

Dakotaland Federal Credit Union
REMOTE DEPOSIT CAPTURE SERVICES DISCLOSURE AND AGREEMENT

Effective: July 1 2017

In this Disclosure and Agreement, the words "I," "me," "my," "us" and "our" mean, the member that applied for and/or uses any of the Remote Deposit Capture Services (the "Services") described in this Disclosure and Agreement. The words "you," "your," and "yours" mean Dakotaland Federal Credit Union (DFCU). The DFCU Membership Disclosure is hereby incorporated into and made a part of this Disclosure Agreement. In the event of a discrepancy between this Disclosure or the Account Agreement, this Disclosure and Agreement will control.

Use of the Services. Following my acceptance of this agreement, I am authorized by you to remotely deposit paper checks through the Remote Deposit Capture application. I can remotely deposit checks I receive to my account with you by electronically transmitting a digital image of the paper checks to you for deposit. My use of the Services constitutes my acceptance of the terms and conditions of this Disclosure and Agreement. I agree to comply with the hardware and software requirements set forth by DFCU. Upon receipt of the digital image, you will review the image for acceptability. I understand and agree that receipt of an image does not occur until after you notify me of receipt of the image via email notification. I understand that, in the event I receive a notification from you confirming receipt of an image, such notification does not mean that the image contains no errors. I understand that I am responsible for any information I transmit to you. You are not responsible for any image that you do not receive. Following receipt of the image, you may process the image by preparing a "substitute check" or clearing the item as an image. Notwithstanding anything to the contrary, you reserve the right, within your sole and absolute discretion, to accept or reject any item for remote deposit into my Account. I understand that any amount credited to my Account for items deposited using the Services is a provisional credit and I agree to indemnify you against any loss you suffer because of your acceptance of the remotely deposited check.

In addition I agree that I will not (i) modify, change, alter, translate, create derivative works from, reverse engineer, disassemble or decompile the technology or Service, (ii) copy or reproduce all or any part of the technology or Service; or (iii) interfere, or attempt to interfere, with the technology or Service.

Guarantee Specific to Deposits Received for Credit to a Business Account:

My use of the Services for the purpose of depositing to a Business Account constitutes my understanding and agreement that I may be personally liable for any expenses DFCU incurs in attempting to obtain final payment for the item in question, outside of the routine costs associated with item processing, in the event of a default by the Business. This includes but is not limited to recovery of the amount credited in the event of non-payment, collection costs and attorney's fees as applicable, as well as any and all costs associated with DFCU enforcing this Guarantee. This Guarantee shall benefit DFCU and its successors and assigns.

Compliance with Law. I agree to use the products and Service for lawful purposes and in compliance with all applicable laws, rules and regulations, as well as all laws pertaining to the conduct of my business if applicable. I warrant that I will only transmit acceptable items for deposit and have handled the original items in accordance with applicable laws, rules and regulations. I promise to indemnify and hold you harmless from any damages, liabilities, costs, expenses (including attorneys' fees) or other harm arising out of any violation thereof. This indemnity will survive termination of my Account and this Agreement.

Check Requirements. Any image of a check that I transmit to you must accurately and legibly provide all the information on the front and back of the check at the time presented to me by the drawer. Prior to capturing the original check, I will endorse the back of the original check. The image of the check transmitted to you must accurately and legibly provide, among other things, the following information: (1) the information identifying the drawer and the paying bank that is preprinted on the check, including complete and accurate MICR information and the signature(s); and (2) other information placed on the check prior to the time 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. The image quality for the check will meet the standards for image quality established by the American National Standards Institute ("ANSI"), the Board of Governors of the Federal Reserve, and any other regulatory agency, clearing house or association.

Rejection of Deposit. You are not liable for any service or late charges levied against me due to your rejection of any item. In all cases, I am responsible for any loss or overdraft plus any applicable fees to your Account due to an item being returned.

Items Returned Unpaid. A notice will be sent to me of transactions you are unable to process because of returned items. With respect to any item that I transmit to you for remote deposit that you credit to my Account, in the event such item is dishonored, I authorize you to debit the amount of such item from the Account.

Email Address. I agree to notify you immediately if I change my email address, as this is the email address where you will send me notification of receipt of remote deposit items or communicate to you regarding any remote deposit items, if necessary.

Unavailability of Services. I understand and agree that the Services may at times be temporarily unavailable due to the Financial Institution's system maintenance or technical difficulties including those of the Internet service provider, cellular service provider and Internet software. In the event that the Services are unavailable, I acknowledge that I can deposit an original check at your branches or by mailing the original check to you at DFCU, 1371 Dakota Ave S, Huron, SD 57350. It is my sole responsibility to verify that items deposited using the Services have been received and accepted for deposit by you. However, you will email notification of items that are rejected by the next business day following rejection.

Business Days and Hours. DFCU's business days and hours are Monday through Friday, 8:00 am – 5:00 pm, excluding Federal holidays.

Mailing Address:
Dakotaland Federal Credit Union
1371 Dakota Ave S
Huron, SD 57350

Email address: helpdesk@dakotalandfcu.com

Funds Availability. I understand and agree that, for purposes of deposits made using the Services, with regard to the availability of deposits, such funds will be available as set forth below.

DFCU FUNDS AVAILABILITY

The following information is provided to help you determine when your funds will be available.

DETERMINING AVAILABILITY OF DEPOSITS

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and Credit Union-observed holidays. If you make a deposit before 4:30 p.m. on a business day that we are open, we will consider that to be the day of your deposit. However, if you make a deposit after closing time or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

GENERAL AVAILABILITY POLICY

It is the general policy of Dakotaland Federal Credit Union to delay the availability of funds that you deposit into your account in accordance with our Funds Availability Policy provided at account opening in your Membership Disclosure Booklet.

There will be delayed availability of funds from some checks that are deposited into your accounts. During the delay, you may not withdraw the funds in cash and Dakotaland Federal Credit Union will not use the funds to pay checks that you have written.

The length of delay is counted in business days from the day of your deposit. Business days are defined as every day except Saturdays, Sundays, and federal holidays. A deposit is considered received when it is accepted at one of our

branch offices with all appropriate endorsements. A deposit accepted while our data processing system is not on line will be considered received when the transaction is posted in the Dakotaland Federal Credit Union records.

LONGER DELAYS MAY APPLY

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid
- You deposit checks totaling more than \$5,000 on any one day
- You re-deposit a check that has been returned unpaid
- You have overdrawn your account repeatedly in the last six months
- There is an emergency, such as failure of communications or computer equipment

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh (7th) business day after the day of your deposit.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from an electronic direct deposit to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first Business Day after the day of deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the ninth Business Day after the day of your deposit. If your deposit of these checks (other than U.S. Treasury checks) is not made in person to one of our employees, the first \$5,000 will not be available until the second Business Day after the day of your deposit.

Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

SPECIAL ENDORSEMENT STANDARDS

The Federal Law regarding funds availability requires the Financial Institution's endorsement area on the back of a check be kept clear or unobstructed. This rule is designed to prevent unnecessary delays in processing your deposits as well as to promote speedier returns of dishonored checks. Only the 1-1/2 inch space from the "trailing edge" (the left edge of the check when it is facing you) can be used by you for endorsements or any other markings.

We will not be responsible for any damages incurred in the event you deposit an item that is subsequently returned unpaid by the paying bank and that return is "late" due to markings on the check caused by you or a prior endorser on the back of the check.

In the event that you draw a check on your Checking or Loan Account with us, you are responsible for any delay or misrouting of the check caused by markings placed on the check by you that obscure any depository endorsements placed by us or our agent and you agree to hold the Credit Union harmless and indemnify us from any liability due to such delay or misrouting.

Internal Controls and Audit

Remote Deposit Capture limits may change at any time without any prior notification. DFCU reserves the right to revoke this service, reject or adjust any deposits upon submission of the scanned items.

Accountholder's Warranties. I make the following warranties and representations with respect to each image of an original check I transmit to you utilizing the Services:

- 1) Each image of a check transmitted to you is a true and accurate rendition of the front and back of the original check, without any alteration, and the drawer of the check has no defense against payment of the check.

- 2) The amount, the payee, signature(s), and endorsement(s) on the original check are legible, genuine, and accurate.
- 3) I will not deposit or otherwise endorse to a third party the original item (the original check) 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.
- 4) Other than the digital image of an original check that I remotely deposit through your Services, there are no other duplicate images of the original check.
- 5) I have instituted procedures to ensure that each original check was authorized by the drawer in the amount stated on the original check and to the payee stated on the original check.
- 6) I am authorized to enforce each item transmitted or am authorized to obtain payment of each item on behalf of a person entitled to enforce such transmitted item.
- 7) I have not knowingly failed to communicate any material information to you.
- 8) I have possession of each original check deposited using the Services and no party will submit the original check for payment.
- 9) Files and images transmitted to you will contain no viruses or any other disabling features that may have an adverse impact on your network, data, or related systems.

Storage of Original Checks. I must securely store each original check. If I am using the Service to deposit items into an account in the name of a Business to which I am a party, I understand this means the original check(s) must be accessible by my authorized personnel, that I deposit using the Services for a period of 60 days after transmission to you. After such period expires, I will destroy the original check. I understand and agree that I am responsible for any loss caused by my failure to secure the original checks.

Securing Images on Mobile Devices. When using Remote Deposit Capture, I understand that check images captured using my mobile device are stored on the device only until the associated deposit has been successfully submitted. I agree to promptly complete each deposit. In the event that I am unable to promptly complete my deposit, I agree to ensure that my mobile device remains securely in my possession until the deposit has been completed or to delete the associated images from the application.

Accountholder's Indemnification Obligation. I understand and agree that I am required to indemnify you and hold you harmless against any and all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees and expenses arising from my use of the Services and/or breach of this Disclosure and Agreement. I understand and agree that this paragraph shall survive the termination of this Agreement.

In Case of Errors. In the event that I believe there has been an error with respect to any original check or image thereof transmitted to you for deposit or a breach of this Agreement, I will immediately contact you regarding such error or breach as set forth below.

Telephone you at: 800-440-6573

or

e-mail you at helpdesk@dakotalandfcu.com

Limitation of Liability. I understand and agree that you are not responsible for any indirect, consequential, punitive, or special damages or damages attributable to my breach of this Disclosure and Agreement.

Warranties. I UNDERSTAND THAT DFCU DOES NOT MAKE ANY WARRANTIES ON EQUIPMENT, HARDWARE, SOFTWARE OR INTERNET PROVIDER SERVICE, OR ANY PART OF THEM, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CCF IS NOT RESPONSIBLE FOR ANY LOSS, INJURY OR DAMAGES, WHETHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL, CAUSED BY THE INTERNET PROVIDER, ANY RELATED SOFTWARE, OR CCF'S USE OF ANY OF THEM OR ARISING IN ANY WAY FROM THE INSTALLATION, USE, OR MAINTENANCE OF MY PERSONAL COMPUTER HARDWARE, SOFTWARE, OR OTHER EQUIPMENT.

Change in Terms. You may change the terms and charges for the Services indicated in this Disclosure and Agreement by notifying me of such change in writing and may amend, modify, add to, or delete from this Disclosure and Agreement from time to time. My use of the Services after receipt of notification of any change by you constitutes my acceptance of the change.

Termination of the Services. I may, by written request, terminate the Services provided for in this Disclosure and Agreement. You may terminate my use of the Services at any time without notice. In the event of termination of the Services, I will remain liable for all transactions performed on my Account.

Relationship to Other Disclosures. The information in these Disclosures applies only to the Services described herein. Provisions in other disclosure documents, as may be revised from time to time, remain effective for all other aspects of the Account.

Governing Law. I understand and agree that this Disclosure and Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in accordance with the internal laws of the state of South Dakota, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary. I also agree to submit to the personal jurisdiction of the courts of the state of South Dakota.

Periodic Statement. Any remote deposits made through the Services will be reflected on my monthly account statement. I understand and agree that I am required to notify you of any error relating to images transmitted using the Services by no later than 33 days after I receive the monthly periodic statement that includes any transaction I allege is erroneous. I am responsible for any errors that I fail to bring to your attention within such time period.

Limitations on Frequency and Dollar Amount. I understand and agree that I cannot exceed the limitations on frequency and dollar amounts of remote deposits that are set forth by you.

Unacceptable Deposits. I understand and agree that I am not permitted to deposit the following items using the Services:

- 1) Any item drawn on my account or my affiliate's account.
- 2) Any item that is stamped with a "non-negotiable" watermark.
- 3) Any item that contains evidence of alteration to the information on the check.
- 4) Any item issued by a financial institution in a foreign country.
- 5) Any item that is incomplete.
- 6) Any item that is "stale dated" or "post dated."
- 7) Savings Bonds
- 8) Any third party check, item(s) made payable to someone other than myself or other authorized signers on the account
- 9) Any item with a restrictive endorsement

Confidentiality. I acknowledge and agree that confidential data relating to your Services, marketing, strategies, business operations and business systems (collectively, "Confidential Information") may come into my possession in connection with this Disclosure and Agreement. I understand and agree that I am prohibited from disclosing and agree to maintain the confidentiality of your Confidential Information.

Waiver. The failure of either party to seek a redress for violation, or to insist upon the strict performance, of any covenant, agreement, provision, or condition hereof shall not constitute the waiver of the terms or of the terms of any other covenant, agreement, provision, or condition, and each party shall have all remedies provided herein with respect to any subsequent act which would have originally constituted the violation hereunder.

Relationship. This Disclosure and Agreement does not create, and shall not be construed to create, any joint venture or partnership between the parties. No officer, employee, agent, servant, or independent contractor of either party shall at any time be deemed to be an employee, servant, agent, or contractor of the other party for any purpose whatsoever