect, such as a tear in the MICR line, or markings over the MICR line may inhibit the scanner or mobile phone's ability to read this information. If you receive error messages indicating that the mobile phone is unable to read the MICR line, the check with defects in the MICR line must be physically deposited at one of our bank locations.

Endorsements

You agree to endorse any item transmitted through the Service as follows:

Signature/Endorsement of Payee

For Mobile Deposit Only

Endorsements must be made on the back of the check within 1.5 inches from the top edge, although we may accept endorsements outside this space. Any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you will be your responsibility.

To help ensure that an electronically deposited check is not processed multiple times, either as an electronic item and/or a physical check, FSCU requires that you write the words "for mobile deposit only" on the endorsement line of the check

to indicate that it will only be deposited electronically. FSCU may refuse to accept items which are not endorsed in this manner. Marking a check in this way will also allow you to identify that the item has been photographed and deposited if it becomes intermingled with other undeposited checks.

Check Safekeeping, Retention and Destruction

- Check storage and the destruction of items processed through Mobile Deposit is **your** responsibility because the paper checks are never physically deposited with FSCU.
- FSCU requires that you use reasonable methods to securely store all source documents and all related banking information until destruction. We require that deposited check items be securely stored. To help ensure that checks are not electronically processed more than once or physically deposited at FSCU after being electronically deposited, procedures should be established to ensure that only you or another account owner has access to these checks during the retention period.
- FSCU recommends retention of the checks for at least seven business days after the deposit is made in case a check is returned and you need to collect on the check by re-depositing the original item. All items must thereafter be destroyed as soon as reasonably possible. FSCU requires destruction of all checks 14 days after the deposit. Cross-cut shredding is strongly recommended for check destruction.

If you believe you may have deposited a check item more than once, please contact FSCU immediately at 713-676-7777 or toll free at 800-678-5197. Do not re-scan/photograph the items. FSCU will provide assistance in determining the best approach for managing the situation.

Availability of Funds.

Our standard practice is to make funds from your remote deposit available to you on the first business day after the day we receive your deposit. Once the funds are available, you may withdraw them in cash or we will use the funds to pay debits to your account. All deposits are subject to review prior to availability.

For determining the availability of your deposits, business days are Monday through Friday, except Federal Holidays. If you transmit your Electronic Item(s) to FSCU before 4:00 P.M. CST (the "Cut-Off Time") on any business day, we will review and process your Electronic Item(s) on that business day. If you transmit your Electronic Item(s) to us after the Cut-Off time on any business day, we will review and process your Electronic Item(s) on the next business day.

For a complete disclosure of funds availability, refer to the Funds Availability Disclosure within the Member Service Agreement.

Exception Items

Each business day on which we review and process your Electronic Item, we will use reasonable efforts to review each Electronic Item and to reject any Electronic Item that we in our sole discretion determine to be ineligible for the service (each, an "Exception Item"). "Exception Item" includes, without limitation, an Electronic Item that (a) is illegible or contains MICR data that is not machine-readable, (b) was previously processed as an Electronic Item, or (c) is drawn on banks located outside the United States and is not payable at or through a bank located within the United States. We will notify you of each Exception Item through FSCU's online banking secure email or other communication channels at our discretion. If you wish to attempt to deposit any Exception Item to your account, you shall do so only by depositing the original paper item on which the Exception Item is based or otherwise agreed between us. Even if we do not initially identify an Electronic Item as an Exception Item when we review and process the Electronic Item to which the Exception Item relates, the Electronic Item, substitute check, or the purported substitute check created by us from it may nevertheless be returned to us because, among other reasons, the Paying Bank determines that such item or check is illegible or missing an image. Our failure to identify an Exception Item shall not preclude or limit your obligation to FSCU.

Chargebacks

All checks posted to your account through Mobile Deposit are posted subject to our receipt of final payment by the payor bank. Upon receipt of final payment, the item becomes a collected item. If final payment is not received or if any item

you have deposited is charged back to us for any reason, you authorize us to charge any of your accounts without prior notice and at any time, for the amount of the returned item, our return fee, any interest paid on that item, and any other fee we pay or incur. We reserve the right to refuse any item for deposit into your account as well as the right to withhold the availability of funds as per the Member Service Agreement.

Deposits to the Account

Subject to our right to identify and reject Exception Items, we shall be deemed to have accepted each Electronic Item that is not an Exception Item for deposit to the account on the business day that we process the Electronic Item, provided its transmission to us is prior to the Cut-Off Time. In addition, an Electronic Item will be deemed to have been deposited at the office where the account is maintained.

Errors

You agree to notify us promptly of any errors, omissions, or discrepancies in a deposit within the time periods established in the Member Service Agreement. You may notify us by Secure Messaging through Online or Mobile Banking, by telephoning us at 713-676-7777 or toll free at 800-678-5197, or by writing to PO Box 941914, Houston TX 77094. You agree to cooperate in any investigation by FSCU of any unsuccessful or lost transmission. Subject to applicable law, any failure by you to notify FSCU of any error, omission, or other discrepancy in accordance with this Agreement and the Member Service Agreement shall relieve FSCU of any liability for such error, omission, or discrepancy.

Errors in Transmission

By using the Service you accept the risk that an item may be intercepted or misdirected during transmission. FSCU bears no liability to you or others for any such intercepted or misdirected items or information disclosed through such errors.

Availability of Service/Contingency

When using the Service, you may experience technical or other difficulties. In the event you are unable to capture, balance, process, produce, or transmit a file to FSCU, or otherwise comply with the terms or the Procedures for any reason, including but not limited to, communications, equipment, or software outages, interruptions or failures, you may transport or mail the originals of all checks to the nearest Bank location. We cannot assume responsibility for any technical or other difficulties or any resulting damages you may incur.

Termination of Service

FSCU reserves the right to terminate this service at any time and without notice; if FSCU determines that you have abused the service or FSCU will suffer a loss if the service is not terminated immediately.

Hardware and Software Requirements

In order to use the Service, you must obtain and maintain, at your expense, a compatible mobile device and applicable software, along with Internet Service. It may also be necessary to obtain a wireless plan from a compatible mobile wireless provider. The technical specifications and requirements that we and/or our service provider(s) establish and specify may change from time to time. FSCU is not responsible for any third party software you may need to use the Service. You agree that you will perform, or cause to be performed by properly trained personnel, all vendor recommended maintenance, repairs, upgrades, and replacements. Unless otherwise provided in this Agreement, you are solely responsible for purchasing, installing, operating, testing, and maintaining all hardware and software necessary to use the Service. You must install and test your Mobile Device, your system, and any other required hardware and software before you make your first deposit through the Service. You accept any such software "as is" and subject to any terms and conditions of the software agreement you may be required to enter into directly with the third party software provider at the time of download and installation. We are not responsible for, and you release us from, any and all claims or damages resulting from, or related to, any computer virus or relating problems associated with using the Service, e-mail, or the Internet. You agree all images and files transmitted to us through the Service will contain no viruses or any other disabling features that may have an adverse impact on our network data, or related systems.