

TEXAR Federal Credit Union

Mobile Remote Deposit Service Disclosure and Agreement

Welcome to the TEXAR Federal Credit Union (“TEXAR”) Mobile Remote Deposit Service. You must request and receive approval to use this Service. You must also be enrolled in the Anywhere Access online banking service in order to use this Service. Certain additional user requirements and limitations apply as set forth in Schedule “A” to this Agreement, which is attached to and made a part of this Agreement. You authorize us to your review consumer credit reports (for example, eFunds/ChexSystems) in connection with your application for the Service and from time to time in the future for as long as you remain a user of the Service. If your application is approved, this Service allows you to use the camera on your mobile device to capture images of certain paper checks, front and back, and electronically transmit the images over the Internet to us for deposit into designated TEXAR share accounts. We will use the images to create Substitute Checks for presentment to the paying financial institutions. Please read this Agreement carefully. By signing below or by using this Service, you authorize us to take all actions necessary to provide the Service and you agree to the following terms and conditions. You additionally agree to be bound by applicable clearinghouse rules, operating circulars, and other check processing rules to which we are bound, including Federal Reserve Banks Operating Circular 3. The TEXAR Terms and Conditions of Your Account agreement is incorporated into this Agreement. If any of the provisions of Terms and Conditions of Your Account agreement should conflict with the terms of this Agreement, the terms of this Agreement will control. Capitalized terms and pronouns used in this Agreement have the meanings as defined herein or in the Terms and Conditions of your Account agreement.

1. **Definitions.** The following terms are defined in this Agreement:

- a. **Substitute Check:** A paper reproduction of a check that contains an image of the front and back of the check and meets the other technical requirements for a substitute check under Check 21.
- b. **Item:** An instrument containing an order to pay money handled by a financial institution for collection or payment, as defined by the Texas Uniform Commercial Code. The image files of the front and back of Checks you transmit to us qualify as Items under this Agreement.
- c. **Service:** The Mobile Remote Deposit Service offered by TEXAR Federal Credit Union
- d. **Check:** An original paper check, other than a documentary draft, payable on demand, negotiable, and drawn on or payable through a financial institution located in the United States of America.
- e. **Remotely Created Check:** A check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn.
- f. **Foreign Item:** A check not drawn on or payable through a financial institution located in the United States of America.
- g. **Check 21:** The Check Clearing for the 21st Century Act, the implementing Check 21 regulations located in Subpart D to Federal Reserve Board Regulation CC, and other applicable provisions of Regulation CC.

2. **Hardware and Software Requirements.** You are responsible for purchasing, operating, and maintaining the mobile device to use the Service, and for downloading and using the latest version of the TEXAR Mobile Remote Deposit Application (“App”) as it is made available. You are additionally responsible for all telephone and Internet services necessary to access the Service and for charges arising out of or related to your

telephone and Internet services. To use the Mobile Remote Deposit App, the following equipment is required:

- (i) Mobile device with built-in camera.
- (ii) Mobile device operating system that supports the App. Currently, the Apple® iOS® and Android® operating systems support the App.
- (iii) Working Internet connection.

We may impose mandatory equipment maintenance procedures from time to time by notifying you, and you agree to abide by such requirements at your expense. We reserve the right to add to, change, or delete the hardware, software, and other Service requirements from time to time by providing notice to you. You agree to accept notices provided in connection with this Agreement at your email address on file with us or by any other commercially reasonable notification method we choose.

3. Safeguarding Your Mobile Device and Access Information. You will access the Service by logging into your Accounts using your Mobile Deposit ID and password (“access information”). We may require additional security procedures in order to authenticate the user. You agree to keep your access information secure by memorizing it or keeping it in a safe place, not disclosing it to any third party other than those to whom you provide your express authorization, and you will not record or display your access information in such a manner that it will be accessible by unauthorized third parties. You additionally agree not to leave your mobile device unattended while logged into your mobile device or the Service, and you will promptly log off each time you finish using the Service. **You understand that any person having access to your Mobile Deposit ID and password will have access to the Service and will be able to perform all transactions available through the Service.** You agree that any use of your **Mobile Deposit** ID and password by you, any other party to any of your TEXAR share accounts, anyone you permit or authorize to use your **Mobile Deposit** ID and password, and anyone to whom you disclose your **Mobile Deposit** ID and password or give access to your **Mobile Deposit** ID and password is deemed an authorized use for which you will be liable. If you authorize another person to use your **Mobile Deposit** ID and password in any manner, your authorization is considered unlimited in amount and manner until you have notified us in writing that you have revoked the authorization. You are responsible for any transactions made by any such person until you notify us in writing that transactions by that person are no longer authorized and we have had a reasonable opportunity to act upon your notification. You understand that anyone with access to your mobile device may be able to access any check images you have captured on your mobile device, and you agree to be fully responsible for any damages or liability arising out of such access. You are responsible for reporting the loss, theft, or compromise of your mobile device or your **Mobile Deposit** ID or password to us as soon as possible after you learn of it or suspect that unauthorized access or use has or may occur. For your security, we may restrict access to the Service without notice if we suspect potential or actual fraudulent activity.

4. Items Eligible for Deposit. Each Item may be transmitted to us only once. Only Checks drawn on financial institutions and payable to you are eligible for deposit. We will not accept Substitute Checks. We will not accept Remotely Created Checks or Foreign Items. Each Check deposited through the Service will qualify as an Item as defined herein and must be endorsed by all payees with the endorsement "Via Remote Deposit Only at TEXAR FCU" above all signatures. Additional endorsement requirements for Checks deposited through the Service are set forth in Schedule “A” attached hereto. While we normally will provide notice, you acknowledge and agree that we may reject any Item presented for deposit in our sole discretion without notice to you, and we will not be liable for any such rejection. You also acknowledge that Checks deposited

through the Service are not subject to the funds availability requirements of Federal Reserve Board Regulation CC, and in some cases we may delay the availability of Checks deposited through the Service in our sole discretion. You may consult your account history in the Anywhere Access online banking program, or call us at (888) 832-8937 or (903) 223-0000 to confirm that we have received and accepted an Item for deposit and determine when the deposited funds will be available.

5. Image Quality. Both the front and back of each Check must be sent to us as directed in any instructions we provide or make available to you. You are responsible for ensuring that the images of the front and back of each Check are correctly matched and that the check images are clearly visible. We will not accept Items containing incomplete Check images or images with torn or folded edges, cut corners, or other physical discrepancies. YOU REPRESENT AND WARRANT THAT EACH ITEM SUBMITTED FOR REMOTE DEPOSIT (A) WILL ACCURATELY AND LEGIBLY REPRESENT ALL THE INFORMATION ON THE FRONT AND BACK OF THE CHECK AT THE TIME OF IMAGING, INCLUDING WITHOUT LIMITATION, THE AMOUNT OF THE CHECK, THE PAYEE, THE DRAWER'S SIGNATURE, THE PREPRINTED INFORMATION THAT IDENTIFIES THE DRAWER AND THE PAYING BANK, THE MAGNETIC INK CHARACTER RECOGNITION (MICR) LINE, AND OTHER INFORMATION PLACED ON THE CHECK BEFORE IMAGING, SUCH AS ENDORSEMENTS APPLIED TO THE BACK OF THE CHECK, AND (B) WILL CONFORM TO OUR SPECIFICATIONS AS PROVIDED TO YOU FROM TIME TO TIME AS WELL AS APPLICABLE INDUSTRY AND REGULATORY STANDARDS.

6. Standard of Care. We will use ordinary care as defined by the Texas Uniform Commercial Code in the handling of Items. We reserve the right to suspend the availability of the Service from time to time for necessary maintenance. Items received Monday through Friday on business days we are open as set forth in Schedule "A" will be processed on the same business day unless equipment failures, maintenance, or other conditions beyond our reasonable control prevent processing. In such case, the Items will be processed on our next business day. All accepted Items will be considered deposited at our headquarters in Texarkana, Texas.

7. Electronic Communications. We may choose to provide notices related to the Service electronically through the TEXAR website or any email address we have on file for you, and you consent to accept notices in electronic form. You agree to keep your email address and other contact information on file with us current at all times by contacting one of our local branches or via email to change your information.

8. Receipt of Items, Lost Items and Transmissions. Items are not considered received by us until we have confirmed receipt of them by posting the transaction in the deposit history area of the Anywhere Access Service. Receipt of an Item does not constitute an acknowledgement by us that the Item is error-free or that we will be liable for the Item. You understand that wireless communications may not be encrypted and that there are risks in transmitting data to us with your mobile device. We have implemented important measures to safeguard and secure your data, but we are not responsible for Items not received by us or for any intrusion into or theft of any data transmitted by you unless the loss is substantially caused by our gross negligence or willful misconduct. Credit given for an Item received for deposit is provisional and subject to verification and final settlement. While we have implemented important measures to ensure the safe and secure transmission of your data, you acknowledge that we cannot and do not guarantee the security of information transmitted over the Internet and you expressly agree to assume this risk. We are not responsible for alterations made to Items in the course of transmission to us. You are responsible for ensuring that Items transmitted to us have been received by us and credited to the designated account in the correct amount.

9. Retention of Items. You agree to retain Checks in their original form for 90 days after transmission to us. After this time, you will destroy the Checks by a secure shredding method to ensure that they will not be redeposited. You agree to be responsible for any direct and indirect damages accruing to you or us that result from your failure to maintain adequate security over your Checks.

10. Additional Duties and Obligations. In addition to your other duties as provided in this Agreement, you agree to implement and maintain reasonable security measures for the safekeeping of all Checks. You agree to promptly review your Items on the App after you have transmitted them to us and promptly notify us of any input or other errors. You agree to examine your account statement in a timely manner and promptly report errors or discrepancies to us within 30 days as provided in the Terms and Conditions of your Account agreement. You agree to notify us promptly if you experience or suspect any problems or issues relating to the Service. You agree that we may make adjustments to your account arising out of or related to your use of the Service at any time without notice to you. We may chargeback Items that do not satisfy the warranties you are making with respect to the Items or do not otherwise meet the requirements of this Agreement. You are solely liable for an error or discrepancy related to an Item unless the error or discrepancy results from a breach of our duty of care. You agree to deposit the original Checks should we be unable to process them using the Service, provided that we have notified you in writing that you may deposit the original Checks. You agree to be responsible for all charges and fees charged by us or by third parties in connection with handling your Items, including applicable fees as set forth in our Fee Schedule. Such charges and fees are due and payable immediately, and we may charge any eligible account on which you are an owner for charges and fees without notice to you.

11. Return of Items. If an Item is dishonored, you will receive a Substitute Check as the charged-back item. You may not use the Service to deposit a Substitute Check and you may not deposit an original Check, whether by physical deposit or by way of the Service, if you receive the original Check as a dishonored Item. You agree to abide by any additional instructions we may provide to you in connection with returned Checks.

12. Warranties and Indemnity. IN CONNECTION WITH YOUR USE OF THE SERVICE, YOU REPRESENT AND WARRANT THAT:

(A) YOU WILL USE THE SERVICE AND RELATED TECHNOLOGY ONLY FOR LEGAL PURPOSES AND ONLY AS PROVIDED IN THIS AGREEMENT;

(B) YOUR USE OF THE SERVICE WILL BE IN COMPLIANCE WITH APPLICABLE LAW, INDUSTRY STANDARDS, AND OUR POLICIES, PROCEDURES, AND SPECIFICATIONS AS AMENDED FROM TIME TO TIME;

(C) YOU ARE A PAYEE AUTHORIZED TO ENFORCE EACH CHECK YOU TRANSMIT;

(D) ALL CHECKS TRANSMITTED TO US AND RELATED INFORMATION ARE ACCURATE AND COMPLETE AND ONLY ELIGIBLE ITEMS AS PROVIDED IN THIS AGREEMENT WILL BE DEPOSITED;

(E) YOU WILL COOPERATE WITH US WHEN NECESSARY IN CONNECTION WITH OUR PROVISION OF THE SERVICE;

(F) THE QUALITY OF CHECKS AND THE IMAGES YOU TRANSMIT WILL BE SUCH THAT A LEGALLY EQUIVALENT SUBSTITUTE CHECK CAN BE CREATED,

(G) YOU WILL NOT TRANSMIT ANY IMAGE FILE TO US THAT CONTAINS A VIRUS OR OTHER HARMFUL COMPUTER CODE;

(H) YOU WILL NOT DEPOSIT AN ORIGINAL PAPER CHECK THAT YOU ATTEMPTED TO DEPOSIT (WHETHER SUCCESSFULLY OR UNSUCCESSFULLY) THROUGH THE SERVICE UNLESS THE ITEM CANNOT BE ACCEPTED OR PROCESSED THROUGH THE SERVICE AND WE EXPRESSLY INSTRUCT YOU IN WRITING THAT YOU MAY DO SO;

(I) THE ITEMS YOU SUBMIT WILL CONFORM TO OUR STANDARDS AND YOU WILL NOT BREACH THE TERMS OF THIS AGREEMENT AT ANY TIME;

(J) CHECKS YOU SUBMIT ARE NOT COUNTERFEIT OR ALTERED AND THAT ALL SIGNATURES ON CHECKS ARE AUTHORIZED AND AUTHENTIC;

(K) YOU EXPRESSLY ASSUME ALL OF THE WARRANTIES FOR THE COLLECTION AND PRESENTMENT OF CHECKS AS PROVIDED IN THE TEXAS UNIFORM COMMERCIAL CODE, INCLUDING WITHOUT LIMITATION, THE WARRANTIES SET FORTH IN TEXAS BUSINESS & COMMERCE CODE SECTION 4.208;

(L) YOU EXPRESSLY ASSUME ALL OF THE WARRANTIES AND INDEMNIFICATIONS OF CHECK 21, INCLUDING WITHOUT LIMITATION, THE WARRANTY THAT NO DEPOSITORY INSTITUTION, DRAWEE, DRAWER, OR ENDORSER WILL RECEIVE PRESENTMENT OR RETURN OF, OR OTHERWISE BE CHARGED FOR, THE SUBSTITUTE CHECK, THE ORIGINAL CHECK, OR A PAPER OR ELECTRONIC REPRESENTATION OF THE SUBSTITUTE CHECK OR ORIGINAL CHECK SUCH THAT THE PERSON WILL BE ASKED TO MAKE A PAYMENT BASED ON A CHECK THAT IT ALREADY HAS PAID;

(M) WE WILL SUFFER NO LOSS AS A RESULT OF OUR ACCEPTANCE OF YOUR ITEMS OR YOUR USE OF THE SERVICE;

TO THE EXTENT PERMITTED BY APPLICABLE LAW, YOU AGREE TO INDEMNIFY, DEFEND, AND HOLD US HARMLESS FOR ALL COSTS, EXPENSES, LOSSES, AND LIABILITIES WE INCUR, INCLUDING WITHOUT LIMITATION, ATTORNEY FEES, COURT COSTS, AND INTEREST, THAT ARISE OUT OF, RESULT FROM, OR RELATE TO YOUR BREACH OF ANY OF THE REPRESENTATIONS OR WARRANTIES IN THIS AGREEMENT.

13. Warranty Disclaimers; Limitation of Liability. THIS SERVICE IS PROVIDED "AS IS" AND ON AN "AS AVAILABLE" BASIS. WE DISCLAIM ANY AND ALL WARRANTIES WHETHER WRITTEN, ORAL, EXPRESS, OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT, AND FITNESS FOR A PARTICULAR PURPOSE. WE DO NOT REPRESENT OR WARRANT THAT THE SERVICE WILL BE AVAILABLE AT ALL TIMES. OUR SOLE LIABILITY UNDER THIS AGREEMENT IS LIMITED TO THE CORRECTION OF ANY DEPOSIT ERROR THAT RESULTS FROM OUR FAILURE TO MEET THE STANDARD OF CARE AS PROVIDED IN THIS AGREEMENT. EXCEPT FOR THE FOREGOING, WE WILL NOT BE LIABLE FOR ANY DAMAGES, LOSSES, OR PROPERTY DAMAGES INCURRED AS A RESULT OF OUR PERFORMANCE OR NON-PERFORMANCE OR YOUR USE OF THE SERVICE. IN NO EVENT WILL WE BE LIABLE FOR SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

14. Confidentiality. The Service and related technology may contain valuable trade secrets ("Confidential Information") that are the property of TEXAR and its vendors. You agree to (i) take reasonable precautions to protect the Confidential Information, (ii) hold the Confidential Information in strict confidence, and (iii) use it only for the purpose of this Agreement. Any unauthorized use of Confidential Information constitutes a material breach of this Agreement and may cause the owner irreparable injury for which there is no adequate remedy at law. In the event of an actual or threat of breach of Confidential Information, in addition to any other remedies available to us or our vendors at law, you agree that we or our vendors may seek equitable relief to prevent or remedy the breach or threat of breach without posting bond or any other security.

15. Ownership and License. You acknowledge that the App for the Service is the property of TEXAR or its licensors and is protected by copyright law. TEXAR grants you a limited, personal, non-exclusive, non-transferable license to download and install the App solely to access and use the Service for personal use, subject to the terms of this Agreement and any future amendments. You acknowledge that all right, title and interest in the App is owned and retained by TEXAR or its licensors and that the App is not sold to you. Your rights to the App are strictly limited by this Agreement, and TEXAR and its licensors reserve all rights not expressly granted herein. You may not, nor may you permit any third party to: (a) sublicense, rent, lease, transfer, sell, or redistribute the App or any portion thereof, (b) reverse engineer, decompile, disassemble, modify, create derivative works of, or attempt to derive the source code of the App or any portion thereof, or (c) use the App or any portion thereof in any manner not expressly permitted under this Agreement.

16. Force Majeure. We will not be deemed in default or otherwise liable under this Agreement due to our inability to perform our obligations by reason of fire, earthquake, flood, epidemic, accident, explosion, casualty, strike, lockout, labor controversy, riot, civil disturbance, act of public enemy, embargo, war, act of God, or any failure or delay of any transportation, power, computer or communications system, or any other similar cause beyond our reasonable control.

17. Assignment. You may not assign this Agreement or any right or obligation under this Agreement without our prior written consent.

18. No Waiver; Time of Essence. No provision of this Agreement will be deemed waived, and no breach will be deemed excused, unless such waiver or excuse is in writing and signed by the party from whom such waiver or excuse is claimed. For purposes of this Agreement, time is of the essence.

19. Severability. In the event that any provision of this Agreement is determined to be invalid, unenforceable, or otherwise illegal, such provision will be deemed restated, in accordance with applicable law, to reflect as nearly as possible the original intentions of the parties, and the remainder of the Agreement will remain in full force and effect.

20. Amendment. We may add to, change, or delete the terms of this Agreement by providing notice to you. We may also add to, change, or delete some functionalities or features of the Service at any time without notice to you. If you do not consent to a modification to this Agreement or the Service, you may terminate and discontinue your use of the Service at any time by notifying us in writing. You may not amend this Agreement unless we expressly agree to the amendment in writing.

21. Termination. We reserve the right to terminate, suspend, or modify the Service at any time without advance notice to you. Your access to the Service may be terminated after 120 days of non-use. The credit union may also terminate service if the endorsement requirements for checks are not followed properly.

22. Headings. The titles and headings of the sections of this Agreement are for the sole convenience of the parties and are not intended for any other purpose or to explain, modify, or place any construction on any of the provisions of this Agreement.

23. Governing Law. This Agreement is entered into in Texarkana, Texas, and is governed by Texas law and applicable federal law.

24. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements or understandings, whether written or oral, with respect to the subject matter hereof.

Signature

By electronically accepting the Mobile Remote Deposit Agreement via the TEXAR app, you agree to be bound by the terms of this Agreement. You authorize TEXAR Federal Credit Union to review your credit report history in connection with your application for the Service and, if approved, from time to time in the future for as long as you remain a user of the Service.

TEXAR Federal Credit Union

Schedule "A" to

Mobile Remote Deposit Service Disclosure and Agreement

This Schedule "A" to the TEXAR Federal Credit Union Mobile Remote Deposit Service Disclosure and Agreement is a part of that Agreement. The Mobile Remote Deposit Service is a service offered to qualified members and is subject to the following additional terms:

Qualifying Criteria

- Users must be at least 18 years old.
- Member and member's accounts must be in good standing.
- No negative account history, including excessive or repeated return items.
- Negative credit history will be cause for denial or termination of the Service.
- We may also consider additional factors in connection with your application for the Service.

If approved, we reserve the right to terminate your privilege to use the Service at any time without advance notice if we believe you are not managing your accounts in a responsible manner.

Processing Times

Items received Monday through Friday on business days we are open, as well as, those received on holidays will be processed on the same business day unless equipment failures, maintenance, or other conditions beyond our reasonable control prevent processing. In such case, Items will be processed on our next business day.

Endorsement Requirements for Checks

Check endorsements must include the following information:

- The words "VIA Mobile Deposit Only at TEXAR FCU" above the signature(s)
- Signature(s) of all payees
- Member Account Number
- Share Account Suffix Number to receive deposit
- Date

Example:

VIA Mobile Deposit Only at TEXAR FCU

/s/ (signature)

123456-10 (where 123456 is account number and 10 is account suffix number)

00/00/00 (date)

Deposit Limits

- Up to \$1000 check deposit limit in a 24-hour period based on credit history.
- Upon request, check deposit limits may be increased subject to approval based on creditworthiness, account history, length of membership, and other factors.