

HUDSON HERITAGE FEDERAL CREDIT UNION

REMOTE DEPOSIT SERVICES AGREEMENT

This Remote Deposit Services Agreement (“Agreement”) contains the terms and conditions for use of the Remote Deposit Services (the “Services”) described in this Agreement entered into between Hudson Heritage Federal Credit Union (“HHFCU”, “We”, “Us”, or “Our”) and “Member” (hereinafter referred to as “Member”, “You” or “Your”). The terms, provisions and conditions of this Agreement do not replace, but supplement any and all other agreements (whether now or in the future) and which are incorporated herein by this reference, that govern any account maintained by you. The word “account” means any one or more deposit accounts you have with us.

The Services are designed to allow you to make deposits to your savings, checking and money market accounts with HHFCU from your camera-enabled mobile device capable of capturing check images and information and electronically delivering the items and associated deposit information to HHFCU or HHFCU’s designated processor. The device must capture an image and all information shown on the front and back of each check to be deposited in accordance with the “Enforcement and Procedures” and “Check Requirements” provisions hereinafter set forth in this Agreement; must read and capture the magnetic ink character recognition (“MICR”) line on each check; and capture all such other data and information as is required by this agreement or federal law for the processing of these checks for payment using the Services.

Account Eligibility

- Account must have 60 days of history
- Member must be at least 18 years of age
- Current mailing address must be on file at the credit union
- No HHFCU loan delinquency of 30 days or more
- No overdrawn account balances of 16 days or more
- Cannot have caused a loss to the credit union
- Account must not have any levies or garnishments

Acceptance of these Terms: Your use of the Services constitutes your acceptance of this Agreement. This Agreement is subject to change from time to time. We will notify you in writing via email of any change. Your continued use of the Services will indicate your acceptance of the revised Agreement. Further, HHFCU reserves the right, in its sole discretion, to change, modify, add or remove portions from the Services. Your continued use of the Services will indicate your acceptance of any such changes to the Services.

Hardware and Software Requirements: In order to use the Services, you must have, at your own cost and expense, a mobile device that is acceptable to us, a wireless plan from a compatible mobile wireless provider necessary for the Services and application upgrades as may be required for the continued use of the Services. You agree to comply with the Hardware and Software Requirements set forth in this Agreement, as they may be changed from time to

time at the sole discretion of HHFCU. You must also use the operating system(s) and software that satisfies all technical specifications and other requirements that we or our service provider(s) establish and specify. HHFCU and/or service provider(s) may change these specifications and/or requirements from time to time. HHFCU is not responsible for any third party software you may need to use the Services. You agree that you will perform, or cause to be performed by properly trained personnel, all vendor recommended maintenance, repairs, upgrades or replacements. Unless otherwise provided in this Agreement, you are solely responsible, at your own expense, for purchasing, installing, operating, testing and maintaining all hardware and software necessary to use the Service. You must install and test your mobile device, your system, and any other required hardware and software before you make your first deposit through the Service. You accept any such software "as is" and subject to the terms and conditions of the software agreement that you enter into directly with the third party software provider at the time of download and installation. HHFCU is not responsible for, and you release us from, any and all claims or damages, resulting from, or related to, any computer virus or related problems that may be associated with using the Service, e-mail, or the Internet. You agree that all images and files transmitted to us through the Service will contain no viruses or any other disabling features that may have an adverse impact on our network, data, or related systems.

Receipt of Items: All images processed for deposit through the Services will be treated as "deposits" under your current agreements with us and will be subject to all terms of any applicable agreements. HHFCU is not responsible for items we do not receive or for images that are dropped during transmission. An image of an item shall be deemed received when you receive written confirmation via email from **HHFCU** that we have received the image. Receipt of such information does not mean that the image is error free or complete.

Following receipt, we may process the image by preparing a "substitute check" as defined under the Check Clearing for the 21st Century Act or clearing the item as an image.

HHFCU reserves the right, in our sole discretion, to reject any image transmitted through the Services. We will notify you of rejected images.

Availability of Funds: Funds from deposited items will be available on the third business day from the day of deposit. For purposes of determining the availability of funds, checks deposited via the Services are considered received by us when our Mobile Deposits Remote Deposit System (the "System") indicates the image has been received by HHFCU. Member agrees that the scanning and transmitting of a check image does not constitute receipt by us.

Deposit Limits: HHFCU reserves the right to establish and assign to you deposit limits for the Services (including limits on the dollar amount and/or number of checks that you may transmit through the Service each day) and to modify such limits from time to time in HHFCU's sole discretion, and you agree to comply with all such limits. Our current daily deposit limit is \$1000.00 per day. Some restrictions apply.

Fees and Charges: HHFCU offers the benefits and convenience of the Services to you free as of the date of this Agreement. HHFCU reserves the right to charge fees for the Services in the future. You agree that your use of the Services may result in the charge of fees as outlined in our Fee Schedule.

Endorsements and Procedures: You agree to restrictively endorse any item transmitted through the Service as: your signature, "FOR REMOTE DEPOSIT", and your account number. You agree to follow any and all procedures and instructions for use of the Services as HHFCU may establish from time to time. Endorsements must be made on the back of the check within 1.5 inches from the top edge, although we may accept endorsements outside this space. Any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you will be your responsibility. For a check payable to you and any joint owner(s) of your HHFCU account, the check must be endorsed by all payees and you may only use mobile deposit to deposit such check into an HHFCU account jointly owned by all such payees. If the check is payable to you or your joint owner, either of you can endorse it. If the check is made payable to you and any non-joint owner, you may not deposit the check into your HHFCU account using the Services. And you agree never to represent the item. You will promptly provide any retained item, or sufficient copy of the front and back of the item, to HHFCU as requested to aid in the clearing and collection process, to resolve claims by third parties with respect to any item, or for HHFCU's audit purposes.

Check Requirements (including image quality): You agree to deposit only "checks" as that term is defined in the Federal Reserve Board of Governor's Regulation CC. You agree the image of the check transmitted to us shall be deemed an "item" within the meaning of Article 4 of the Uniform Commercial Code as adopted by the State of New York. The image of an item transmitted to HHFCU using the Services must be legible and must accurately present images of the front and back of the check. The image quality of the items must comply with the requirements established from time to time by the American National Standards Institute ("ANSI"), the Board of Governors of the Federal Reserve Board, or any other regulatory agency, clearing house or association. These requirements include, but are not limited to, ensuring the following information can clearly be read and understood by sight review of the check image: the amount of the check (both written and numeric); the payee; the signature of the drawer (maker); the date; the check number, the information identifying the drawer and the paying financial institution that is preprinted on the check including the MICR line; and all other information placed on the check prior to the time of 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). You will not use the Services to deposit any third party endorsed checks or checks which appear to have been altered or fraudulent.

Items Eligible for Deposit

- Single party checks
- Joint party checks provided check is being deposited into an account with both names.

Items Not Eligible for Deposit

- Third party checks
- Checks containing alterations
- Checks drawn on financial institutions outside the US
- Checks not payable in US currency
- Stale-dated checks
- Post-dated checks
- Checks purporting to be a lottery or prize winning

Storage, Security and Destruction/Disposal of the Checks: After you receive confirmation that we have received an image, you agree to prominently mark on the front of the original check(s) “remotely Deposited” or “RDC on date” to ensure the check(s) are not re-presented for payment of deposit again. You must securely store the original check for forty-five (45) days after transmission to us and make the original check available to us at our request. Upon our request from time to time, you will deliver to us within two business days, at your expense, the original check in your possession. If not provided in a timely manner, such amount will be reversed from your account. Promptly after the forty-five (45)-day retention period expires and no later than sixty (60) days, you must destroy the original check by first marking it “VOID” and then destroying it by cross-cut shredding or another commercially acceptable means of destruction. After destruction of the original check, the image will be the sole evidence of the original check. You agree that you will never represent the original check. You understand that you are responsible if anyone is asked to make a payment based on an original check that has already been paid.

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 that 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 HHFCU harmless from and against all claims, actions, liability and damages including reasonable attorney’s fees and expenses that may arise from your use of the Service and/or breach of this Agreement, as well as any claims, actions, liability and damages which may result from any claims, suits or demands of third parties with respect to such check or substitute check. This paragraph and the indemnification obligations set forth herein, shall survive the termination of this Agreement.. You agree that we may debit from your HHFCU account the aggregate amount of any checks that are deposited more than once. To the extent that funds in your account are insufficient to cover such amount, HHFCU, in our sole discretion, shall overdraw the account and you will be responsible for payment or debit of the deficiency amount from any other of your account(s) with HHFCU.

Your Authentication Method: You agree that HHFCU is entitled to act upon instructions we receive with respect to the Service under your user ID, password, test key or other code or authentication method that we require (these components are referred to herein collectively as your “Authentication Method”). You are liable for all transactions made or authorized with the use of your Authentication Method. We have no responsibility for establishing the identity of any person who uses your Authentication Method. You agree that if you give any component of your Authentication Method to anyone or fail to safeguard its secrecy, you will be in violation of your obligations under your HHFCU Electronic Funds Transfer Agreement you received at account opening and this Agreement. You agree to take the appropriate steps to ensure all components of your Authentication Method are protected and kept confidential. You agree to indemnify and release us from any and all liability, and agree not to make any claim or bring any action against us, relating to honoring or allowing actions or transactions that are conducted under your Authentication Method or acting upon instructions, messages or authorizations provided to us using your Authentication Method. By accessing the Service with your Authentication Method, you authorize us to complete the requested transaction(s) through the Service. Any requests or instructions we receive from you through the Service using your Authentication Method shall be considered “in writing” under all applicable law and shall have the same force and legal effect as a writing signed by you. This includes, but is not limited to, inquiries, deposit transactions, checks deposited, check images, changes to accounts or services or any other communication you provide us through the Service using your Authentication Method.

Rejection of Deposits: After we receive check images and all other required deposit information from you through the Service, we shall provisionally credit your designated account for the total amount of such checks. The provisional credit is subject to final payment of the checks and is also subject to your HHFCU Membership Account Agreement you received at account opening. You agree that all deposits received by us are subject to verification and final inspection and may be rejected by us in our sole discretion, and you shall be liable to HHFCU for any errors, inaccuracies, breach of warranties and any other loss sustained by, or claim made against HHFCU relating to such deposits. HHFCU is not liable for any service or late charges that may be imposed against you due to HHFCU's rejection of any check that you transmit for deposit through the Service. In all cases, you are responsible for any loss or overdraft plus any applicable fees to your account due to a check being returned. You acknowledge and agree that, while we normally provide notice of rejected deposits, we may reject any check transmitted through the Service in our sole discretion without notice to you, and we will not be liable for any such rejection or failure to notify you of such rejection. If we reject a check for remote deposit, you must physically deposit the original check.

Unpaid Checks: Should you fail to produce the original check as requested by HHFCU, you authorize us to deduct that amount from your account. You are solely responsible for verifying that checks you deposit by using the Service have been received and accepted by HHFCU. HHFCU will provide you with a notice of any deposits that it is unable to process because checks were returned unpaid by the payer financial institution. You agree to accept such notices at your e-mail address on file with us, but we may choose any reasonable method for providing notices to you. In the event that HHFCU credits your account for a check that is subsequently dishonored and returned, you authorize HHFCU to debit the amount of such check plus any associated fees from the account. To the extent that funds in your account are insufficient to cover such amount, HHFCU, in our sole discretion, shall overdraw the account and you will be responsible for payment or debit the deficiency amount from any of your other accounts with HHFCU. Our right to charge your account(s) 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. You understand and agree that although the original check is your property, it will not be returned and HHFCU may charge back an image of the check, an ACH debit, or other electronic or paper debit, as applicable to your account. You further agree that any image that we charge back may be in the form of an electronic or paper reproduction of the original check or substitute check. You may not use the Service to deposit a substitute check and you may not deposit the original check through the Service or in any other manner if you receive a dishonored check. You agree to comply with any additional instructions we may provide to you in connection with returned checks.

Duty to Report Errors: HHFCU will provide you with periodic statements (either paper or electronic) that will identify deposits that you make through the Service. In addition, you may access HHFCU's Online Banking service for information about your deposits, return items, deposit adjustments, checks and other transactions on your accounts. You agree that it is your responsibility to review all such information that HHFCU makes available to you in a timely manner to verify that deposits made through the Service have been received and accepted by HHFCU and are accurate. Receipt of a check by HHFCU through the Service does not constitute acknowledgement by HHFCU that the check is error-free or that we will be liable for the check. You agree to notify us promptly of any errors, omissions, or discrepancies in a deposit within the time periods established in your HHFCU Account Agreement. You may notify us by e-mailing us at www.hhfcu.org or writing to HHFCU, 25 Rykowski Lane, Middletown, NY 10941 or telephoning us at (845) 561-5607. You agree to cooperate in any investigation by

HHFCU of any unsuccessful or lost transmission. Subject to applicable law, any failure by you to notify HHFCU of any error, omission or other discrepancy in accordance with this Agreement and your Account Agreement shall relieve HHFCU of any liability for such error, omission or discrepancy. You understand and agree you are required to notify us of any suspected error related to images transmitted using the Service by no later than sixty (60) days after you receive the first monthly periodic statement that includes any transaction you allege is erroneous. You are responsible for any errors you fail to bring to our attention within such time period.

Availability of Service/Contingency: When using the Service, you may experience technical or other difficulties. You agree we are not responsible for any technical or other difficulties or any resulting damages you may incur. You understand the Service may be unavailable from time to time for routine software or hardware maintenance or due to unscheduled down time. In the event you are unable to capture, balance, process, produce or transmit a check to HHFCU, or otherwise comply with the terms or the procedures for any reason, including but not limited to, communications, equipment or software outages, interruptions or failures, you will transport or mail the originals of all checks to the closest HHFCU location or ATM. The deposit of original checks at an office of HHFCU or ATM shall be governed by the terms and conditions of your Membership Account Agreement provided at account opening and not by the terms of this Agreement.

Data Security: You will complete each deposit promptly. If you are unable to complete your deposit promptly, you will ensure that your mobile device remains securely in your possession until the deposit has been completed. It is your responsibility to establish and maintain procedures to safeguard against unauthorized deposits. You will notify us immediately by telephone at (845) 561-5607 and with written notice at HHFCU, 25 Rykowski Lane, Middletown, NY 10941, if you learn of any loss or theft of any original checks which have been deposited in your HHFCU account through the Services set forth in this Agreement. You will ensure the safety and integrity of the original checks from the time of receipt until the time of destruction. If warranted in our reasonable judgment, we may audit and monitor you and you agree to cooperate with us to permit such monitoring to confirm that you have satisfied your obligations under this Agreement.

Cooperation with Investigations: You agree to cooperate with us in the investigation of unusual transactions, poor quality transmissions, and resolution of member claims, including by providing upon request and without further cost, any originals or copies of items deposited through the Service in your possession and your records relating to such items and transmissions.

Availability of Funds: You agree that items transmitted using the Services are not subject to the funds availability of the Federal Reserve Board Regulation CC. In general, if an image of an item you transmit through the Service is received and accepted before 3:00 pm EST on a business day that we are open, we consider that day to be the day of your deposit. Otherwise, we will consider that the deposit was made on the next business day we are open. Funds deposited using the Services will generally be made available three business days from the day of deposit. HHFCU may make such funds available sooner based on such factors as creditworthiness, the length and extent of your relationship with us, transaction and experience information, and other such factors as HHFCU, in its sole discretion, deems relevant.

Email Address: You agree to notify us immediately if you change your email address as your email address will be used to provide notices under this Agreement. You agree to hold HHFCU harmless for any notices you do not receive as a result of your failure to provide HHFCU with a

current, working email address. You can change your email address in the Online Banking service.

Warranties: You make the following warranties and representations with respect to your use of the Service and each image of an original check you transmit to us using the Service.

- Each image of a check transmitted to us 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;
- The amount, the payee, signature(s), and endorsement(s) on the original checks are legible, genuine, and accurate;
- Each check you submit to us for deposit will not be resubmitted in any format to us, to any other person, or other financial institution for payment, and will not cause the same drawer's account to be debited twice;
- Other than the digital image of the original check you remotely deposited through the Service, there are no other duplicated items of the original check;
- 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;
- You have not knowingly failed to communicate any material information to us;
- You will retain possession of each original check deposited using the Service for the required retention period and neither you nor any other party will submit the original for payment; and
- You will not use the Service for any illegal activity or transactions.

You agree to indemnify and hold us harmless for any loss for your breach of the warranties and representations.

COMPLIANCE WITH THE LAW AND INDEMNIFICATION

You agree that you will use these Services for lawful purposes only and will comply with all applicable laws, rules and regulations pertaining to and governing the Services provided for in this Agreement. You agree to indemnify and hold HHFCU, its employees, agents, successor and or assigns, harmless from any and all loss, cost, expense, damage and liabilities arising out of the use of the Services provided for herein and the terms of this Agreement. You further agree and acknowledge that HHFCU will not be responsible for any consequential or punitive damages resulting from or in any way related to your breach of this Agreement. This provision shall survive the terminations of the Services and/or the termination of this Agreement.

GOVERNING LAW

You acknowledge and agree that this Agreement and the Services provided hereunder are governed by the State of New York and the laws of the United States of America. You further agree to submit to the personal jurisdiction of the state or federal courts located in New York and

that venue in any legal proceeding arising out of or in any way related to this Agreement to be in the state or federal courts in the State of New York.

WAIVER AND SEVERABILITY

A failure by HHFCU to seek strict performance of any provision of this Agreement shall not constitute a waiver of said provision or any of HHFCU's rights under this Agreement. If any provision of this Agreement is deemed illegal or unenforceable in accordance with any applicable law, ordinance or regulation, the remaining provisions of the Agreement shall continue to be valid and binding on the Member.