

Mobile Check Deposit (“MCD”) User Agreement (“Agreement”) Alabama Rural Electric Credit Union

This Agreement contains the terms and conditions for the use of Mobile Check Deposit (“MCD”) services. By accepting the Terms and Conditions, I, as the account signer, authorize Alabama Rural Electric Credit Union to verify credit and/or have a credit reporting agency prepare a credit report.

1. Services and Service Terms.

The MCD Services (“Services”) are designed to allow you to make deposits to your checking account from an iPhone 3.1+, Android™ 2.1.1 or higher, or Blackberry® OS 5.0 or higher smartphone (the “Capture Device”); additional smartphone models may be supported in the future. The following terms and conditions apply to the Services for MCD; depositor acknowledges and agrees that the Services or any portion of the Services may be provided by one or more subcontractors.

2. Acceptance of these Terms.

Your acceptance of these terms and/or use of the services constitutes your acceptance of this Agreement. The agreement is subject to change; we will notify you of any material change via email or on our website with a link to the revised agreement. Further, Alabama Rural Electric Credit Union reserves the right, in its sole discretion, to change, modify, add, or remove portions from the Services. Your continued use of the Services will indicate your acceptance of any such changes to the Services.

3. Definitions.

3.1. “Authorized User” means Depositor or agent of Depositor.

3.2. “Banking Day” means any day which Alabama Rural Electric Credit Union is open to conduct substantially all of its banking services, but shall not include Saturday, Sunday or bank holidays.

3.3. “Capture Device” means any device acceptable to Alabama Rural Electric Credit Union, that provides for the capture of images from original Items and for transmission through a clearing process.

3.4. “Check” means an Original Check, as defined in Regulation CC and Check 21 and does not include a Substitute Check or a remotely created check.

3.5. “Check 21” means the Check Clearing for the 21st Century Act, as well as Subpart D of Federal Reserve Board Regulation CC, and to the extent applicable, Subpart A.

3.6. “IRD” or “Image Replacement Document” means (a) a Substitute Check as defined in Check 21; or (b) the paper reproduction that will be created when an Item cannot be converted to an Electronic Transaction.

3.7. “Item” means a Check, money order, cashier’s check, official check, U.S. Treasury check, or any other payment instrument drawn on or payable through an Office of a United States financial institution from a Payor to Depositor

3.8. “Payor” means consumers or businesses that make payments to Depositor by means of Items.

3.9. “Service(s)” means the specific service(s) provided by Alabama Rural Electric Credit Union, including electronic check conversion and image archive systems that allow the use of a Capture Device to obtain and transmit the front and back images of Items and accompanying transaction data for the purpose for delivery to Alabama Rural Electric Credit Union for clearing as an IRD. Services also include any applicable support services.

3.10. “Service Start Date” means the date that the Services are first available to the Depositor.

3.11. “Technology” means Alabama Rural Electric Credit Union’s or its subcontractor’s deposit capture applications and processes designed to facilitate the electronic clearing of Items. Said applications are accessed through Capture Devices, utilizing software and hardware provided by or acceptable to Alabama Rural Electric Credit Union, and are proprietary access points to payment processing networks

and systems used to complete the clearing of Items. Technology may include but is not limited to Depositor service support, reports, software, software tools, user interface designs, and documentation, and any derivatives, improvements, enhancements or extensions thereof developed or provided by Alabama Rural Electric Credit Union or its subcontractors and used in the provision of Services hereunder. Any software provided by Alabama Rural Electric Credit Union or its subcontractors pursuant to the Service shall be considered Software as defined in the Software License Agreement.

3.12. "Term" shall mean the term of this Agreement beginning as of the Service Start Date until terminated as provided herein.

4. Depositor Obligations; Suspension/Cancellation of Service.

4.1. Eligible Items. You agree to scan and deposit only checks as that term is defined in the Federal Reserve Regulation CC ("Reg CC"). You agree that the image of the check transmitted shall be deemed an "item" within the meaning article 4 of the Uniform commercial Code. You agree that you will not use the Services to scan and deposit any checks or other items as shown below:

- a. Checks or items payable to any person or entity other than you.
- b. Checks or items 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. Checks or items drawn on a financial institution located outside the United States.
- d. Checks or items not payable in United States Currency.
- e. 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
- f. Checks or items previously converted to a substitute check, as defined in Reg CC.
- g. Checks or items that are remotely created checks, as defined in Reg CC.
- h. checks or items dated more than 6 months prior to the date of deposit.
- i. checks or items prohibited or otherwise not acceptable under the terms of your Alabama Rural Electric Credit Union account.

4.2. Endorsement. In order for an item to be processed for deposit, it must be restrictively endorsed in the proper location on the back of the Item with the following words: "Account # _____", with the correct account number inserted and signed by payee.

4.3. Image Quality. Items transmitted using the Services must be legible, and must comply with requirements established from time to time by ANSI, the Board of Governors of the Federal Reserve Board, or any other regulatory agency, clearing house, or associated.

4.4. Depositor Responsibilities. Depositor agrees to, at its sole expense: (a) provide connectivity between the Capture Device and the Technology; (b) maintain the Capture Device in accordance with the instructions provided by Alabama Rural Electric Credit Union, its subcontractors and/or any other Capture Device provider; (c) if applicable, utilize Depositor's software, or Alabama Rural Electric Credit Union software to scan, load, and format Items as needed for transmission to Alabama Rural Electric Credit Union prior to the Mobile Check Deposit cut-off-time of 2:00 PM Central Time; (d) process return data and any remittance data delivered by Alabama Rural Electric Credit Union for the purpose of updating Depositor internal systems (which may include electronic and paper return Items); (e) implement and maintain security measures, including firewall protection, in compliance with its obligations under this Agreement.

4.6. Withdrawal of Access/Suspension of Service. Alabama Rural Electric Credit Union reserves the right to deny, suspend or revoke access to the Services immediately, in whole or in part, in its sole discretion, without notice, if Alabama Rural Electric Credit Union believes Depositor and/or its Authorized users are in breach of this Agreement or are otherwise using or accessing the Services inconsistent with the terms and conditions hereof. Further, Alabama Rural Electric Credit Union or its subcontractor shall have the

right to suspend the Service immediately in the event of an emergency or in the event of force majeure as set forth in the Service Agreement.

4.8. Account Statement Examination. All deposits made through the Services shall be deemed to be correct, unless Depositor notifies Alabama Rural Electric Credit Union of any errors to deposits made through the Services within 60 days after the applicable account statement is mailed or otherwise provided to Depositor.

4.3. Hardware and Software Requirements. In order to utilize the Services, Depositor must have the following hardware and software with the indicated specifications:

For Enrollment in Alabama Rural Electric Credit Union Mobile Check Deposit services, Depositor must have computer access with the following minimum configurations:

An Intel® Pentium IV 2.6GHz (or faster) PC with 1+ GB of RAM

Windows XP operating system SP 2

Minimum 20 GB of free hard disk space

Internet Explorer 7.0

Internet Connectivity with a minimum speed of 1 MBPS

For depositing checks, Depositor must have an Apple iPhone 3.1+, Android™ 2.1.1 or higher, or Blackberry® OS 5.0 or higher (with internet access)

5. Payment Processing.

5.1. IRD Processing. Depositor authorizes Alabama Rural Electric Credit Union to convert Items to IRDs or transmit as an image and further authorizes Alabama Rural Electric Credit Union or any other facility to which an item is sent for process. Items may be transmitted to a printing facility for printing and clearing through traditional paper processing channels, at Alabama Rural Electric Credit Union's sole discretion. The IRDs will be created in accordance with Check 21; alternatively, Alabama Rural Electric Credit Union may process Items as photocopies in lieu of originals, under guidelines established between Alabama Rural Electric Credit Union and Depositor and applicable industry standards. Items that fail to satisfy the warranties made to Alabama Rural Electric Credit Union by Depositor, that fail to meet the requirements of Alabama Rural Electric Credit Union or Check 21, or that are otherwise not able to be processed may be charged back to Depositor's account and/or returned to Depositor. Depositor agrees to be bound by any applicable laws, rules and regulations to which Alabama Rural Electric Credit Union is a party.

5.2. Processing of Items. Images of Items transmitted by Depositor are not considered received by Alabama Rural Electric Credit Union until Depositor has received an electronic confirmation of the receipt of the deposit from Alabama Rural Electric Credit Union. We are not responsible for items we do not receive or for images that are dropped during transmission. Receipt of the confirmation from Alabama Rural Electric Credit Union does not mean that the transmission was error free or complete. Alabama Rural Electric Credit Union reserves the right to reject any item transmitted through the Services, at our discretion.

5.3. Handling of Transmitted Items. Upon receiving electronic confirmation of receipt of an item, Depositor agrees to prominently mark the item as "Electronically Presented"; agrees to store the original item in a safe and secure environment for at least sixty (60) days; and agrees never to represent the item. Depositor will promptly (but in any event within 5 business days) provide any retained original Item to Alabama Rural Electric Credit Union when requested to aid in the clearing and collection process to resolve claims by third parties with respect to any item or as Alabama Rural Electric Credit Union otherwise deems necessary.

5.4. Availability of Funds. Customer understands and agrees that items transmitted using the Services are not subject to the funds availability requirements of Reg CC. Funds from Items deposited under the terms of this Agreement will generally be available after Alabama Rural Electric Credit Union receives payment for the funds submitted. Alabama Rural Electric Credit Union may make such funds available sooner to certain customers at its sole discretion.

5.5. Depositor Liability. Depositor shall be solely responsible if any Item for which Depositor has been given provisional credit is subject to return or reversal, and neither Alabama Rural Electric Credit Union nor its subcontractors shall be liable or responsible for same. Depositor acknowledges that all credits received for deposit are provisional, subject to verification and final settlement. Any dishonored Items will be returned as an image of the original or a substitute check as the charged-back item. Information and data reported hereunder: (a) may be received prior to final positing and confirmation and is subject to correction and (b) is for information purposes only and may not be relied upon. Depositor agrees that Alabama Rural Electric Credit Union shall have no liability for the content of payment-related information.

5.6. Limits. Alabama Rural Electric Credit Union reserves the right to impose limits on the amount(s) and/or number of deposits that you transmit using the Services, and to modify such limits from time to time.

6. Warranties and Disclaimers.

6.1. Depositor Warranty. Depositor represents and warrants to Alabama Rural Electric Credit Union: (A) Depositor has the authority to enter into this agreement and perform its obligations hereunder and all information supplied by depositor to Alabama Rural Electric Credit Union is accurate and true; (B) Depositor will provide all reasonable assistance to Alabama Rural Electric Credit Union and its subcontractors in providing the services set forth herein; (C) Depositor and any authorized users will only use the services for lawful purposes and in compliance with all applicable rules and regulations and with Alabama Rural Electric Credit Union's reasonable instructions, rules, policies, specifications, terms and conditions, and operating procedures and will not violate any law of any country or the intellectual property rights of any third party; (D) Depositor has only transmitted acceptable items for deposit and has handled the original items following transmission to Alabama Rural Electric Credit Union as agreed, directed by with Alabama Rural Electric Credit Union and in accordance with applicable law; (E) Depositor is a person authorized to enforce each item or is authorized to obtain payment of each item on behalf of a person entitled to enforce an item; (F) The items have not been altered; (G) Each item bears all applicable endorsements in a restricted format as directed by Alabama Rural Electric Credit Union; (H) All the warranties set forth in and subject to applicable laws and regulatory agencies; (I) (1) The electronic image portion of each item accurately and legibly represents all of the information on the front and back of the original check as of the time the original check was deposited, (2) The information portion of the item contains a record of all applicable MICR-line information required for a substitute check, and (3) The item conforms to the technical standards for an electronic item as specified by Alabama Rural Electric Credit Union from time to time; (J) Depositor will submit only one accurate and clear image of the front and back of each item to Alabama Rural Electric Credit Union only one time; (K) Depositor will not deposit the original item and no person will receive a transfer, presentment, or return of, or otherwise be charged for, the item (either the original item, or a paper or electronic representation of the original item) such that the person will be asked to make payment based on an item it has already paid; (L) The amount of an item entered by depositor or any authorized user for transmission to Alabama Rural Electric Credit Union is accurate; and (M) Depositor and any authorized users will not (1) Sell, lease, distribute, license or sublicense the technology or services; (2) Modify, change, alter, disassemble or decompile the technology or services in any way for any reason; (3) Provide, disclose, divulge or make available to, or permit use of the technology or services by, any third party; (4) Copy or reproduce all or any part of the technology or services; (5) Interfere, or attempt to interfere, with the technology or services in any way; (6) Engage in spamming, fraudulent, illegal or unauthorized use of the services, (7) Introduce or transmit through the technology or services, without limitation, via any portion of the depositor's computer system that interfaces with the technology or services, or otherwise, any virus, worm, software lock, drop dead device, Trojan-horse routine, trap door, back door, timer, time bomb, clock, counter or other limiting routine, instruction or design or any

other codes or instructions that may be used to access, modify, delete, damage, disable or prevent the use of the technology, services or other computer systems of Alabama Rural Electric Credit Union or its subcontractors; (8) Remove, obscure or alter any copyright notice, trademarks or other proprietary rights notices affixed to or contained within the technology or services; or (9) Engage in or allow any action involving the technology or services that is inconsistent with this agreement. Should depositor receive notice of any claim regarding the services, depositor shall promptly provide Alabama Rural Electric Credit Union with a written notice of such claim.

6.2. Alabama Rural Electric Credit Union Warranty. Alabama Rural Electric Credit Union warrants that: (A) Alabama Rural Electric Credit Union has the authority to enter into this agreement and perform its obligations hereunder; and (B) It has developed each service (other than any portion furnished by a subcontractor or third party vendor) and owns and/or has the right to furnish the same (including any portion furnished by a subcontractor or third party vendor.)

6.3. Disclaimer. Except as set forth above in Section 6.2, Alabama Rural Electric Credit Union and its subcontractors make no representations or warranties, whether express, implied or statutory regarding or relating to any of the technology or services and/or access to or use of the services or technology provided to depositor hereunder. Alabama Rural Electric Credit Union and its subcontractors specifically disclaim any and all implied warranties or merchantability, fitness for a particular purpose and noninfringement. Alabama Rural Electric Credit Union and its subcontractors also do not guarantee that depositors' access to the services provided under this agreement will be uninterrupted, error free or secure. Alabama Rural Electric Credit Union and its subcontractors also do not guarantee the accuracy of, and specifically disclaim liability for, information or data that is supplied or key-entered by depositor or agents. Alabama Rural Electric Credit Union and its subcontractors do not warrant the accuracy, reliability, completeness or timeliness of the content of internet websites or other data received by depositor or payors via the internet.

7. Limitation of Liability / Indemnification.

7.1. Limitation of Liability. Notwithstanding anything to the contrary herein, in no event will Alabama Rural Electric Credit Union's liability under this agreement for any damages of any kind exceed an amount equal to the amount of items received by Alabama Rural Electric Credit Union from depositor for the services during the month preceding the date on which the claim first accrued. Alabama Rural Electric Credit Union shall not be liable for any special, indirect or consequential damages, even if it has been advised of the possibility of these damages.

7.2. Indemnification. In addition to its indemnification obligations in this agreement, and except for losses or expenses attributable to Alabama Rural Electric Credit Union's own lack of good faith or failure to exercise ordinary care, depositor agrees to indemnify Alabama Rural Electric Credit Union for any loss or expense sustained (including interest, costs, attorney's fees and expenses of litigation) resulting from (i) Depositor's lack of authority to make the warranty in subsection 6.1 (E); (ii) any action taken or not taken by Alabama Rural Electric Credit Union within the scope of its authority in handling an item; (iii) any warranty required to be made by Alabama Rural Electric Credit Union with respect to an item under applicable law or regulation; and (iv) breach of the warranties in subsections 6.1(A) through 6.1(M).

8. Termination.

8.1. Termination. In addition to the denial, suspension, revocation and termination provisions in this Agreement, Alabama Rural Electric Credit Union may immediately terminate the Service or any portion of the Service if Alabama Rural Electric Credit Union determines that such Service or portion of any Service is in violation of any law or regulation, or in its sole discretion and without notice, decides to cease providing this Service. Depositor may terminate the Service with notice to Alabama Rural Electric Credit Union. Any termination will not affect any obligations arising prior to termination, such as the obligation to process any Items that were processed or in the process of being transmitted or collected prior to the termination date, or any returns of the same.

8.2. Obligations upon Termination. Upon the termination of this Agreement for any reason: (a) Depositor's access to, and use of, the Services will terminate; (b) Depositor will return to Alabama Rural Electric Credit Union any and all Alabama Rural Electric Credit Union Services, equipment, software, documentation, Technology or other deliverables provided to Depositor by Alabama Rural Electric Credit Union, including any copies thereof held by Depositor; (c) Alabama Rural Electric Credit Union will deliver to Depositor all Depositor documentation and other materials stored by Depositor on Alabama Rural Electric Credit Union's or its subcontractor's network; and (d) each party shall return any and all Confidential Information in its possession to the party that disclosed such Confidential Information or destroy same, and provide written verification of same. Notwithstanding the foregoing, Alabama Rural Electric Credit Union's obligations with respect to subsections (c) and (d) shall be subject to Alabama Rural Electric Credit Union's record retention policies and applicable laws and regulations. The provisions of sections 6, 7, 8 and 9 shall survive termination of this Agreement.

9. Confidentiality.

9.1. Alabama Rural Electric Credit Union Information. Depositor acknowledges that the Technology and Service contain valuable trade secrets, which are the sole property of Alabama Rural Electric Credit Union or its subcontractors ("Credit Union Confidential Information"), and Depositor agrees to hold same in strict confidence and disclose only to those agents whose duties reasonably require access to same, provided that all such agents are informed of such use or disclosure restrictions as set forth herein. Depositor agrees to use no less than reasonable care to prevent other parties from learning of these trade secrets. Depositor will take no less than all reasonable steps to prevent the unauthorized use, disclosure, duplication or access to the Credit Union Confidential Information.

9.2. Intellectual Property Ownership.

This Agreement does not transfer to depositor any ownership or proprietary rights in the Technology or any work or any part thereof, and all right, title and interest in and to the Technology will remain solely with Alabama Rural Electric Credit Union or its subcontractors.

9.3. Depositor Information. Alabama Rural Electric Credit Union acknowledges that Depositors' information may contain information regarding its Depositors, which are the sole property of Depositor ("Depositor Confidential Information," and, collectively with Bank Confidential Information, "Confidential Information"), and Alabama Rural Electric Credit Union agrees to hold same in confidence and will protect Depositor Confidential Information pursuant to Alabama Rural Electric Credit Union's Privacy Policy.

9.4. Exceptions. The obligations of this Section 9 shall not apply to any information that: (a) is now, or hereafter becomes, through no act or failure to act on the part of the receiving party (the "Receiver"), generally known or available; (b) is known by the Receiver at the time of receiving such information, as evidenced by the Receiver's records; (c) is hereafter furnished to the Receiver by a third party, as a matter of right and without restriction on disclosure; (d) is independently developed by the Receiver without reference to or use of the disclosing party's information; or (e) is required to be disclosed by law or in connection with a legal or administrative proceeding, provided that the party to whom the information belongs is given prompt prior written notice of such proposed disclosure, if not otherwise prohibited.

9.5. Unauthorized Use. Both parties acknowledge that the unauthorized use, disclosure or duplication of trade secrets or other confidential information belonging to each party shall constitute a material breach of this Agreement and is likely to cause irreparable injury to the owner, for which there is no adequate remedy at law. Accordingly, Alabama Rural Electric Credit Union and Depositor each hereby agree that the other party may seek injunctive relief against it to prevent or remedy any breach of the confidentiality obligations described herein without the other party being required to post bond, or if bond is required, only nominal bond.

10. Miscellaneous Provisions.

10.1. Relationship of Parties. Alabama Rural Electric Credit Union and Depositor are independent parties and this Agreement will not establish any relationship of partnership, joint venture, employment, franchise or agency between Alabama Rural Electric Credit Union and Depositor. Neither Alabama Rural Electric Credit Union nor Depositor will have the power to bind the other or incur obligations on the other's behalf without the other's prior written consent, except as otherwise expressly provided herein.

10.2. Notices. Depositor agrees that any notices required or permitted under this Agreement or the Service Agreement may be given electronically.

10.3. No Waiver. The failure of either party to enforce at any time any provision of this Agreement or to exercise any right herein provided shall not in any way be construed to be a waiver of such provision or right, and shall not in any way affect the validity of this Agreement or any part hereof, or limit, prevent or impair the right of either party to subsequently enforce any provision or exercise any right hereunder.

10.4. Severability. The invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of any other term or provision.

10.5. Governing Law. This Agreement is entered into in Alabama, and shall be governed by the laws of Alabama and of the United States, and any rule or regulation of Alabama or a federal agency having jurisdiction over Alabama Rural Electric Credit Union. A determination that any provision of this Agreement is unenforceable or invalid shall not render any other provision of this Agreement unenforceable or invalid. The rights of Alabama Rural Electric Credit Union under this Agreement are cumulative of all other rights Alabama Rural Electric Credit Union may have by law or otherwise.

10.6. Amendments. Unless applicable law provides otherwise, this Agreement may be amended by notice sent electronically or by mail to Depositor at Depositor's last address known to Alabama Rural Electric Credit Union to be effective not less than thirty (30) days after the day transmitted or mailed. Alabama Rural Electric Credit Union shall not be bound by any modification of this Agreement unless Alabama Rural Electric Credit Union expressly agrees to the modification in writing. Depositor shall have the right to terminate the Agreement prior to the effective date of amendment. This Agreement supersedes all prior agreements and amendments.

10.7. Assignment. Depositor may not assign this agreement.

10.8. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all existing agreements and all other related communications, written or oral.