

Sandia Laboratory Federal Credit Union

CU@home Deposit Terms and Conditions User Agreement ("Agreement")

This Agreement governs the use of CU@home Deposit services, provided by Sandia Laboratory Federal Credit Union ("SLFCU," "we," "us"). By using CU@home Deposit to make deposits from your home or some other remote location, you agree to the terms of this Agreement. CU@home Deposit is only available to members who have already been qualified for Shared Branching services from SLFCU and have already agreed to the terms of use for CU@home[®], SLFCU's Internet Banking service.

As used in this Agreement, "account" and "accounts" mean the primary share account, checking accounts, and money market accounts tied to your member identification number used through CU@home. "Account(s)" shall not refer to an Individual Retirement Account or any other account receiving favorable tax treatment under state or federal law. "You," "your," and "yours" mean the person(s) using CU@home Deposit. The terms "SLFCU" and "processor" may be used interchangeably when used in relation to any services performed by a processor on behalf of SLFCU.

Description of CU@home Deposit

CU@home Deposit" is the service designed to allow you to make deposits to your SLFCU share savings, share draft (checking), and money market accounts by scanning checks and delivering images and associated deposit information (the "Deposit") to SLFCU or its designated processor over the internet. Fees for the service, if any, are disclosed on our Schedule of Fees and Charges.

Share Account Agreements Incorporated into this Agreement

The terms and conditions in this Agreement do not replace, but are in addition to, any share account agreements you have with SLFCU, including your Universal Disclosure and Member Handbook or Business Membership and Account Handbook, as applicable, Signature Card, Truth in Savings Disclosure, CU@home Terms and Conditions, SLFCU's Rules and Regulations for Share Accounts, as amended, SLFCU's Fee Schedule or any accompanying schedules, SLFCU's Electronic Fund Transfer Disclosure, any overdraft protection agreement (together the "Share Account Agreement"), and any change of terms notices.

Required Equipment

In order to use CU@home Deposit you need all the equipment including third party software required for CU@home. See our current CU@home Terms and Conditions. You will also need a TWAIN compliant document scanner.

You are responsible at your own expense for the installation, maintenance, updating and operation of your equipment. You agree to responsibly scan your equipment to detect and remove viruses. SLFCU is not responsible for (i) any errors or failures from any malfunction of your scanner, computer, the browser or the software; or (ii) any computer virus or related problems that may be associated with the use of an online system. You agree that any losses

or damage to your computer or any losses to your account as a result of a virus or other harmful software are your sole responsibility.

Service Limitations

SLFCU is not responsible for technical or other difficulties you may experience in using CU@home Deposit. SLFCU reserves the right to change, suspend, or discontinue CU@home Deposit, or your use of CU@home Deposit. SLFCU also reserves the right to deny access to an account or to deny transactions under certain circumstances. We may do so immediately and at any time without prior notice to you. However, if we make a material change in this Agreement or the CU@home Deposit services, we will notify you. Your continued use of CU@home Deposit constitutes your agreement to the new terms.

SLFCU also reserves the right to impose limits on the number of deposits or on the dollar amount of deposits you may make using CU@home Deposit..

Items Eligible for Deposit; Prohibited Checks

You agree to scan and deposit only "check(s)" as that term is defined in Subpart D of Federal Reserve Board Regulation CC, and to the extent applicable, Subpart A ("Reg CC"). You also agree that the image of the check that is transmitted to SLFCU shall be deemed an "item" within the meaning of Article 4 of the Uniform Commercial Code as enacted by the State of New Mexico.

You agree that you will not use CU@home Deposit to deposit any check(s) or other item(s) that:

- a) are payable to any person or entity other than you, (except for government checks payable to you and your spouse/domestic partner where you have provided the dual-endorsement required) or that include a third-party endorsement;
- b) are dated more than 12 months prior to the date of deposit;
- c) contain obvious alterations on the front of the check or item, or which you know or suspect, or should know or suspect, is fraudulent or otherwise not authorized by the owner of the account on which the check is drawn, including checks received via Internet solicitations;
- d) were previously converted to a substitute check, as defined in Reg CC;
- e) are drawn on financial institutions that are located outside of the United States or that are not payable in US dollars;
- f) are a Remotely Created Check, as that term is defined in Reg CC; or
- g) are not acceptable to SLFCU for CU@home Deposit, including Savings Bonds or Mutilated Checks;
- h) are from a foreign lottery, whether you entered the foreign lottery or not; or are from a "work from home" or similar program that you find or finds you on the internet such as Craig's List, etc.;
- i) are prohibited by our then-current procedures pertaining to CU@home Deposit, or are otherwise not acceptable under the terms of your SLFCU account, or are in violation of any law, rule or regulation.

Checks and items described in clauses (a) through (i) are each a "Prohibited Check." If you deposit a Prohibited Check, you agree to indemnify and hold us harmless from all losses, cost and expenses (including attorneys fees) we may incur associated with any warranty, indemnity or other claim related thereto.

Deposit/Image Quality

Each Deposit you transmit to SLFCU using CU@home Deposit must be legible, and the image quality must meet all standards established by the American National Standards Institute ("ANSI"), the Board of Governors of the Federal Reserve or any other regulatory agency, clearing house or association.

Your scanner must capture an image of all information on the front and back of each check ("Image"), including reading and capturing the full-field magnetic ink character recognition ("MICR") line on each check, and such other data and information as is required by this Agreement.

Endorsements and other Procedures

You agree to endorse each item transmitted through CU@home Deposit and to follow such other procedures as we may establish from time to time and disclose to you, including without limitation security procedures.

Security

You agree to keep confidential and secure any security procedures that we establish, including your CU@home password, and to notify us immediately if you have reason to believe that confidentiality or security pertaining to the CU@home Deposit service or any check transmitted through CU@home Deposit has been or may be breached. Please refer to additional security provisions in your SLFCU CU@home Terms and Conditions.

Your Treatment of Items after our Receipt

You agree that after you receive our confirmation of SLFCU's receipt of a Deposit you will 1) never re-present the check for payment, 2) prominently mark the check, and any carbon copy in your checkbook, "VOID" and keep it securely for sixty (60) days to ensure that it may not be re-presented, and 3) then destroy it to ensure that it may not be re-presented. You promise to keep copies of the Deposits in a secure manner and, if requested, provide SLFCU promptly with assistance, such as copies of the Images or of the original check (before it is destroyed), to aid possible clearing and collection processes, to resolve disputes with third parties, or to meet our audit needs.

SLFCU's Receipt of Items

You agree that we have no obligation to accept a Deposit, and that SLFCU reserves the right to reject any item at our discretion and without obligation or liability to you. We are not responsible for items we do not receive or that are dropped during transmission. An item is deemed to be received by us only when you receive a confirmation from us that we have received the Deposit. However, your receipt of such confirmation does not mean that the transmission was error free or complete. We have no obligation to notify you of our rejection of a Deposit. To confirm the status of a transmission, contact us at 505-293-0500 or 800-947-5328 at any time we are open for business. You agree to indemnify us for any loss we sustain for accepting a Deposit.

Provisional Credit and Availability of Funds; Presentment

Upon receipt of the Deposit, SLFCU will grant the designated account credit in the amount of the check(s) provisionally, subject to final payment of the check(s) and subject to the terms of this Agreement and our then-current Funds Availability Policy (see the Universal Disclosure). You shall remain liable to SLFCU for any errors, inaccuracies, breach of warranties and any other loss sustained by, or claim made against, SLFCU.

To be eligible for processing on the day transmitted by CU@home Deposit, the Deposit must be technically conforming as determined by SLFCU in its sole discretion. You agree that checks transmitted through CU@home Deposit are not subject to the funds availability rules of FRB Regulation CC. Please refer to our Funds Availability Policy (in the Universal Disclosure) for the availability of received funds.

As of March 1, 2010, subject to change with notice, checks transmitted to us by CU@home Deposit will have immediate provisional credit on amounts up to \$2,500. If your deposit is greater than \$2,500, we will make \$100 available immediately and the remainder will become available in five business days. We reserve the right to place an Exception Hold (in which case notice will be sent) and hold your funds up to seven business days on all Deposits.

There is a limit of \$25,000 that you may deposit per business day (6pm Mountain Time, Monday-Friday, excluding federal holidays) through CU@home Deposit. We may make funds available earlier on a case by case basis depending on factors in our sole discretion such as your history with us, your credit and transactions history and such other factors as we in our sole discretion may apply.

SLFCU has sole discretion as to the manner in which checks are cleared, presented for payment and collected, subject to the Share Account Agreement.

Errors

SLFCU has no obligation to detect errors by you or others, even if we take certain actions from time to time to do so. To ensure accuracy, you agree to accurately enter the dollar amount of each Deposit according to the legal amount rather than the courtesy amount if they differ. The legal amount is the written amount and the courtesy amount is the digital amount on a check.

You also agree to notify us of any suspected errors in the Deposit(s) promptly and in no event later than sixty (60) days after the periodic account statement for that account is sent. Unless you notify us within 60 days, such statement regarding deposits made through CU@home Deposit will be deemed correct, and you are prohibited from bringing a claim against us for an alleged error.

User Warranties and Indemnity

You warrant that

- (a) You will only transmit eligible checks;
- (b) The original item was a paper check that you scanned;
- (c) Images will meet image quality standards;
- (d) You will not transmit duplicate items;
- (e) You will not deposit or re-present the original item;

- (f) All information you provide to SLFCU is accurate and true;
- (g) You will comply with this Agreement and all applicable laws and rules; and
- (h) If you are a business member, this Agreement is valid and enforceable against you.

You agree to indemnify and hold harmless SLFCU from any loss, cost and expenses (including attorney's fees) for breach of this warranty clause or of this Agreement.

Ownership and License; Termination of Rights

You agree that you have no ownership interest in CU@home Deposit and that your use of CU@home Deposit is subject to your compliance with this Agreement. Any breach of this Agreement immediately terminates your rights to use CU@home Deposit. Without limiting the foregoing, you may not use CU@home Deposit in any way or for any purpose that is contrary to SLFCU's business interests or harmful to SLFCU. You agree not to copy or reverse engineer or reverse compile any of the technology used to provide CU@home Deposit.

Other Termination

If you wish to terminate CU@home Deposit services at any time, notify SLFCU via CU@home secure message or call SLFCU at 505-293-0500 or 800-947-5328.

In addition to denial, suspension, and termination provisions elsewhere in this Agreement, SLFCU may terminate CU@home Deposit if your account is not accessed through CU@home for six months or more. Neither termination, suspension nor discontinuation of CU@home Deposit shall affect your liability or obligation under this Agreement.

Exclusion of Warranties and Limitation of Liability

Your use of CU@home Deposit is at your own risk. CU@home Deposit and related documentation is provided "as is." We disclaim all warranties of any kind, express or implied, including without limitation warranties of merchantability or fitness for a particular purpose and non-infringement. We make no warranty that CU@home Deposit (a) will be uninterrupted, timely, secure or error-free; (b) that the results from CU@home Deposit will be accurate or reliable; and (c) that any errors will be corrected.

You agree that we will not be liable for any direct, indirect, consequential, special, or exemplary damages, including without limitation damages for loss of profits, use, data, goodwill or other losses resulting from use or inability to use CU@home Deposit or the termination of CU@home Deposit, regardless of the form of action or claim, even if SLFCU has been informed of the possibility thereof.

Meeting Your Obligations

If your use of CU@home Deposit results in your becoming indebted to the Credit Union, you agree to pay what you owe us upon our demand. If you do not do so, you agree to pay reasonable collection costs we incur before taking legal action against you. If we take legal action to collect what you owe, you agree to pay our reasonable attorney's fees and court costs in addition to any other remedy the court finds proper. We reserve to use the right of offset (as explained in the Universal Disclosure) against any account in which you or a joint owner may have an ownership right, to remedy any loss or account deficiency as a result of you using CU@home Deposit.

Conflict of Terms

In the event of a conflict between the terms of this Agreement and SLFCU's CU@home Terms and Conditions, the terms of this Agreement shall prevail.

Assignment

You may not assign this Agreement to any other party. SLFCU may assign this Agreement to any present or future, directly or indirectly, affiliated company. SLFCU may also assign or delegate certain of its rights and responsibilities under this Agreement to independent contractors or other third parties.

No Waiver

SLFCU shall not be deemed to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by SLFCU. No delay or omission on the part of SLFCU in exercising any right or remedy shall operate as a waiver of such right or remedy or any other rights or remedies. A waiver on any particular occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.

Governing Law

This Agreement shall be governed by the laws of the jurisdiction in which SLFCU is located and by applicable Federal laws and regulations.