

Supplemental Addendum for MCU Mobile Deposit Service

PLEASE READ THIS SUPPLEMENTAL ADDENDUM COMPLETELY BEFORE INDICATING YOUR AGREEMENT TO ITS TERMS AND CONDITIONS.

This Supplemental Addendum covers all MCU Mobile Deposit Service transactions and requests which are initiated by you from time to time through your use of MCU's mobile banking services. This Addendum supplements, and is a part of, the *MCU Online and Mobile Banking Agreement* which you previously received from, and entered into with, MCU. Except as specifically provided herein, the terms of the *MCU Online and Mobile Banking Agreement* shall remain in full force and effect and shall govern this Supplemental Addendum.

DEFINITIONS

- a. "MCU" or "Credit Union" refers to Municipal Credit Union, including its agents and service providers.
- b. "You", "your" or "yours" refer to the Credit Union member and/or joint tenant who agrees to the terms and conditions of this Addendum and any person authorized by the member/joint tenant to use the Service.
- c. "We", "us" and "our" refer to MCU.
- d. "Business Day" means any day that is not a Saturday, Sunday or a federal bank holiday.
- e. "Eligible Account" means any account that is eligible to receive mobile deposits pursuant to this Service including, but not limited to, your Regular (Primary) Share Account and your Checking Account.
- f. "ACH" means the funds transfer system, governed by NACHA Rules, that provides funds transfer services to participating financial institutions.

DESCRIPTION OF SERVICE

Service: The MCU Mobile Deposit Service (the "Service") enables you to make certain check deposits to your Eligible Accounts by scanning the check with a compatible device and delivering the image of such check and associated deposit information to MCU. All deposits must be made through MCU's Mobile Banking application and are subject to the terms of the *MCU Online and Mobile Banking Agreement* and this Supplemental Addendum and other applicable agreements, laws and regulations.

Acceptance of These Terms: By clicking "I Agree", you agree to the terms and conditions of this Addendum. MCU reserves the right to change the terms and conditions of the Service and of this Addendum. Unless otherwise required by law, we may amend this Addendum without prior notice to you. If we choose to notify you of an amendment or are required to do so by law, we may ask you to agree to an amended version of this Addendum electronically, or mail or deliver a separate notice, statement message or electronic message to you at the last address we have on file for you. You are bound by such change if you use the Service after the effective date of the change notice.

Eligibility and Qualification Requirements: To qualify for this Service, you must meet eligibility criteria as dictated by us, including having all credit and deposit accounts in good standing. We reserve the right to change eligibility and/or qualification requirements at any time without prior notice.

Limitations of Service: When using the Service, you may experience technical or other difficulties. Furthermore, you understand and agree that the Service may at times be temporarily unavailable due to MCU system maintenance or technical difficulties including those of your Internet service provider or cellular service provider, and your Internet or mobile device hardware and software. We cannot assume responsibility for any technical or other difficulties or resulting damages that you may incur. We reserve the right to change, restrict, suspend, revoke or discontinue the Service, or your use of the Service, in whole or in part, immediately and at any time without prior notice to you. In the event this Service is interrupted or otherwise unavailable to you, you acknowledge that you can deposit your check at an MCU branch office location, through a participating ATM, or by mail.

Charges or Fees: MCU does not charge a fee for this Service. We reserve the right to start charging for the Service at any time upon advance notice as required by applicable law. If an item you transmit for deposit is dishonored, rejected or otherwise returned unpaid, you agree that we may charge back the amount of the return to the account in which the check was originally deposited and you will be assessed a fee in the amount shown on MCU's then current Schedule of Dividends, Service Charges and Fees for a returned deposit (N.G. Check Charge). If there are insufficient funds in your account to cover the amount of the returned check, the account will be overdrawn and you will be responsible for the payment of such overdrawn sum. You agree that MCU may debit any account maintained by you (except your IRAs and Coverdell ESAs) in order to obtain payment of your obligations under this Addendum.

Eligible Items for Deposit: You agree to scan and deposit only checks, as that term is defined in the Board of Governors of the Federal Reserve System's (the "Federal Reserve") Regulation CC and set forth below (excluding those checks or items identified as ineligible for deposit below.) For purposes of this Addendum, "check" means a negotiable demand draft that is drawn on or payable through or at an office of a:

- a) Bank or credit union;
- b) A Federal Reserve Bank or a Federal Home Loan Bank;
- c) The Treasury of the United States; or
- d) A state or local government.

For purposes of this Addendum "item," as defined in Article 4 of the New York Uniform Commercial Code, means an instrument or a promise or order to pay money handled by a bank for collection or payment. The term does not include a payment for ACH or wire transfers.

Items Not Eligible for Deposit: You understand and agree that you will not deposit the following checks or items using the Service:

- a) Checks payable to any person or entity other than you;
- b) Checks payable to you and another party who is not a joint owner on the account;
- c) Checks or items drawn on your MCU Checking or Money Market account;
- d) Checks that have previously been submitted, negotiated or "cashed";
- e) Checks that have been previously converted to substitute checks (as defined by the Federal Reserve's Regulation CC);
- f) Checks or items stamped "non-negotiable" (whether stamped in print or as watermark) or other restrictive endorsement;
- g) Checks that have been re-deposited or returned for any reason, such as "non-sufficient funds" or "refer to the maker";
- h) Checks you know or suspect, or should know or suspect, have had stop- payment orders placed on, are fraudulent or are not authorized by the owner of the account on which the check or item is drawn;
- i) Checks or items drawn on a financial institution located outside of the United States;
- j) Checks that are payable in a foreign currency;
- k) Checks or items that contain evidence of any alteration to the information on the check;
- l) Checks or items that are stale dated (dated more than six months prior to the date of deposit);
- m) Checks or items that are postdated (dated after the date of deposit);
- n) Checks payable to MCU for the benefit of a member;
- o) Checks payable to an Officer of MCU;
- p) Checks payable to MCU for repayment of a loan, credit card and/or a mortgage loan;
- q) Checks or items that are incomplete;
- r) Cash;
- s) Money Orders, Traveler's checks; or Savings Bonds;
- t) Temporary checks; and
- u) Checks from a closed account.

Image Quality: You understand that the image of an item transmitted to MCU using the Service must be clearly legible. You are responsible for the image quality of any item that you transmit to MCU using the Service. The image quality of such items must satisfy the quality standards set forth herein, as well as any other such standards that we may deem to be reasonably necessary or appropriate, and comply with all requirements established from time to time by American National Standards Institute, the Federal Reserve, or any other regulatory agency, clearing house or association. Each

image must include the entire front and back of the item and the following information must be clearly readable: (i) amount; (ii) payee name; (iii) drawer signature; (iv) date; (v) check number; (vi) account number; (vii) routing and transit numbers; (viii) MICR (Magnetic Ink Character Recognition) line (which normally appears at the bottom of the front side of the item); and (ix) any endorsement or other information written on the check. If the image of any item that you transmit to MCU through the Service is not satisfactory to MCU, we may reject the item without prior notice to you.

Processing Images: You authorize us to process any image that you send to us or convert the image to a substitute check (as defined by the Federal Reserve’s Regulation CC). You authorize us and any bank to which an image is sent to handle the image or substitute check.

Endorsement Requirements: You agree to endorse all items with your signature and account number, including the words “For MCU Mobile Deposit Only”, in the space reserved for your endorsement on the back of the item. MCU reserves the right to reject all items that are not endorsed and marked specifically in this manner. You agree to follow any and all other procedures and instructions for use of the Service that MCU may establish from time to time.

Receipt of Items: Upon receipt of the digital image, we will review the image for acceptability. You understand and agree that electronically transmitting a digital image of a check does not constitute receipt by MCU. We are not responsible for any image that we do not receive. We reserve the right, within our sole and absolute discretion, to accept or reject any items transmitted through the Service, without liability to you. An image of an item shall be deemed received by MCU when you receive a confirmation from MCU that we have received the image. You understand that, in the event you receive a Deposit Notification from us confirming receipt of an image, such notification does not mean that the image does not contain errors or that we are responsible for any information you transmit to us. It is your sole responsibility to verify that items you deposit using the Service have been received and accepted for deposit by us.

Availability of Funds and Provisional Credit: Funds that you deposit using the Service will be made available to you at 8:00 a.m. E.S.T. on the second Business Day following the Business day it is received (subject to the Cut-off Time rules set forth below). If MCU makes funds available to you prior to the time MCU receives payment for the funds, you understand and agree that the credit for such funds is provisional until settlement is final. Mobile deposit funds will be made available to you based on the type of deposit illustrated below. However, special rules and exceptions may apply to these time periods. For details of these rules and exceptions, please refer to Municipal Credit Union's Funds Availability disclosure located at [funds-availability-policy.pdf \(nymcu.org\)](https://www.nymcu.org/funds-availability-policy.pdf).

Description of Deposit	When Funds can be withdrawn by Check
Cashier’s, certified, teller’s or government checks and checks drawn on Municipal Credit Union	The first business day after the day of your deposit.
The first \$225.00 of a day’s deposit of other checks	The first business day after the day of deposit.
Remaining portion of other checks	The second business day after the day of deposit.

Rejection of Deposit: You agree that we are not liable for any service or late charge levied against you due to our rejection of any item. In all cases, you are responsible for any loss or overdraft, plus any applicable fees and interest, resulting from an item being returned, as provided in the Schedule of Dividends, Service Charges and Fees. We will notify you by email of items that are rejected by the next Business Day following the day of deposit.

Items Returned Unpaid: A written notice will be sent to you of transactions we are unable to process because of returned items. With respect to any item that you transmit to us for deposit that we credit to your account, in the event such item is dishonored, you authorize us to debit such item from your account.

Email Address: You acknowledge and agree that you are responsible for maintaining the email address associated with your account. You agree to notify us immediately if you change your email address, as this is the address where we will send you notifications regarding mobile deposit items. You acknowledge and agree that any failure to notify us of a change in your email address may delay the delivery of notices and other important information related to your account and could result in the imposition of certain fees and charges.

Presentment: The manner and order in which items are cleared, presented for payment, and collected, is provided in MCU's Funds Availability Policy.

Check Retention and Destruction: Upon your receipt of a confirmation from us that we have received the image of an item, you agree to prominently mark the item as "Electronically Presented" or "Void" to ensure that it is not re-presented for payment. You agree to securely store each original check that you deposit using the Service for a period of at least fifteen (15) days after the transmission to us (the "retention period") in order to verify settlement and credit or to balance periodic statements. You understand and agree that you are responsible for any loss caused by your failure to secure the original checks. You agree to never re-present the check. During the retention period you will promptly provide any retained check, or a sufficient copy of the front and back of the check, to us as requested to aid in the clearing and

collection process, to resolve claims by third parties with respect to any check, or for audit purposes. If you are unable to provide a sufficient copy of the front and back of the check you will be liable for any unresolved claims by third parties.

Deposit Limits: We reserve the right to impose or change limits on the amount(s) and/or number of deposits that you may transmit using the Service from time to time.

When using the Service to deposit funds, such deposits are limited per Business Day and per rolling thirty (30) day period. Deposits made through the Service are limited to \$3,000.00 per Business Day and \$10,000.00 per rolling thirty (30) day period for members that have maintained a minimum combined balance of \$10,000.00 in one or a combination of MCU deposit accounts (under the same root number) at the end of the previous calendar month. Deposits made through the Service, by members that have not maintained said minimum balance of \$10,000.00, are limited to \$1,000.00 per Business Day and \$2,500.00 per rolling thirty (30) day period.

Cut-Off Time: We must receive a mobile deposit by 6:00 P.M. on a Business Day for a deposit to be considered received by us on that day. If we receive a mobile deposit after 6:00 P.M. on a Business Day, or on a non-Business day, the deposit will be considered received by us on the next Business Day.

Hardware and Software Requirements: You agree to obtain and maintain, at your expense, hardware and software that is compatible with the requirements for use of the Service, as specified herein or by MCU from time to time. You are solely responsible for electronically transmitting deposit items, accessing the Service and for maintaining your scanning equipment. You will be responsible for the payment of all telecommunications expenses associated with the use of the Service. MCU shall not be responsible for providing or servicing any equipment for you. Furthermore, MCU 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.

Errors or Discrepancies: Any deposits made through the Service will be reflected on your monthly periodic statement. You understand and agree that you are required to immediately notify us of any suspected error relating to images transmitted through the Service but in no event later than sixty (60) days after the date of the monthly periodic statement that includes the transaction you allege is erroneous. The procedure for resolving errors is included in the *MCU Online and Mobile Banking Agreement*. If you do not notify us within sixty (60) days from the date your statement was sent, you may not be compensated for any losses.

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

Security Requirements: To prevent unauthorized use of the Service, you acknowledge and agree that you are responsible for protecting your personal computer and mobile device against unauthorized use and any losses or damages that may result from any unauthorized access to such devices. You agree to ensure the security of the personal computer and/or mobile device you own and/or use to access the Service, including by, for example, installing operating system patches, antivirus software, firewall and spyware detection as applicable and keeping the security software current, as well as securing the physical device from theft or unauthorized use and password protecting the device. MCU reserves the right to request the adoption of additional security measures by you that we determine to be reasonably necessary or appropriate to protect against unauthorized use of the Service.

Ownership and License: You agree that MCU or its third-party service providers retain 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 Addendum. Without limiting the effect of the foregoing, any breach of these terms will result in the immediate termination of your right to use the Service. Furthermore, you may not use the Service (i) in any anticompetitive manner, (ii) for any purpose which would be contrary to MCU's business interest, or (iii) to MCU's actual or potential economic disadvantage in any respect. You may use the Service only for non-business, personal use in accordance with this Addendum. 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 provided by MCU in order for you to utilize the Service.

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

- a) Each image of a check that you transmit 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;
- b) The amount, the payee, signature(s), and endorsement(s) on the original check are legible, genuine, and accurate;
- c) Each check you submit to us for deposit will not be resubmitted in any format to us (unless specifically requested by us to do so) or any other person for payment and will not cause the same drawer's account to be debited twice;
- d) Other than the digital image of an original check that you deposit through the Service, there are no other duplicate images of the original check;
- e) 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;
- f) The information you provided in your Membership Application is true and correct, and in the event any such information changes, you will immediately notify us of such changes;
- g) You have not knowingly failed to communicate any material information to us;
- h) You will retain possession of each individual check deposited using the Service for the required minimum fifteen (15) days retention period and neither you nor any other party will submit the original check for payment;
- i) You will not use the Service and/or your accounts for any illegal activity or transactions;
- j) Files and images you transmit to us will contain no viruses or any other disabling features that may have an adverse impact on our network, data or related systems;
- k) Each check you submit for deposit is drawn in United States dollars on a financial institution or other eligible entity located in the United States, excluding its territories;
- l) You will only transmit eligible items that are properly noted with the words "For MCU Mobile Deposit Only" in the Memo field on the face of the item; and
- m) Each image that you transmit to us using the Service will meet the image quality standards set forth herein or otherwise required by MCU.

Disclaimer of Warranties: YOU UNDERSTAND AND 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 SERVICE, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON INFRINGEMENT. WE MAKE NO WARRANTIES THAT THE SERVICE (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, AND (iv) ANY ERRORS IN THE SERVICE OR TECHNOLOGY WILL BE CORRECTED. WE ARE NOT RESPONSIBLE FOR ANY LOSS, INJURY OR DAMAGES, WHETHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL, CAUSED BY YOUR INTERNET PROVIDER, ANY RELATED SOFTWARE OR OUR USE OF ANY OF THEM ARISING IN ANY WAY FROM THE INSTALLATION, USE OR MAINTENANCE OF YOUR PERSONAL COMPUTER HARDWARE, SOFTWARE OR OTHER EQUIPMENT.

Limitation of Liability: YOU UNDERSTAND AND AGREE THAT WE WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO DAMAGES FOR THE LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER LOSSES RESULTING FROM OR ATTRIBUTABLE TO THE USE OR THE INABILITY TO USE THE SERVICE INCURRED BY YOU OR ANY THIRD PARTY ARISING FROM OR ATTRIBUTABLE TO THE USE OF , INABILITY TO USE, THE TERMINATION OF THE USE OF THE SERVICE, OR YOUR BREACH OF THIS ADDENDUM, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE), EVEN IF WE HAVE BEEN INFORMED OF THE POSSIBILITY THEREOF.

Accountholder's Indemnification Obligation: You agree to indemnify, defend and hold harmless MCU and its directors, officers, employees, members, agents, successors and assigns (the "Indemnified Parties") from and against any and all losses, costs, expenses, fees (including, but not limited to, reasonable attorneys' fees and disbursements), claims, damages, liabilities and causes of actions of third parties resulting or arising from; (i) your failure to abide by or perform any

obligation imposed upon you under this Addendum; (ii) the willful misconduct, fraud, criminal activity, intentional tort or negligence of you or any of your representatives involving use of the Service; (iii) the actions, omissions or commissions of you or any of your representatives relating to the Service; and (iv) any transmission or instruction, whether or not authorized, acted upon by MCU in good faith. You shall be provided with prompt notice of any claims and given full authority and assistance (at your expense) for the defense of any such claims, provided that MCU may participate in such defense and settlement with counsel of our choosing at our own expense. However you shall have no authority to settle any claim against MCU without the prior written consent of MCU (which consent shall not be unreasonably withheld).

Termination of the Service: You may terminate your use of the Service provided for in this Addendum at any time by notifying us of your intent to cancel via email at mailbanking@nymcu.org, or in writing to us at Municipal Credit Union, P.O. Box 3205, New York, New York 10007, Attention: eBranch Department. Your termination notice will only apply to your use of the Service and does not terminate your other relationships with us. Your termination notice will not be effective until we receive your notice of termination and we have had a reasonable time to act upon it. We may terminate your use of the Service for any reason, at any time without notice. In the event of termination of the Service, you will remain liable for all transactions performed through this Service. Upon termination, (i) you will immediately cease using the Service and (ii) you shall promptly remit all unpaid monies due under this Addendum, if any.