

Mobile Remote Deposit User Agreement (“Agreement”)

This Agreement contains the terms and conditions for the use of any mobile remote deposit capture services as described in this Agreement (“Services”) that PenFed (“our”, “us” or “we”) may provide to a PenFed member, account owner or other user of the Services (“you” “your” or “user”.) Other agreements you have entered into with PenFed, including your Membership and Disclosure Agreement governing your PenFed accounts, are incorporated by reference and made a part of this Agreement.

1. Services. The Services are designed to allow you to deposit checks or drafts into eligible PenFed accounts from your home, other remote location or a mobile device application by photographing and delivering the check images and associated deposit information to PenFed directly.

2. Fees. PenFed may impose fees and charges for your use of the Services. Such fees are shown on PenFed’s list of Service Fees.

3. Acceptance of these Terms. Your use of the Services constitutes your acceptance of this Agreement. We reserve the right, in our sole discretion, to change, modify, add, or remove elements of the Services. Your continued use of the Services will indicate your acceptance of any such changes to the Services.

4. No Guarantee of Service. From time to time technical or other difficulties may affect your use of the Services. We are not responsible for any technical or other difficulties or any resulting damages that you may incur as a result of such difficulties, whether caused by us, you, a third party, or other events beyond our control. The Services have qualification requirements. We reserve the right to change the qualifications at any time and without prior notice to you. We reserve the right to change, suspend or discontinue the Services, in whole or in part, or your use of the Services, in whole or in part, immediately or at any time without prior notice to you.

5. Hardware and Software. In order to use the Services on a handheld device, you must download and install the PenFed Mobile Application onto a compatible handheld device that you obtain at your expense, with the ability to take photographs and a wireless plan from a compatible wireless carrier or access to a secure Wi-Fi network. Examples of handheld devices include, but are not limited to cell phones, smartphones, personal digital assistants or tablet computers. We are not responsible for the functionality of any third party hardware or software you may need to use the Services, even if it has been recommended by PenFed.

6. Availability of Funds. You understand and agree that items transmitted using the Services are not subject to the funds availability requirements of Federal Reserve Regulation CC (“Reg CC”), Availability of Funds and Collection of Checks. Generally, the funds from accepted checks will be made available to you no later than the sixth business day following the date of your deposit. In some instances, all or a portion of your funds may be available to you sooner or later based on such factors as the length and extent of your relationship with PenFed, your transaction and experience history, potential fraud, and other factors as PenFed, in its sole discretion, deems relevant.

7. Eligible Items. You agree to electronically image and transmit for deposit only checks drawn on or payable through or at an office of a bank or credit union. PenFed shall determine, at its sole discretion, the types of checks and other items accepted for deposit to your account through the Mobile Remote Deposit service. The image of the check transmitted to us shall be deemed an “item” within the meaning of Articles 3 and 4 of the Uniform Commercial Code.

8. Ineligible Items. You agree that you will not use the Services to image and deposit any ineligible items including, but not limited to, the following:

- a. Savings bonds
- b. Traveler's checks
- c. Third-party checks, i.e., any check or item made payable to another party and then endorsed to you by that party

- d. Demand Drafts
- e. Checks that have been previously submitted for deposit through the Service or by any other method of deposit.
- f. "Stale dated" checks that are dated more than 6 months prior to the date of deposit.
- g. 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 are fraudulent.
- h. Checks or items not payable in United States currency.
- i. Checks or items drawn on a financial institution located outside the United States.
- j. Items previously converted to a substitute check, as defined in Reg CC.
- k. Items that are remotely created checks, as defined in Reg CC.
- l. Checks or items on which a stop payment order has been issued or for which there are insufficient funds.
- m. Checks or items marked "non-negotiable."
- n. Checks or items previously returned unpaid.
- o. Checks from a closed account.
- p. Checks or items drawn on any of your PenFed accounts.
- q. Checks or items prohibited by PenFed's current procedures relating to the Service or which are otherwise not acceptable under the terms of your account.

Nothing in these terms shall be construed as requiring PenFed to accept any check or item for deposit, even if PenFed has accepted that type of check or item previously. Nor shall PenFed be required to identify or reject any checks or items that you may scan and deposit that fail to meet the requirements of these terms. PenFed reserves the right, in its sole discretion, to determine what items may be "Ineligible Items."

9. Deposit Limits. We reserve 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.

10. Image Quality. The image of the item transmitted to PenFed must be clearly legible. The image being transmitted must comply with any standards for image quality established by PenFed, or any regulatory agency, clearing house or association.

11. Item Endorsements and Procedures. You agree to sign and restrictively endorse any item transmitted through the Services as "For electronic remote deposit only, account # _____" or as otherwise established by PenFed.

12. Receipt of Items. We reserve the right to reject any item transmitted through the Services, at our discretion, without liability to you. We are not responsible for items we do not receive or for images that are transmitted incompletely. An image is considered "received" when we transmit to you a confirmation that we have received the image. However, such confirmation does not mean that the transmission was error free or complete to provide a basis for deposit to your account. Credit given for the item is provisional and subject to final PenFed acceptance and you agree to indemnify PenFed for any loss sustained for acceptance of the item. You shall be liable to PenFed for any errors, inaccuracies, breach of warranties and any other loss sustained by, or claim made against PenFed relating to such deposits. In the event that your account is credited for a check that is subsequently dishonored and returned, you authorize PenFed to debit the amount of such check plus any associated fees from the account. Our right to charge your account will apply without regard to whether the check was timely returned or whether there is any other claim or defense that the check was improperly returned.

13. Method of Presentment of Items. The manner in which items are cleared, presented for payment, and collected shall be in PenFed's sole discretion.

14. Prohibition Against Presenting Checks More Than Once Once you have used the Service to deposit a check, you agree not to present or allow anyone else to present the original check or a substitute check of that original check again for deposit through the Service or by any other means. If you or anyone else present a check or substitute

check for deposit more than once, in violation of this Agreement, you agree to indemnify, defend and hold PenFed harmless from and against all liability and damages that may result from any claims, suits or demands from third parties with respect to such check or substitute check. You agree that we may debit from your account the aggregate amount of any checks that are deposited more than once.

15. Maintenance, Retention and Destruction of Original Items. You agree to retain each item you image and transmit for a reasonable period of time before destroying it, but in no event fewer than 30 days after the item has been transmitted. Upon request by PenFed you will promptly provide a retained original check or a sufficient copy of the front and back of the check in a form acceptable to us, to aid in the clearing and collection process, or to resolve claims by third parties, or for our audit or fraud loss prevention purposes. You agree to take appropriate measures to ensure that:

- a) only authorized persons shall have access to the original check;
- b) the information contained on the check shall not be disclosed to unauthorized persons; and
- c) the original check will not be duplicated, will not be scanned more than one time, and will not be presented, deposited or negotiated again in any way.

After 30 days has elapsed, you agree to destroy the check that you transmitted as an image, mark it "VOID" or otherwise render it incapable of further transmission, deposit or presentment.

16. Return Items. If an item you transmit for deposit is dishonored, you may receive an image of the original item or a substitute as the charged back instrument. A fee may be charged for this service.

17. Errors. You agree to notify PenFed of any suspected errors regarding items deposited through the Services right away, and in no event later than 60 days after the applicable PenFed account statement is sent. Unless you notify PenFed within 60 days, such statement regarding all deposits made through the Services shall be deemed correct, and you are prohibited from making a claim against us for the error.

18. Disclaimer of Warranties. PENFED'S REPRESENTATIONS, WARRANTIES, OBLIGATIONS AND LIABILITIES AND YOUR RIGHTS AND REMEDIES, SET FORTH IN THIS AGREEMENT, ARE EXCLUSIVE. WE DISCLAIM ALL WARRANTIES EXPRESSED OR IMPLIED INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SERVICES PROVIDED BY US. EXCEPT AS PROVIDED HEREIN PENFED SHALL NOT BE LIABLE FOR DAMAGES INCLUDING BUT NOT LIMITED TO CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE USE OF PERFORMANCE OF PRODUCTS HEREIN.

19. Limitation of Liability. PenFed's liability for errors or omissions with respect to the data transmitted or printed by PenFed will be limited to correcting the errors or omissions.

20. User warranties and indemnification. You warrant to PenFed that:

- a. You will only transmit eligible items that are properly endorsed.
- b. You will not deposit or redeposit the original item once it has been imaged and sent through the Service.
- c. All information you provide to PenFed is accurate and true.
- d. PenFed will not sustain a loss because you have deposited an image.
- e. You will comply with this Agreement and all applicable rules, laws and regulations.
- f. You indemnify PenFed from any loss for breach of the warranty provision.

21. Other terms. This Agreement supplements the terms of your Membership Disclosures and Agreement. Together they constitute the entire legal relationship between you and PenFed with respect to the Services. You may not assign this Agreement. You agree that this Agreement will be governed by the laws of the Commonwealth of Virginia and of the United States. A determination that any provision of this Agreement is unenforceable or invalid shall not render any other provision of this Agreement unenforceable or invalid.