

**Online Banking and Bill Payment
AGREEMENT AND DISCLOSURE STATEMENT
Kings Federal Credit Union**

This Agreement establishes the rules that cover your electronic access to your account(s) at Kings Federal Credit Union (KFCU) through Online Banking. You will be bound by this Agreement when you enroll in Online Banking. You also accept all the terms and conditions of this Agreement by using Online Banking. Please read it carefully and retain for your records.

This Agreement is also subject to applicable federal laws and the laws of the State of California (except to the extent this Agreement can and does vary from such rules or laws). If any provisions of this Agreement are found unenforceable or invalid, all remaining provisions will continue in full force and effect. The headings in the Agreement are for convenience or reference only and will not govern the interpretation of the provisions. Any waiver (express or implied) by either party or any default or breach of this Agreement must be in writing and shall not constitute a waiver of any other or subsequent default or breach. You may not assign this Agreement. This Agreement is binding upon your heirs and the Credit Union's successors and assigns. Certain of the obligations of the parties pursuant to this Agreement that by their nature would continue beyond the termination, cancellation, or expiration of this Agreement shall survive termination, cancellation, or expiration of this Agreement. This Agreement, together with the Membership and Account Agreement constitutes the entire agreement between you and the Credit Union with respect to the subject matter hereof and there is no understanding or agreements relative hereto which are not fully expressed herein.

The words "you", "your", and "yours" refer to the Kings Federal Credit Union member(s) jointly and severally. The words "we", "us", "our", "KFCU" and "Credit Union" refer to Kings Federal Credit Union. This Agreement and Disclosure Statement (hereinafter "Agreement") explains and describes the types of Electronic Funds Transfers which are available to you with our Online Banking. This Agreement also contains your rights and responsibilities concerning transactions that you make through Online Banking, including your rights under the Electronic Funds Transfer Act.

To qualify for access to Online Banking, you must be a Credit Union member in good standing. Online Banking may not be accessible to Business and Organizational accounts. Other conditions may apply.

1. **ENROLLING FOR ONLINE BANKING.** The Member Account Number, Social Security Number and Street Address are required for initial enrollment to Online Banking. Users will create a personalized Username and Password. Username must be at least six characters long and contain at least one letter. Username can contain a mix of letters, numbers and the following special characters @ \$ * _ - = ! ~. The Username cannot contain any spaces or the member's member number or tax ID number. Passwords must have a minimum of six and no more than 32 alpha-numeric characters from at least two of the following three categories: Letters, Numbers, and Special Characters.
2. **CONSUMER LIABILITY DISCLOSURE.** By accessing your account(s) through Online Banking with Kings Federal Credit Union you agree that it is your responsibility to safeguard your Username and Password. It is important that you memorize the Password, do not write it down and never share it with anyone that you do not give full authorization for access to all money in all accounts and lines of credit. It is your responsibility to prevent unauthorized transactions and/or any account access. Further, you assume all responsibility for any losses that occur on your account due to negligence of failing to protect your Password from unauthorized use. You also agree that Kings Federal Credit Union may revoke Internet Account Access if unauthorized account access and/or transactions occur as the apparent result of your negligence in safeguarding your Password. Additionally, your

privilege may be revoked for any violations of the terms of use, for use of the system for illegal activities, for any activities as described in the Account Terms and Disclosure booklet that you were given at the time you opened your account, or for any other use that in the opinion of Kings Federal Credit Union, is determined to present unreasonable risk of damage or loss to the Credit Union, its members or third parties.

Notify Kings Federal Credit Union IMMEDIATELY if you believe your Password has been lost or stolen, or your account has been accessed without your authorizations. During business hours, please telephone us at 559-582-4438 or write to us at 1415 W Lacey Blvd, Hanford, CA 93230 or notify us in person at the branch. You could lose all the money in your accounts plus the maximum overdraft line of credit. If you notify us within two (2) business days after you learn of unauthorized access, you can lose \$50 if someone used your accounts without your permission. Please refer to your membership agreement and/or the EFT disclosure provided to you by the Credit Union for complete disclosure of dispute resolutions and responsibility for loss. Remember, it is solely your responsibility to safeguard your Password. Kings Federal Credit Union has no access to your Password. You accept responsibility for periodically changing your Logon ID and protecting the integrity of the Logon ID to protect unauthorized transactions and Banking. Granting access to your account via Online Banking to any non-owner will make you financially liable for all losses or misuse of your account(s).

3. **IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS.** Please refer to your membership agreement and/or the EFT disclosure provided to you by the Credit Union for complete disclosure of dispute resolutions and responsibility for loss.
4. **FEES FOR ONLINE BANKING AND BILL PAYMENT.** Currently there is no monthly service fee for using Online Banking; however, certain features within our bill payment system may incur a fee. See our Fee Schedule for more information.

We may implement a monthly or usage fee at any time, following applicable federal and/or state regulations and in such case, we will notify you as soon as practicable.

5. **BILL PAYMENT SERVICES.** The Bill Payment Online Service is provided through a third-party vendor for Kings Federal Credit Union members. Kings Federal Credit Union provides links from it's website to other Non-Kings Federal Credit Union operated websites for your information and convenience. These links are not operated by nor owned or controlled by Kings Federal Credit Union. Kings Federal Credit Union is not responsible for the content on these alternative websites. Kings Federal Credit Union does not represent either the third party or the member if the two enter into a transaction.
6. **INFORMATION ABOUT YOUR DESIGNATED ACCOUNTS.** You authorize us to obtain any information deemed necessary to process your request for access to Online Banking. Additionally, you agree that we will disclose information to third parties about your designated account(s) or the transactions you make:

Where it is necessary for completing or documenting transactions or resolving errors involving transactions.

- In order to verify the existence and condition of your designated account.
- In order to comply with orders or subpoenas of government agencies or courts.
- If you give us written permission.

7. **OUR BUSINESS DAYS.** Our business days are Monday through Friday, other than legal banking holidays.
8. **PRE-AUTHORIZED PAYMENTS.** You may not use Online Banking to enter into pre-authorized payment arrangements.
9. **OUR RULES AND REGULATIONS AND OTHER AGREEMENTS.** Your designated account(s) may also be governed by other agreements between you and us. The terms and conditions of the deposit agreements and disclosures for each of your Credit Union account(s) as well as your other agreements with the Credit Union such as loans continue to apply notwithstanding anything to the contrary in this Agreement.
10. **EVIDENCE.** If we go to court for any reason, we can use a copy, microfilm, microfiche, or photograph of any document or photograph of any person to prove what you owe or that a transaction has taken place and the copy, microfilm, microfiche, or photograph will have the same validity as the original.
11. **TERMINATING THIS AGREEMENT.** You can terminate this Agreement at any time by notifying us in writing and by discontinuing the use of the services. We can also terminate this Agreement and revoke access to Online Banking at any time. Whether you terminate the Agreement or we terminate the Agreement, the termination will not affect your obligations under this Agreement, even if we allow any transaction to be completed with your Logon ID after this Agreement has been terminated.
12. **INACTIVITY.** If you do not access or use Online Banking for a period of more than sixty (60) days, we may in our sole discretion, terminate your access to and use of Online Banking without notice to you.
13. **CHANGING THIS AGREEMENT.** We may change any term of the Agreement at any time. If the change would result in increased fees, if applicable, for any services, increased liability for you, fewer types of available electronic fund transfers, or stricter limitations on the frequency or dollar amount of transfers, we agree to give you notice of at least thirty (30) days before the effective date of any such change, unless any immediate change is necessary to maintain the security of an account, or our electronic fund transfer system, or for any security reasons. We will post any required notice of change in terms in the quarterly newsletter, on our web site, or postal mail. If advance notice of the change is not required, and disclosure does not jeopardize the security of the account or our electronic fund transfer system, we will notify you of the change in terms within 30 days after the change become effective. Your continued use of any or all of the subject system services indicates your acceptance of the change in terms, we reserve the right to waive, reduce or reverse charges or fees in individual situations. You acknowledge and agree that the applicable deposit agreements and disclosures govern changes to fees applicable to specific accounts. The Credit Union reserves the right to terminate your access to Online Banking if you fail to adhere to these rules or abuse any of these services or your Credit Union account.
14. **NOTICES.** All notices from us will be effective when we have mailed them or delivered them to the last known address in the Credit Union's records. Notices from you will generally be effective once

we receive them at Kings Federal Credit Union, Attention: Online Banking, 1415 W Lacey Blvd, Hanford CA 93230.

15. **COLLECTION EXPENSE.** If we ever have to file a lawsuit to collect what you owe us, you will pay our reasonable expenses, including attorney's fees.
16. **GOVERNING LAW.** This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, and the laws and regulations of the state of California. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located.

Mobile Remote Deposit Capture Agreement

This agreement contains the terms and conditions for the use of the Kings Federal Credit Union Mobile Remote Deposit Capture and/or other remote deposit capture services that Kings Federal Credit Union or its affiliates ("KFCU", "us", or "we") may provide to you ("you", or "we"). Other agreements that you have entered into with KFCU, including Depository Agreement and Disclosures governing your KFCU account, are incorporated by reference and made part of this agreement. By accepting this agreement, you agree to the terms set forth within and agreed to be subject to restrictions as set forth in this agreement. This agreement applies to Mobile Remote Deposit Capture ("Service") which includes image transmission of paper negotiable instruments as defined as an eligible item.

1. **General terms/Service.** This Service is designed to allow you to make a deposit to your checking, savings, and money market accounts from home or other remote locations by taking images of checks and delivering images and the associated deposit information to KFCU. You may use the Service only for non-business, personal use in accordance with this agreement. This agreement applies to consumer accounts only.
2. **Acceptance of these terms.** Your use of the services constitutes your acceptance of this Agreement. This Agreement is subject to change as determined by KFCU and we will notify you of any material changes through previously agreed upon communication methods including electronic communication. Your continued use of this service will indicate your acceptance of the revised Agreement. Further, KFCU reserves the right, at its sole discretion, to change, modify, add, or remove portions from the services. Your continued use of this service will indicate your acceptance of the revised Agreement.
3. **Limitations on Service.** When using the Service, you may experience technical or other difficulties. We cannot assume responsibility for any technical or other difficulties or any resulting damages that you may incur. The Service has qualification requirements and we reserve the right to change the qualifications 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.
4. **Limits.** Mobile Remote Deposit Capture are limited to:

- \$5,000.00 per item deposit
- \$5,000.00 per day

If we permit deposits in excess of these limits, they are still subject to the terms of this agreement and we are not obligated to allow such a deposit at other times. We may adjust these limits at any time without prior notice.

5. Eligibility. To be eligible for the Service you must have the following services at the credit union:

- Mobile Banking application for Kings Federal Credit Union; and
- Checking or savings account, in good standing; and
- At least 18 years of age or older; and
- Current on all loans; and
- No charge-off share accounts or loans; and
- Member for 90 days; and
- Valid and current mailing address.
- No more than 3 overdrafts or returned deposited items in the past 12 months.

Termination of these services or abuse/misuse of the Service product may result in the removal of mobile access by the credit union.

6. Ineligible Accounts. The credit union does not allow Mobile Remote Deposit Capture for the following account types:

- Business Accounts
- Any Retirement Accounts
- Share Certificates

7. Eligible Items. You agree to image 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 KFCU shall be deemed an “item” within the meaning of Article 4 of the Uniform Commercial Code.

8. Ineligible Items. You agree that you will not use the Service to scan and deposit any checks or other items as shown below:

- Checks or items payable to any person or entity other than you.
- Checks or items payable to you and another party who is not a joint on the account.
- Checks payable to a business, organization, or estate.
- Third party checks (e.g., a check payable to someone else, endorsed and signed over to you)
- Checks that are incomplete (e.g., any item that does not contain the signature of the maker, endorsement signature(s), or other required information).
- Check or items containing obvious alteration to any of the field 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.

- Checks or items previously converted to a substitute check, as defined by Reg CC.
- Check or items drawn on a financial institution located outside the United States.
- Checks or items that are remotely created checks as defined in Reg CC.
- Checks or items not payable in United States Currency.
- Checks payable to “Cash”, “Kings Federal Credit Union”, or “KFCU”.
- Starter or counter checks.
- Money orders, travelers checks or Amex gift cheques.
- Checks or items dated more than 6 months prior to the date of the deposit.
- Checks or items that are post-dated and deposited prior to the date on that item.
- Checks that have previously been returned unpaid for any reason.
- Checks prohibited by KFCU current procedures relating to the Services or which are otherwise deemed unacceptable, in KFCU’s sole and absolute discretion.

9. Image Submission. The image submitted must be clear and legible, with the five items of negotiability, the payor and MICR lines on the check must also be legible to the credit union for processing. The image quality must meet the standards, as amended from time to time, established by the American National Standards Institute, the Board of Governors of the Federal Reserve, or any other regulatory agency, clearing house or association. Items not meeting specific standards as determined by system identification and or Credit Union standards are subject to rejection. If you have endorsed an item that has been rejected for submission through Service those items must be presented in person at one of our locations.

10. Endorsements. All checks submitted for deposit must be endorsed with the following restrictive endorsement: “For Mobile Deposit Only at KFCU” with your signature or as otherwise instructed by KFCU. The credit union will not accept third party checks through mobile deposit capture. All Endorsements must be in either blue or black ink as required for processing.

11. Receipt of Deposit. All images processed for deposit through Service will be treated as “deposits” under your current Account Agreement with us and will be subject to all terms of the Account Agreement. When we receive an image through the system, the system will notify you to of receipt of the image. Receipt of the image does not mean that the item contains no errors and may not be rejected. We reserve the right, at our sole and absolute discretion, to reject any image for deposit into your account. The manner in which the items are cleared, presented for payment, and collected shall be in KFCU’s sole discretion subject to the Depository Agreement and Disclosures governing your account. You will be notified of all rejections. We are not responsible for images or items which we do not receive. Items that are received after 1:00 pm Pacific Time will be processed on the next business day.

12. Retention of the Negotiable Instrument. You should securely retain the original checks(s) (deposited items) for a period of no less than 60 days. You agree that you will never re-present the original check unless specifically requested by the credit union. In the event that an item cannot be read through the Service process, the credit union may request the payee to submit the paper item for processing. After the end of the retention period, the original items should be destroyed writing “VOID” on the front of the check and then destroying it by crosscut shredding.

- 13. Errors.** Notify us at 559-582-4438 as soon as possible, if you believe your statement is incorrect, or if you need more information about a transaction listed on the statement. You agree to notify KFCU of any suspected errors regarding items deposited through the Service right away, and in no event later than 60 days after the applicable KFCU account statement. If you do not notify us within 60 days from the date your statement was sent to you, you may not be compensated for any loss.
- 14. Risk of Loss.** In the event of a system failure or interruption, your data may be lost or destroyed. Any remote deposit that you initiated, were in the process of completing, or completed shortly before a system failure or interruption should be verified by you through means other than online to ensure the accuracy and completeness of such transaction(s). You assume the risk of loss of your data during any system failure or interruption and the responsibility to verify the accuracy and completeness of any remote deposit so affected.
- 15. Hardware and Software.** In order to use the Service, you must obtain and maintain, at your expense, compatible hardware and software as specified by KFCU from time to time. See kingsfcu.com for current hardware and software specifications. KFCU 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.
- 16. Ownership & License.** You agree that KFCU 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, any breach of this Agreement immediately terminates your right to use the Services. 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 KFCU's business interest, or (iii) to KFCU's actual or potential economic disadvantage in any aspect. You may use the Services 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 Services.
- 17. DISCLAIMER OF WARRANTIES.** YOU AGREE YOUR USE OF THE SERVICE AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR RISK AND IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE USE OF THE SERVICES, 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 THE SERVICES
- (i) WILL MEET YOUR REQUIREMENTS,
 - (ii) WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE,
 - (iii) THE RESULTS THAT MAY BE OBTAINED FROM THE SERVICE WILL BE ACCURATE OR RELIABLE,
 - (iv) ANY ERRORS IN THE SERVICES OR TECHNOLOGY WILL BE CORRECTED.

18. 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 RESULTING FROM THE USE OR THE INABILITY TO USE THE SERVICE 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 THIS SERVICE, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE), EVEN IF KFCU HAS BEEN INFORMED OF THE POSSIBILITY THEREOF.

19. User warranties and indemnification. You warrant to KFCU that:

- You will only transmit eligible items that are properly endorsed.
- Images will meet the image quality standards.
- You will not transmit duplicate items.
- You will not deposit or represent the original item.
- All information you provide to KFCU is accurate and true.
- You will comply with this Agreement and all applicable rules, laws and regulations.
- You agree to indemnify and hold harmless KFCU from any loss for breach of this warranty provision.

20. Other terms. You may not assign this Agreement. This Agreement is entered into in Hanford, CA and shall be governed by the laws of the State of California 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.