

# REMOTE DEPOSIT SERVICE AGREEMENT

This Remote Deposit Service Agreement ("Agreement") governs use of Alaska USA Federal Credit Union's Remote Deposit Service and contains the terms and conditions for the use of Service that Alaska USA ("us", "we", "our", or "Credit Union") may provide to you ("you", "your", "user", or "Member"). Other agreements you have entered into with the Credit Union, including without limitation the Master Account Agreement governing your Credit Union account, continue to apply. In the event of a conflict between this Agreement and any other agreement you have entered into with the Credit Union, this Agreement shall govern.

- 1. Services.** Remote Deposit Service ("Service" or "Remote Deposit") is designed to allow you to make deposits to your checking share from your camera-enabled remote device capable of capturing check images and information and electronically delivering the items and associated deposit information to the Credit Union or the Credit Union's designated processor. The device must capture an image of the front and back of each check to be deposited in accordance with the Procedures; must read and capture the magnetic ink character recognition ("MICR") line on each check; and must read and capture all such other data and information as is required by this Agreement or Federal Reserve regulations for the processing of these checks for payment. The Credit Union offers the benefits and convenience of the Service to you at no charge. The Credit Union reserves the right to charge fees for the Service in the future.
- 2. Acceptance of these Terms.** Your use of the Service constitutes your acceptance of this Agreement. This Agreement is subject to change from time to time. We will notify you of any material change via email or by posting notice of such change on our website(s) and such change shall be effective thirty (30) days following our provision of such notice. Your continued use of the Service will indicate your acceptance of the revised Agreement. Further, the Credit Union reserves the right, in its sole discretion, to change, modify, add or remove portions from the Service. Your continued use of the Service will indicate your acceptance of any such changes to the Service. In the event that an immediate change is needed to ensure the security of the Service, we will post a notice of any such change on our website. You may choose to accept or decline such changes by continuing or discontinuing the Service.
- 3. Limitations of Services.** When using the Service, you may experience technical or other difficulties. We shall not be responsible for any technical or other difficulties or any resulting damages that you may incur. This Service has eligibility requirements, and we reserve the right to change the eligibility at any time without prior notice. We reserve the right to change, suspend or discontinue the Service, in whole or in part, or your use of the Service, in whole or in part, immediately and at any time without prior notice to you.
- 4. Joint Accounts.** You understand and agree that to the extent permitted under applicable law, each owner of a Credit Union account is jointly and individually responsible for all Remote Deposit transactions that affect that account.
- 5. Eligible Items.** You agree to scan and deposit only checks as that term is defined in Federal Reserve Regulation CC ("Reg CC"). You agree that the image of the check transmitted to the Credit Union (each such check a "Check" and, if more than one, "Checks") shall be deemed an "item" within the meaning of Article 4 of the Uniform Commercial Code as adopted in Alaska (such scanned Check image transmitted to the Credit Union for credit to your account, a "Remote Item"). You agree that you will not use the Service to scan and deposit checks or items that: (a) are payable to any person or entity other than you (in the case of a check made payable to more than one payee, please refer to Section 8 of this Agreement, titled "Endorsements and Procedures"); (b) are drawn or otherwise issued by you or any other person on any of your accounts or any account on which you are an authorized signer or joint account holder; (c) contain 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; (d) were previously converted to a substitute check as defined in Reg CC without the Credit Union's prior written consent; (e) were previously converted to an image replacement document as

defined in Reg CC without the Credit Union's prior written consent; (f) are drawn on a financial institution located outside the United States; (g) are remotely created checks, as defined in Reg CC; (h) are not payable in United States currency; (i) are dated more than six (6) months prior to the date of deposit; (j) are prohibited by the Credit Union's current procedures relating to the Service (the "Procedures"); (k) are in violation of any federal or state law, rule, or regulation; or (l) are otherwise not acceptable under the terms of your Credit Union account.

- 6. Image Quality.** The image of an item transmitted to the Credit Union using the Service must be legible and contain images of the front and back of the Check. The image quality of the items must comply with the requirements established from time to time by the American National Standards Institute ("ANSI"), the Board of Governors of the Federal Reserve Board, or any other regulatory agency, clearing house or association. These requirements include, but are not limited to, ensuring the following information can clearly be read and understood by sight review of the Check image: the amount of the Check (both written and numeric); the payee; the signature of the drawer (maker); the date; the Check number; the information identifying the drawer and the paying financial institution that is preprinted on the Check including the MICR line; and all other information placed on the Check prior to the time of 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).
- 7. Your Responsibility.** You are solely responsible for the quality, completeness, accuracy, validity and integrity of the image. You are solely responsible if you, intentionally or unintentionally, submit fraudulent, incorrect or illegible images to us or if Remote Deposit is used, by authorized or unauthorized persons, to submit fraudulent, unauthorized, inaccurate, incorrect or otherwise improper or unusable images to us. You are solely responsible for scanning Remote items, accessing the Service from the Credit Union and for obtaining and maintaining your scanning equipment. You will be responsible for the payment of all telecommunications expenses associated with the Service. Credit Union will not be responsible for providing or servicing any equipment for you.
- 8. Endorsements and Procedures.** You agree to restrictively endorse any item transmitted through the Service as "FOR DEPOSIT ONLY, Alaska USA account #\_\_\_\_" or as otherwise instructed by the Credit Union. You agree to follow any and all other procedures and instructions for use of the Service as the Credit Union may establish from time to time. Endorsements must be made on the back of the share draft or check within 1½ 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. For a Check payable to you and any joint owner(s) of your Credit Union account, the Check must be endorsed by all such payees and you may only use Remote Deposit to deposit such Check into a Credit Union account jointly owned by all such payees. If the Check is payable to you or your joint owner, either of you can endorse it. If the Check is made payable to you and any non-joint owner, you may not deposit the Check into your Credit Union account using the Service.
- 9. Receipt of Items.** We reserve the right to reject any item transmitted through the Service, at our discretion, without liability to you. We are not responsible for items we do not receive or for images that are dropped during transmission. An image of an item shall be deemed received when you receive a confirmation from the Credit Union that we have received the image. Receipt of such confirmation does not mean the transmission was error free or complete. Following receipt of such confirmation, the Credit Union will process the image by preparing a "substitute check" or clearing the item as an image.
- 10. Availability of Funds.** You agree that items transmitted through the Service are not subject to the funds availability requirements of Federal Reserve Board Regulation CC. Funds deposited using the Service will be available after the Credit Union receives final payment for the funds submitted. The Credit Union may, but is not required to, make such funds available sooner based on such factors as credit worthiness, the length and extent of your relationship with us, transaction and experience information, and other such factors as the Credit Union, in its sole discretion, deems relevant.

11. **Disposal of Transmitted Items.** After you receive confirmation that we have received an image, you must securely store the original Check for 14 days after transmission to us and make the original Check accessible to us at our request. Upon our request from time to time, you will deliver to us within two Business Days, 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. Promptly after the 14-day retention period expires, you must destroy the original Check by first marking it "VOID" and then destroying it by cross-cut shredding or another commercially acceptable means of destruction. After destruction of the original Check, the image will be the sole evidence of the original Check. You agree that you will never re-present the original Check. You understand that you are responsible if anyone is asked to make a payment based on an original check that has already been paid. For purposes of this Agreement, every day is a "Business Day" except Saturdays, Sundays, and federal holidays.
12. **Returned Deposits.** Any credit to your account for Checks deposited using Remote Deposit is provisional. If original Checks deposited through Remote Deposit are dishonored, rejected or otherwise returned unpaid by the drawee Credit Union, or are rejected or returned by a clearing agent or collecting Credit Union, 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 original Check and provide you with an image of the original Check, a paper reproduction of the original Check or a substitute check. You will reimburse us for all loss, cost, damage or expense caused by or relating to the processing of the returned item. Without our approval, you shall not attempt to deposit or otherwise negotiate an original check if it has been charged back to you.
13. **Right of Setoff.** We may debit any of your accounts with us 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), or for any other amounts owed to us under the terms of this Agreement.
14. **Remote Deposit Security.** You will complete each deposit promptly. If you are unable to complete your deposit promptly, you will ensure that your remote 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 us immediately by telephone at 1-800-525-9094 and with written notice to Alaska USA P.O. Box 196613 Anchorage, AK 99519 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. If warranted in our reasonable judgment, we may audit and monitor you, and you agree to cooperate with us to permit such monitoring, to confirm that you have satisfied your obligations under this Agreement.
15. **Compliance with Law.** You will use Remote Deposit 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 applicable laws, rules and regulations.
16. **Deposit Limits.** We reserve the right to impose limits on the amount(s) and/or number of deposits that you transmit using the Service and to modify such limits from time to time. Unless otherwise specified by the Credit Union, changes to such limits shall be effective immediately upon notice to you via email or the Credit Union's website.
17. **Hardware and Software.** In order to use the Service, you must obtain and maintain, at your expense, compatible hardware and software as specified by the Credit Union from time to time. See the Credit Union's website for current hardware and software specifications. The Credit Union is not responsible for any third party software you may need to use the Service. 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.

18. **Contingency Plan.** In the event you are unable to capture, balance, process, produce or transmit a file to the Credit Union, 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 will transport or mail the originals of all checks to the closest Credit Union location. The deposit of original checks at an office of the Credit Union shall be governed by the terms and conditions of the Master Account Agreement and not by the terms of this Agreement.
19. **Errors.** You agree to notify the Credit Union of any suspected errors regarding items deposited through the Service right away at the address or telephone number provided above in Paragraph 14, and in no event later than sixty (60) days after the applicable Credit Union account statement is sent. Unless you notify the Credit Union within sixty (60) days, such statement regarding all deposits made through the Service shall be deemed correct, and you are prohibited from bringing a claim against the Credit Union for such alleged error.
20. **Presentment.** The manner in which the items are cleared, presented for payment and collected shall be in the Credit Union's sole discretion subject to the Share Account Disclosure Statement and Master Account Agreement governing your account.
21. **Ownership and License.** You agree that the Credit Union retains all ownership and proprietary rights in the Service, associated content, technology and website(s). Your use of the Service is subject to and conditioned upon your complete compliance with this Agreement. Without limiting the effect of the foregoing, the Credit Union may immediately terminate your right to use the Service upon any breach of this Agreement by you. Without limiting the restriction of the foregoing, you may not use the Service (i) in any anti-competitive manner, (ii) for any purpose which would be contrary to the Credit Union's business interest, or (iii) to the Credit Union's actual or potential economic disadvantage in any aspect. You may use the Service 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 Service.
22. **DISCLAIMER OF WARRANTIES.** YOU AGREE THAT YOUR USE OF REMOTE DEPOSIT SERVICE AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR OWN 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 DEPOSIT 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 REMOTE DEPOSIT 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 REMOTE DEPOSIT SERVICE OR TECHNOLOGY WILL BE CORRECTED.
23. **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 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 REMOTE DEPOSIT 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.

**24. User Warranties.** With respect to each and every Check you use to create an image using the Service and every Remote Item you transmit to the Credit Union, you represent and warrant to the Credit Union that: (a) you assume responsibility for any Check that is transmitted which for any reason is not paid; (b) you are a person entitled to enforce the Check; (c) neither the Check nor the Remote Item is counterfeit; (d) neither the Check nor the Remote Item has been altered; (e) neither the Check nor any image of the Check has been paid; (f) no depository Credit Union, drawee, drawer, or endorser will receive presentment or return of, or otherwise be charged for, an item transmitted as a Remote Item, or any check or item derived from such Remote Item, such that said person will be asked to make a payment based on an item that it has already paid; (g) the Member shall properly endorse each Check and deposit said Check to an account at Credit Union that matches the name of the Member, in accordance with Section 8; (h) the Member shall deposit only checks made payable to the Member, unless otherwise allowed under Section 8 of this Agreement; (i) neither the Check nor the image is subject to a defense or claim in recoupment that can be asserted against the Member; (j) the Member has no knowledge of any insolvency proceeding commenced with respect to the Member or in the case of an unaccepted check, the drawer; (k) all information provided by the Member to the Credit Union is accurate and true; (l) files submitted by the Member to the Credit Union do not contain computer viruses or malware; (m) the Remote Item is a digitized image of the front and back of the Check and accurately represents all of the information on the front and back of the Check as of the time Member converted the Check to a Remote Item; (n) if the Remote Item is being deposited into a Credit Union account designated by the Credit Union as a sole proprietor account, the Member has retained supporting documentation regarding the Remote Item that shows the item is payable and authorizes the payee to charge and collect the monies owed; (o) the Remote Item contains all endorsements applied by parties that previously handled the Check in any form for forward collection or return; (p) each of the Checks were duly authorized in the amount stated on the corresponding Remote Item and to the payee stated on such Remote Item; (q) the Credit Union will not suffer any loss as a result of Member's retention or destruction of the paper originals of Remote Items; and (r) the Member has performed and will perform all of its obligations under this Agreement. The Member shall be deemed to repeat and reaffirm each of the foregoing representations and warranties at the time any Check and/or Remote Item is delivered to the Credit Union through the Service.

**25. Accountholder's Indemnification Obligation.** You understand and agree that you are required 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 the Service and/or breach of this Agreement (including, but not limited to, any breach of the warranties, representations, or obligations contained in this Agreement). You understand and agree that this paragraph shall survive the termination of this Agreement.

**26. General Terms and Conditions.**

- **Assignment.** You may not assign this Agreement.
- **Governing Law.** This Agreement is governed by, and shall be construed in accordance with, the laws of the State of Alaska, except that any conflict of laws rule of that jurisdiction that may require reference to the laws of some other jurisdiction shall be disregarded. Any lawsuit brought to enforce any provision of this Agreement shall only be brought in a state court in Anchorage, Alaska.
- **Severability.** If one or more provision(s) of this Agreement is or are held to be invalid, illegal or unenforceable under applicable law, the offending portions of such provisions, or such provisions in their entirety, to the extent necessary, shall be severed from this Agreement, and the balance of this Agreement shall be enforceable in accordance with its terms.
- **Security Interest.** You grant the Credit Union a security interest in all accounts or other deposits (whether general or special) you have with the Credit Union, and in all funds in such accounts or other deposits, to secure your obligations to the Credit Union under this Agreement. This security interest will survive termination of this Agreement. In addition to any other rights we may have under other agreements with you, we may hold any funds on deposit with us by you after

termination of this Agreement for up to 14 calendar days following the expiration of any return or chargeback rights regarding any Remote Item processed by the Credit Union using the Service or, if later, until any other claims to such funds have expired.

- **Waivers.** Any waiver by us must be in writing to be effective. Our waiver of any right will not be deemed a waiver of other rights or of the same right at another time.
- **Headings.** The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

With this Agreement, you do the following:

1. You represent to the Credit Union that the device you intend to use in connection with Service meets the requirements above;
2. You agree to receipt of this Agreement and all updates to this Agreement in electronic form;
3. You represent that you have read this Agreement and understand its terms and conditions; and
4. You agree to the terms and conditions in this Agreement (Note: clicking "Accept" below is just as binding as manually signing the Agreement).