

Lockheed Federal Credit Union e-Deposits Agreement and Disclosure

Terms of Agreement

This e-Deposits Agreement and Disclosure governs your e-Deposits Service and contains important information about your e-Deposit Service and your account(s). Please read it carefully and retain it for your records. In this e-Deposits Agreement and Disclosure, the words "you" and "your" mean each and all accountholders on the Account. The words "we", "us" "LFCU" and "Credit Union" each mean Lockheed Federal Credit Union. "Deposit" "deposits", "online deposit", "online deposits" means deposit transactions through the e-Deposits Service. The terms and conditions of this e-Deposits Agreement and Disclosure are in addition to the terms and conditions as set forth in the Membership and Accounts Agreement and Disclosure, the Account Rate Sheet, the Schedule of Service Charges and Fees, Online Banking Agreement and Disclosure and the Relationship Rewards Brochure herein incorporated by this reference.

The LFCU e-Deposits Service is available as a special service to Members in good standing that are using LFCU's Online Banking System. Use of this service will constitute acceptance of the terms and conditions presented specifically for this service.

Deposit of Funds

As a LFCU member, you may deposit up to \$1,500.00 (one thousand, five hundred dollars) into your Checking or Savings Account by entering the required information during an e-Deposits session. An e-Deposits session occurs when you select the deposit icon ("log-in") in the LFCU Online Banking System, enter an online deposit item (such as a check) or multiple online deposit items, and post the total amount to your account. Each login that results in a posted online deposit is considered an e-Deposits session. You may complete more than one e-Deposits session as long as the \$1,500 maximum e-Deposits limit is not exceeded.

The total amount posted during each e-Deposits session will be provisionally credited to your selected checking or savings account on the same date your online deposit entry is made. Your e-Deposits will be provisionally credited to your account.

Provisional credit means any items accepted for e-Deposits (including items drawn "on us") will be given only provisional credit until collection is final. If the item is returned unpaid we may resubmit the item and/or will return the item (or substitute item) to you. The Credit Union has the sole discretion to determine whether to accept an item for deposit or collection.

In exchange for provisional credit of funds using e-Deposits, you agree to:

- Record an e-Deposits session number that will be assigned by LFCU on your mailing envelope;
- Mail in the **exact dollar amount**, you have indicated, for each individual session;
- Not include any other correspondence or material of any type with the e-Deposits items;
- Use the pre-addressed envelopes provided to you **ONLY** for mailing the contents of each e-Deposits session to LFCU;
- Promptly mail the contents of each e-Deposits session no later than one day after the date that you complete your e-Deposits session;
- Mail the contents of each e-Deposits session (the items being deposited) in a single envelope to the special e-Deposits post office box assigned by LFCU, and agree not to mail the contents of more than one e-Deposits session in a single special e-Deposits envelope.

For example, Jane Member deposits three checks to her account during one e-Deposits session. Those same three checks must be mailed together in one preaddressed envelope with the e-Deposits session number noted on the

preaddressed envelope to the LFCU e-Deposits post office box. If Jane completes a second e-Deposits session, the contents of that e-Deposits session must be mailed together in a second preaddressed e-Deposits envelope with the e-Deposits session number noted to the LFCU e-Deposits post office box.

- Fully cooperate with LFCU in any investigation involving lost mail or missing online deposit items from your e-Deposits envelope.

Online deposit items that are received and processed by LFCU within the 10-day grace period will refresh the available e-Deposits limit on the account.

For example, a single \$1,500.00 online deposit will restrict additional e-Deposits sessions to the account until the online deposit item(s) is received and processed by LFCU.

e-Deposits Not Received or Missing e-Deposits Items

The e-Deposits items that make up the total online deposit in each e-Deposits session must be received by LFCU within a 10 calendar day grace period that begins the day after the date of each e-Deposits session. If the e-Deposits items are not received by LFCU within the 10 calendar day period, the deposit total may be reversed on your account. This may result in a negative balance in your checking or savings account.

The e-Deposits Service allows you to view through the LFCU Online Banking System, e-Deposits that have not been received and processed by LFCU. If you think you have made an error during an e-Deposits session, you omitted an e-Deposits item from your deposit envelope, or you have a question about your e-Deposits, you may contact LFCU in the following ways:

E-mail us anytime at www.lfcu.com, (click on "Contact Us" at the top of the LFCU home page)

Use **LFCU's Internet Live Chat** during business hours (Monday-Friday 6 a.m.- 8 p.m., Saturday 9 a.m.-3 p.m. PST);

Telephone LFCU at 800-328-LFCU during business hours (listed above); or

Write to:

Lockheed Federal Credit Union
e-Deposits
Post Office Box 10561
Burbank, CA 91510-0561

If you notify us that you mailed the online deposit item(s) that made up the total online deposit in an e-Deposits session, and LFCU determines that your e-Deposits envelope is lost in the mail or an online deposit item is missing from your e-Deposits envelope, LFCU will begin an investigation.

You agree to fully cooperate with LFCU in the investigation by performing the following steps

- You agree to contact the maker of any missing e-Deposits item(s) within two days of the start of the investigation to obtain replacements for the missing e-Deposits item(s).
- You agree to validate each missing online deposit item(s) by providing us with documentation that includes but is not limited to payroll stubs, check stubs, sales invoices, information about the maker of the online deposits item(s) or any other documentation that supports the validity of each missing online deposit item(s) and that will be used by you to obtain a replacement

item(s) from the maker of each original missing online deposit item(s).

- LFCU will provisionally credit your account for the amount of each missing online deposit item(s) validated by you, from the e-Deposits session under investigation, for a period of no longer than 45 days, so that you have full use of the money and to give you sufficient time to obtain a replacement item(s). LFCU will not credit your account for any missing online deposit item(s) you fail to validate. If additional time is required to obtain a replacement online deposit item(s), you must provide LFCU with written documentation from the maker(s) of the online deposit item(s) that supports the need to extend the time frame.

Unacceptable e-Deposits

You agree the following items will not be considered an acceptable online deposit under the e-Deposits Agreement and Disclosure. e-Deposits of the nature described below will result in the immediate reversal of the e-Deposits to your account and may result in the suspension of this service. An e-Deposits reversal means the amount of the item(s) deposited online will be removed from your account and will reduce your checking or savings account balance. The reversal may also result in a negative balance on your checking or savings account.

Unacceptable e-Deposits include but are not limited to the following:

- e-Deposits of a LFCU Check Drawn on your Personal Account - The e-Deposits of a personal check that is drawn on the account holder's personal checking at LFCU is PROHIBITED. Online deposits of this nature will result in the immediate termination of the e-Deposits Service. This type of activity could be interpreted as Kiting.
- Deposits Over \$1,500 – The deposit of one item in excess of \$1500 or items totaling in excess of \$1,500 is Prohibited. The deposit may not be credited to your account.
- Non-Negotiable Items - The online deposit of any item stamped "non-negotiable" (in print or as a watermark) is PROHIBITED. e-Deposits of this nature will result in the immediate termination of the e-Deposits Service.
- Altered Checks - An altered check is any check that contains evidence of a change (correction fluid, crossed out amounts, etc.) to information on the face of the check. Members with altered checks MUST obtain a replacement check from the maker. LFCU does not accept altered item(s).
- Foreign Checks - A foreign check is any check that is issued to you by a financial institution in another country (Canada, France, etc.). Foreign checks are generally not deposited, and are sent for collection to the paying financial institution. Foreign checks/items may ONLY be deposited by mail or at one of our branch locations. Please remit all foreign checks to:

Lockheed Federal Credit Union
Branch Support
P.O. Box 10848
Burbank, CA 91510

- Incomplete Items - An incomplete item is any item that does not contain signatures of the maker, endorsement signatures, or is missing any of the information required during entry in an e-Deposits session.
- Stale Dated Checks – are checks which may contain an expiration date such as: "Void 90 days after issue date" or "Must be cashed within six months of issue date," or a check with an issuance date greater than six months. LFCU does not intentionally accept stale dated checks. Members with stale dated checks should obtain a replacement check from the maker or issuer.

- Checks made payable to a non-account owner (made to a third party, not an owner on the LFCU account) – Items deposited through the e-Deposits Service must be properly payable to the account owner(s). If the item is made payable to a party that is not on the account, the check will be rejected, and the provisional credit will be reversed.
- Cash –LFCU is not responsible for lost coin or currency sent through the U.S. mail. United States and foreign currency and coin are impermissible e-Deposits which may result in the suspension of this service.
- Savings Bonds –require special handling. Savings Bonds will be rejected and the provisional credit will be reversed. Savings Bonds are impermissible e-Deposits which may result in the suspension of this service.

All items deposited via e-Deposits, will be handled by the Credit Union as your agent, and are given provisional credit until collection is final. If for any reason final payment is not received (for example, the item is returned to us unpaid for example as insufficient funds or refer to maker), the provisional credit will be reversed. You will be charged a Deposited or Cashed Checks Returned Unpaid Fee for each item where collection is not final. If an item is returned unpaid LFCU may resubmit the item. LFCU will charge a Resubmitted Fee if we resubmit an item. Please refer to our current Schedule of Service Charges and Fees for the Deposited or Cashed Checks Returned Unpaid Fee or Resubmitted Fee amount.

The Credit Union assumes no responsibility beyond the exercise of ordinary care in handling items on your behalf. Further, the Credit Union will not be liable for default or negligence of any correspondent or for items loss in transit, and each correspondent will only be liable for its own negligence. The Credit Union has the sole discretion to determine whether to accept or reject an item for deposit and if the item is accepted by the credit union, whether that item will be sent for collection.

If a claim is made with respect to any items subsequent to final payment on the grounds that such item was altered or bore a forged or unauthorized endorsement or was otherwise not properly payable, the Credit Union may withhold the amount thereof from the account until final determination of such claim. We have the right to refuse to accept any item for deposit and we specifically reserve the right to refuse to accept checks for deposit or e-deposits that have more than one endorsement or bear a conditional endorsement.

Termination of e-Deposits Services

Your e-Deposits Service may be canceled, without notice, for mishandling of the e-Deposits service, including but not limited to:

- Posting e-Deposits to your account to inflate the account balance and then withdrawing cash or cashing a check at a LFCU or shared branch the same day,
- Sending in your e-Deposits past the 10 day grace period
- Sending your e-Deposits to the wrong address (including wrong post office box number)
- Not sending e-Deposits in the special e-Deposits envelope,
- Not accurately posting the exact amount of the e-Deposits
- Sending “Unacceptable e-Deposits” (discussed above)
- Mishandling of LFCU deposit and loan accounts, which may include excessive NSF’s, delinquent loan obligations, overdrawn account, kiting activities, etc.

The Credit Union reserves the right to cancel this service at anytime without notice to you.

Processing Fees

You agree to immediately reimburse LFCU for any negative balance in your account caused by your use of the e-Deposits Service. In the event legal action is required, you agree to pay LFCU for its reasonable attorney’s fees and court costs.

LFCU will not be liable for negative balances on accounts caused by the non-payment of checks due to insufficient funds, delays in the mail service or for any action by the member or authorized user of the account that results in the reversal of a deposit on the account.

LFCU reserves the right to discontinue your e-Deposits Service or to suspend account access at any time due to a change in business conditions or the failure of any account owner or authorized user to abide by the LFCU Online Banking Agreement and Disclosure, the e-Deposits Agreement and Disclosure, the Membership and Accounts Agreement and Disclosure, cause the Credit Union a loss, or any other applicable LFCU Agreements and Disclosures.

Any online deposits returned unpaid will be subject to additional fees. Fees and charges directly associated with each account product type are discussed in the LFCU Membership and Accounts Agreement and Disclosure. In addition to the fees and service charges disclosed in this e-Deposits agreement and disclosure, there are fees and charges for other services provided relating to your account(s), such as, but not limited to fees for checks returned unpaid. You agree to pay all fees and charges assessed by the LFCU from time to time for use of the account. Please refer to the current Schedule of Service Charges and Fees for a complete listing of all Service Charges and Fees.

Member Liability for Unauthorized Use

CONTACT US IMMEDIATELY if you believe that unauthorized activity has been conducted through the e-Deposits Service. Telephoning our Member Service Center at (800) 328-LFCU or (818) 565-2000 (outside of the continental U.S.) is the best way of keeping damages to a minimum. If you notify us of the misuse of your e-Deposits Service within two business days, you can lose no more than \$50 (fifty dollars). If you do NOT tell us within two business days, and LFCU can prove LFCU could have stopped the misuse of your e-Deposits Service without your permission if you told us, you could lose as much as \$500.00 (five hundred dollars). Account owner liability limitations of \$50 to \$500 apply to natural person members and do not apply to non-natural members who include but are not limited to trusts, partnerships, corporations, and associations. Non-natural member loss could be equal to the total amount of unauthorized activity.

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed (or mail notification was sent) to you, you may not get back any money you lost after the 60 days if LFCU can prove that LFCU could have stopped someone from conducting an unauthorized transaction if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, LFCU will extend the time periods with appropriate documentation of proof.

How to Contact Us

In the event of error or question about any transactions, you may call the LFCU Member Service Center at **(800) 328-LFCU** or **(818) 565-2000** (outside of the continental U.S.) or write to us at:

Lockheed Federal Credit Union
e-Deposits
P.O. Box 10561
Burbank, CA 91510-0561

Business Days/Hours

For purposes of this disclosure, our business days/hours are Monday through Friday, 7:00 AM to 6:00 PM PT except for Federal holidays.

Types of Transfers and Limitation

For purposes of the e-Deposits Service only, the only transfers available are e-Deposits of an accumulated amount capped at \$1,500.00 (one thousand, five hundred dollars). As soon as LFCU receives your items for e-Deposits, the amount of the item(s) will be deducted from your accumulated e-Deposits amount.

Account Statements, E-Statements, and Notices

We will send you a monthly statement reflecting the activity on your Account for each statement period. The statement and all other notices will be mailed to you at your address as is reflected on our account records. If you have elected e-statements, you will receive a notification at your e-mail address to retrieve your monthly statement. Notification to retrieve your e-statements and all other notices will be e-mailed to you at your e-mail address reflected on our account records. It is your duty to exercise reasonable care and promptness in the examination of the monthly statement submitted to you by the Credit Union, and to discover any errors, unauthorized transactions or alterations on any items charged to your account, and to notify the Credit Union promptly after discovery. Failure to discover and/or report errors or unauthorized transactions within 30 days (60 days for ACH, ATM, POS and other EFTs) from the time the statement is made available to you will constitute a breach of your duty hereunder and preclude any claims for loss.

LFCU's Liability For The e-Deposits Service

If LFCU does not complete a transaction to your account on time or in the correct amount according to our agreement with you, LFCU will be liable for your losses or damages. However, there are some exceptions. LFCU will not be liable, for instance:

1. If, through no fault of ours, you do not immediately reimburse LFCU by not submitting your e-Deposits within ten (10) days;
2. If an item is returned unpaid;
3. If the e-Deposits amount is over the maximum availability of \$1,500.00 (one thousand, five hundred dollars);
4. If circumstances beyond our control (such as fire, flood, internet malfunctions) prevent the transaction, despite reasonable precautions that LFCU have taken.

Confidentiality

LFCU will not disclose information to third parties about your account(s) or transaction(s) unless:

1. Where it is necessary to complete transfers;
2. It is necessary to verify the existence or condition of your account(s) for a third party such as a credit reporting agency or merchant;
3. It is needed to comply with a government agency or court order;
4. You give us written permission.

Other Agreements And Conditions: (1) The Credit Union reserves the right to change the terms of this Agreement and Disclosure at any time. (2) You agree to notify us of all changes in your physical address and email address. (3) Withdrawal of any or all funds from your Account by you or your beneficiaries will discharge us from any liability for such payment. (4) You agree to be bound by the By-Laws, regulations, policies and other practices of the Credit Union now in effect or as amended or later adopted regarding this Service.