

## CONSUMER MOBILE CHECK DEPOSIT AGREEMENT

Mobile Check Deposit (MCD) allows you to use smartphone/tablet camera functionality in conjunction with Kitsap Credit Union's Mobile Banking application to deposit digital images of check(s) to your Kitsap Credit Union account(s) with your mobile device. For the purposes of this agreement, the terms "we," "us," "our," and "KCU" refer to Kitsap Credit Union and the terms "you," "your," and "user" mean each and all those who use MCD.

1. **Acceptance.** By accepting the electronic consent on your mobile device, you, and any authorized signers, jointly and severally, agree to all terms and conditions in this Agreement. Please read this Agreement carefully and keep a copy for your records.
2. **Service Availability.** When using MCD, you may experience technical or other difficulties. We do not assume liability for any technical or other difficulties that you may experience. If MCD is not available to you, you acknowledge that you can deposit the original check(s) at a branch location, through a participating ATM, or by mail. It is your sole responsibility to verify that the check(s) deposited using MCD have been received and accepted for deposit by us.
3. **Support.** For assistance with MCD, contact our Contact Center at 800-422-5852 or initiate a live chat by logging into online banking at [www.kitsapcu.org](http://www.kitsapcu.org).
4. **Member Eligibility.** KCU consumer members with Savings, Checking, or Money Market accounts in good standing are eligible to use MCD. Eligibility is subject to our sole discretion and may be revoked if any of the following apply: your account has been negative for more than 30 days; you have had multiple returns due to duplicate deposit of checks; physical or electronic mail (email) from the credit union has been returned undeliverable; your account is dormant; your card services have been revoked; your loan or credit card account is delinquent for more than 30 days; or you are subject to backup withholding.

KCU may revoke access to Business MCD immediately and at any time, without prior notice to you.

5. **Email Address.** You agree to keep the email address on file with KCU current at all times. Your email address will be used to notify you of receipt of, rejection of, and/or acceptance of MCDs.
6. **Security.** It is your responsibility to safeguard against unauthorized deposits. You are required to ensure the safety and integrity of the check(s) from the time of deposit until the time of destruction. You are required to notify us immediately by phone at 800-422-5852 if you learn of any loss or theft of the check(s), and we may require you to provide written confirmation of the loss or theft.
7. **Deposit Limits.** We reserve the right to impose limits on the amount(s) and/or number of deposits you may perform using MCD, and to modify those limits at our discretion without prior notice to you.
8. **Eligible Checks.** You agree to only deposit checks. For purposes of this agreement, a "check" means a negotiable demand draft that is drawn on, or payable through, or at, a bank or credit union.
9. **Ineligible Checks.** You agree that you will not use MCD to deposit checks which: are payable or negotiated to a person(s) or entity other than you; contain obvious alterations to any of the fields on the front of the check, or which you know or suspect, or should have known or suspected, are fraudulent or otherwise not authorized by the owner of the account on which the check is drawn; are dated in the future (postdated); are dated more than six (6) months prior to the date of deposit (stale dated); are payable to more than one party unless being deposited into an account owned by all payees; are drawn on a financial institution located outside of the United States; are not payable in US currency; are payable to a business, even if you are the business owner; are identified as Non-Negotiable; have been previously deposited; have been previously returned, such as for non-sufficient funds (NSF) or as Refer to Maker.
10. **Image Quality.** To be accepted for deposit the image of the check(s) must be clear and legible and must comply with all standards for image quality as established by the Board of Governors of the Federal Reserve or any other regulatory agency, clearing house, or association.
11. **Endorsement Requirements.** You agree to endorse all checks with your signature and "For KCU MCD only." A check payable to two payees must be endorsed by both payees and both payees must be joint owners on the account into which the check is being deposited. If the check is payable to you or the joint owner, either of you can endorse the check. If the check is made payable to you and the joint owner, both of you must endorse the check. KCU reserves the right to reject all items not endorsed as specified above.
12. **Receipt of Deposit.** A check is considered received when you receive a confirmation from us that we have received the image. Receipt of such confirmation does not mean that the transmission was error free or complete. Once a deposit is reviewed and approved you will receive a deposit approval notification email. We reserve the right to reject any check transmitted through MCD at our discretion. KCU will bear no liability

for any such rejection. We are not liable for any items we do not receive or for images that are not transmitted completely.

13. **Presentment.** The manner in which the check(s) are cleared, presented for payment, and collected shall be at KCU's sole discretion subject to our Membership Agreement governing your account(s).
14. **Funds Availability.** Funds from mobile check deposits are generally available within two business days but longer delays may apply based on the deposit size, time of submission, or deposit history. All deposits are provisional and subject to final approval.
15. **Notification.** You agree to receive notifications regarding use of MCD, including but not limited to, exception notices via electronic message. With respect to each check you transmit to KCU for deposit, you agree to indemnify and reimburse KCU for and hold KCU harmless from and against all losses, costs, and expenses.
16. **Item Retention and Destruction.** You agree to securely store each check you deposit using MCD for a period of **45 days** after transmission to verify settlement and credit, or to balance periodic statements. You agree to make the check(s) available to us at our request, and that you will deliver the retained check(s), at your expense, within 7 business days to assist in the clearing and collection process, to resolve claims by third parties with respect to any check(s), or for our audit purposes. If not provided within 7 business days of our request, the amount of the requested check(s) will be debited from your account regardless of the account balance and you will be liable for any funds owed or unresolved claims by third parties. After such period expires, you will destroy the check in a manner ensuring the check cannot be reproduced or represented for payment. You agree that you are responsible if anyone is asked to make payment based on an original check that has already been paid.
17. **Returned Deposited Items.** Any credit to your account for checks deposited using MCD is provisional. For any check(s) that you transmit to us through MCD that we credit to your account, in the event that the check(s) is dishonored, you authorize us to debit the amount of the check(s) from your account. You will reimburse us for all loss, cost, damage, or expense caused by or related to the processing of the returned check(s). We will notify you by email of the return and will mail you substitute copies of the returned check(s). If the check(s) deposited are dishonored, rejected or otherwise returned unpaid by the drawee bank, or are 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, plus fees as stated on our Business Rate and Fee Schedule, and provide you with an image of the original check, a paper reproduction of the original check or a substitute check. Without our approval, you shall not attempt to deposit or otherwise negotiate an original check if it has been previously returned to you. We may debit any of your accounts to obtain payment for any check that has been rejected or returned, for any adjustments related to such check or for any warranty claim related to such check, whether or not the rejection, return, adjustment, or warranty claim was made timely.
18. **Errors.** Any deposits made using MCD will be reflected on your monthly periodic statement. You understand and agree that you are responsible for notifying us immediately of any suspected error relating to check images transmitted by MCD by no later than 30 days after the date of the periodic statement that includes any transaction you allege is erroneous. You are responsible for any errors that you fail to bring to our attention within the specified timeframe.
19. **Warranties.** You are solely responsible for the quality, completeness, accuracy, validity, and integrity of any check images submitted for deposit using Business MCD. You are solely responsible if you, intentionally or unintentionally, submit fraudulent, incorrect, or illegible check images to us or if Business MCD is used, by authorized or unauthorized persons, to submit fraudulent, unauthorized, inaccurate, incorrect, or otherwise improper or unusable check images to us. In addition, you agree that you will not modify, change, alter, translate, create derivative works from, reverse engineer, disassemble or decompile the technology or Service, copy or reproduce all or any part of the technology or Service; or interfere, or attempt to interfere, with the technology or Service. We and our technology partner, inclusive of, but not limited to, Digital First Holdings, LLP (Candescent) and Ensenta Corporation, retain all rights, title, and interests in and to the Services, Software and Development made available to you.
20. **Indemnification.** You understand and agree that you are required to indemnify our technology partners, including but not limited to Digital First Holdings, LLP (Candescent) and Ensenta (Ensenta), and hold harmless Digital First Holdings, LLP (Candescent), its affiliates, officers, employees and agents, as well as Ensenta, its affiliates, officers, employees, and agents, from and against any third party claims, suits, proceedings, actions or demands, including to claims of another financial institution, business entity or governmental authority, and all losses, liabilities, damages, fines, penalties, costs and expenses, including court costs and reasonable attorney fees and expenses, arising from such claims, to the extent such claim is related to FI or End User's use of the Services, Ensenta or Digital First Holdings, LLP (Candescent), unless such claim directly results from an action

or omission made by Digital Insight or Ensenta in bad faith. You understand and agree that this paragraph shall survive the termination of this Agreement. You agree to 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 Business MCD and or breach of this Agreement. You understand and agree that this paragraph shall survive the termination of this Agreement.

21. **Compliance with Laws.** You will use MCD for lawful purposes and in compliance with all applicable laws, rules, and regulations. You warrant that you will only transmit acceptable check(s) for deposit and have handled the original check(s) in accordance with applicable laws, rules, and regulations.
22. **Governing Law.** This Agreement will be governed, construed, and enforced in accordance with federal laws and regulations and law of the State of Washington. The parties agree that jurisdiction over the venue in any legal proceedings arising out of or relating to this Agreement will exclusively be in the state or federal courts located in Washington state.
23. **DISCLAIMER OF WARRANTIES.** YOU AGREE THAT YOUR USE OF THE MCD 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. WE DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE USE OF ANY REMOTE BANKING SERVICE, 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 THE MCD SERVICE WILL MEET YOUR REQUIREMENTS OR WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR--FREE. WE MAKE NO WARRANTY THAT THE RESULTS THAT MAY BE OBTAINED WILL BE ACCURATE OR RELIABLE OR THAT ANY ERRORS IN ANY REMOTE BANKING SERVICE OR TECHNOLOGY WILL BE CORRECTED.
24. **LIMITATIONS 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 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 ANY REMOTE BANKING SERVICE, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE), EVEN IF WE HAVE BEEN INFORMED OF THE POSSIBILITY THEREOF, EXCEPT AS OTHERWISE REQUIRED BY LAW.
25. **Change in Terms.** We reserve the right to change the terms and conditions of this Agreement, or to terminate this Agreement at any time, without notice to you.