

REMOTE DEPOSIT CAPTURE (RDC) SERVICES AGREEMENT TERMS AND CONDITIONS

This Remote Deposit Capture (RDC) Services Agreement ("Agreement") contains the terms and conditions for the use of this service and is entered into between Hudson Valley Credit Union ("Hudson Valley CU", "us", "our", or "we") and its members ("Member", "you" or "your"), and forms part of the Truth in Savings Disclosure and Account Agreement for the account(s) of Member (collectively, the "Account Agreements").

RDC is designed to allow you to make deposits of checks ("original checks") to your accounts by creating an image of the original checks and delivering the digital images and associated deposit information ("images") to us or our processor with your mobile device. We are not responsible for any hardware and/or software you utilize to access the services described herein.

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. You will be given notice of a change as required by law. Your continued use of the services will indicate your acceptance of this Agreement. Further, Hudson Valley CU 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.

Software. The software we make available to you contains software provided by one or more third parties ("Third Party Software") with whom we are under contract (each a "Third Party")

- You agree that you will not nor will you permit any parent, subsidiary, affiliate, agent or other third party to: (1) sell, provide, distribute, lease, rent, lend, relicense, sublicense, or display Third Party Software or related documentation except as necessary to utilize the Software for mobile check deposits; (2) decompile, disassemble, reverse engineer or attempt to reconstruct the Third Party Software, identify or discover any source code, trade secret, know-how, or ideas underlying user interface techniques or algorithms of Third Party Software by any means whatsoever, or disclose any of the foregoing; (3) create any derivative works or any other software program based upon Third Party Software or related documentation or modify Third Party Software in any way; or (4) use Third Party Software or documentation to develop or enhance any product that competes with Third Party Software.
- Hudson Valley CU or the Third Parties, as the case may be, retain all rights, title and interests, including intellectual property rights, in and to the Third Party Software and services, any improvements, translations, modifications or derivatives thereof, and any related documentation provided or made available to you, including all intellectual property rights therein. You acknowledge that the Third Party Software and related documentation contain copyrighted material, trade secrets, and other material that is proprietary to one or more Third Parties. Except as expressly stated herein, this Agreement does not grant you any intellectual property rights in the Third Party Software, services, or any related documentation or materials and all rights not expressly granted herein are reserved by Hudson Valley CU and the Third Parties. You agree to assign, and hereby assigns, to the Third Party all rights, title and interest, including all intellectual property rights, in any ideas, modifications, enhancements, improvements, inventions, works of authorship or any other suggestions that you or any of your employees or agents propose, create, author or develop relating to that Third Party's Software

or services, and will take all necessary action, including execution of relevant documents, to perfect such party's ownership thereof.

Limits. We may establish limits on the dollar amount and/or number of items or deposits from time to time. If you attempt to initiate a deposit in excess of these limits, we may reject your deposit. If we permit you to make a deposit in excess of these limits, such deposit will still be subject to the terms of this Agreement, and we will not be obligated to allow such a deposit at other times.

Eligible items. You agree to create an image and deposit only checks (i.e., negotiable drafts drawn on a credit union, savings and loan or bank and payable on demand.)

You agree that you will not use RDC to deposit:

- Checks payable to any person or entity other than you (i.e., payable to another party and then endorsed to you).
- Checks that contain evidence of alteration, or that 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 is drawn.
- Checks previously converted to a substitute check, as defined in Regulation CC.
- Checks drawn on a financial institution located outside the United States.
- Checks that are remotely created checks, as defined in Regulation CC.
- Checks not payable in United States currency.
- Checks dated more than 6 months prior to the date of deposit.
- Checks dated one or more days after the date of deposit.
- Consumer loans, credit card, and mortgage payments
- IRA and Share Certificate deposits
- Travelers checks
- American Express Gift Cheques
- Savings bonds
- Checks that require authorization
- State-issued registered warrants
- Checks from a closed account

Requirements. Each image must contain all complete and legible information on the front and back of the original check at the time presented to you by the drawer, including, but not limited to, information about the drawer and the paying bank that is preprinted on the original check, MICR information, signature(s), any required identification written on the front of the original check and any endorsements applied to the back of the original check. The image quality must meet the standards established by the American National Standards Institute, the Board of Governors of the Federal Reserve, and any other regulatory agency, clearing house or association.

Endorsements. Endorsements must be made on the back of the check within 1½ inches from the top edge, although we may accept endorsements outside this space. Your endorsement must include:

- Your signature
- Your Account Number
- Our name, "Hudson Valley CU" or "Hudson Valley Federal Credit Union"
- One of the following:
 - "For Mobile Deposit" or "For Hudson Valley CU Mobile Deposit Only"

- Checkmark in a preprinted mobile deposit checkbox

We reserve the right to not approve any endorsements not in accordance with this provision. Any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you will be your responsibility.

Multiple Payees. A check payable to two or more payees must be endorsed by all payees. For example, if the check is payable in the alternative (to you or your joint owner), either of you can endorse it. If the check is made payable jointly (to you and your joint owner), both of you must endorse the check. If the check is not clearly made payable in the alternative or payable jointly the check may be treated as the alternative and either of you can endorse it.

Receipt of Deposit. All images processed for deposit through RDC will be treated as "deposits" and will be subject to all terms of this Agreement and any other applicable agreement to the relevant account. When we receive an image, we will confirm receipt via email to you. We shall not be deemed to have received the image for deposit until we have confirmed receipt to you. Confirmation does not mean that the image contains no errors. We are not responsible for any image that we do not receive. Following receipt, we may process the image by preparing a "substitute check" or clearing the item as an image.

We reserve the right, at our sole and absolute discretion, to reject any image created for deposit into your account using RDC. We will notify you of rejected images.

Original checks. After you receive confirmation that we have received an image, you must securely store the original check for 62 calendar days after transmission to us and make the original check accessible to us at our request. Upon our request from time to time, you will deliver to us within 10 calendar days, at your expense, the requested original check in your possession. If not provided in a timely manner, such amount will be reversed from your account. Promptly after such period expires, 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 an original check, the image will be the sole evidence of the original check.

You agree that you will never re-present 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.

Returned Deposits. Any credit to your account for checks deposited using RDC is provisional. If original checks deposited through RDC are dishonored, rejected or otherwise returned unpaid by the drawee bank, or are rejected or returned by a clearing agent or collecting bank, for any reason, including, but not limited to, issues relating to the quality of the image, you agree that an original check will not be returned to you, but that we may charge back the amount of the original check and provide you with an image of the original check, a paper reproduction of the original check or a substitute check. You will reimburse us for all loss, cost, damage or expense caused by or relating to the processing of the returned item. Without our approval, you shall not attempt to deposit or otherwise negotiate an original check if it has been charged back to you.

We may debit any of your accounts to obtain payment for any item that has been rejected or returned, for any adjustment related to such item or for any warranty claim related to such item, whether or not the rejection, return, adjustment or warranty claim was made timely.

Your Warranties. You make the following warranties and representations with respect to each image:

- Each image of a check transmitted by you 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, payee(s), signature(s), and endorsement(s) on the image and on the original check are legible, genuine, and accurate.
- You will not deposit or otherwise endorse to a third party the original check and no person will receive a transfer, presentment, or return of, or otherwise be charged for, the original check or a paper or electronic representation of the original check such that the person will be asked to make payment based on an item that has already been paid.
- Other than the digital image of an original check that I remotely deposit through the services, there are no other duplicate images of the original check.
- The original check was authorized by the drawer in the amount stated on the original check and to the payee(s) stated on the original check.
- You are authorized to enforce each item transmitted and are authorized to obtain payment of each item on behalf of a person entitled to enforce such transmitted item.
- You have possession of each original check deposited using the services and no party will submit the original check for payment.

With respect to each image, you make to us all representations and warranties that we make or are deemed to make to any party pursuant to law, regulation or clearinghouse rule. You warrant that files and images transmitted to us will contain no viruses or any other disabling features that may have an adverse impact on our network, data, or related systems.

Compliance with Law. You represent, warrant, and covenant that you will comply with all applicable laws, rules, regulations and prevalent industry standards applicable to you and to the Third Party Software, including, without limitation, Regulation CC, the Uniform Commercial Code, applicable requirements under state and federal laws and regulations related to data security and nonpublic personal information, as defined or used in such applicable law or regulation, and any rules established by an image exchange network through which image exchange items are processed pursuant to this Agreement. You shall have the responsibility to fulfill any compliance requirement or obligation that Hudson Valley CU and/or you may have with respect to the service under all applicable U.S. federal and state laws, regulations, rulings, including sanction laws administered by the Office of Foreign Assets Control, and other requirements relating to anti-money laundering, including but not limited to, the Federal Bank Secrecy Act, the USA PATRIOT Act and any regulations of the U.S. Treasury Department to implement such Acts, as amended from time to time. You will use RDC for lawful purposes and in compliance with all applicable laws, rules and regulations. You warrant that you will only transmit acceptable items for deposit and have handled the original items in accordance with applicable laws, rules and regulations.

RDC Unavailability. RDC may be unavailable temporarily due to system maintenance or technical difficulties, including those of the Internet service provider, cellular service provider and Internet software, or for other reasons outside of our control. In the event that RDC is unavailable, you may deposit original checks at our branches or through our ATMs.

Funds Availability. For purposes of funds availability, RDCs are considered deposited at a branch or Hudson Valley CU ATM. Generally, RDCs confirmed as received before close of business on a business

day will be credited to your account within 24 hours of receipt. Deposits confirmed received after close of business, and deposits confirmed received on holidays or days that are not business days will be credited to your account within 24 hours of the following business day. However if the image captured by your mobile device is not received by us correctly or has defects requiring additional repair work by Hudson Valley CU, funds may take up to two additional business days to become available. Checks transmitted via RDC are not subject to the funds availability requirements of Federal Reserve Board Regulation CC or our Funds Availability Policy.

RDC 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 with written confirmation if you learn of any loss or theft of original checks. You will ensure the safety and integrity of 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.

Your Responsibility. You are solely responsible for the quality, completeness, accuracy, validity and integrity of the image. You are solely responsible if you, intentionally or unintentionally, submit fraudulent, incorrect or illegible images to us or if RDC is used, by authorized or unauthorized persons, to submit fraudulent, unauthorized, inaccurate, incorrect or otherwise improper or unusable images to us. It is your duty to inform us of any incorrect amount deposited to your account. If you fail to notify Hudson Valley CU of an incorrect deposit and the funds are withdrawn you are liable to us for the amount of the funds as well as any attorney costs and fees associated with Hudson Valley CU having to be reimbursed for such loss of funds.

While we do not charge a fee for your use of RDC, you are responsible for any fees associated with the use of RDC with respect to any device and/or service provider you use to access the services.

Accountholder's Indemnification Obligation. You understand and agree that you are required to indemnify us and hold us harmless against any and all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees and expenses arising from your use of the Services and/or breach of this Disclosure and Agreement. You understand and agree that this paragraph shall survive the termination of this Agreement.

You understand and agree to indemnify, defend and hold harmless each Third Party and its respective affiliates, officers, employees and agents, from and against any third party claims, suits, proceedings, actions or demands, including to claims of another financial institution, business entity or governmental authority, and all losses, liabilities, damages, fines, penalties, costs and expenses, including court costs and reasonable attorney fees and expenses, arising from such claims, to the extent such claim is related to financial institution's or your use of the Third Party Software, unless such claim directly results from an action or omission made by such Third Party in bad faith. You understand and agree that this paragraph shall survive the termination of this Agreement.

DISCLAIMER OF WARRANTIES. YOU UNDERSTAND AND AGREE THAT HUDSON VALLEY CU DOES NOT MAKE ANY WARRANTIES ON EQUIPMENT, HARDWARE, SOFTWARE OR INTERNET PROVIDER SERVICE, OR ANY PART OF THEM, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. HUDSON VALLEY CU IS NOT

RESPONSIBLE FOR ANY LOSS, INJURY OR DAMAGES, WHETHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL, CAUSED BY THE INTERNET PROVIDER, ANY RELATED SOFTWARE, OR HUDSON VALLEY CU'S USE OF ANY OF THEM OR ARISING IN ANY WAY FROM THE INSTALLATION, USE, OR MAINTENANCE OF MY PERSONAL COMPUTER HARDWARE, SOFTWARE, OR OTHER EQUIPMENT.

LIMITATION OF LIABILITY. HUDSON VALLEY CU AND EACH THIRD PARTY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE HEREUNDER, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE. THE SERVICES AND ANY SOFTWARE PROVIDED BY OR ON BEHALF OF A THIRD PARTY UNDER THIS AGREEMENT ARE PROVIDED "AS IS." WITHOUT LIMITING THE FOREGOING, EACH THIRD PARTY DOES NOT REPRESENT OR WARRANT, AND EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, THAT THE OPERATION OF THE SERVICES OR THIRD PARTY SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE, THAT THE FUNCTIONS OR FEATURES OF THE SERVICES OR SOFTWARE WILL MEET YOUR REQUIREMENTS OR THAT THE SERVICES OR SOFTWARE WILL OPERATE COMPATIBLY WITH PRODUCTS, SERVICES, HARDWARE OR SOFTWARE USED OR OFFERED BY ANY OTHER PARTY.

IN NO EVENT WILL ANY THIRD PARTY BE LIABLE HEREUNDER FOR AN AMOUNT EXCEEDING THE LESSER OF THE ACTUAL DAMAGES INCURRED BY MEMBER OR THE FEES PAID BY MEMBER FOR USE OF THE RESPECTIVE THIRD PARTY SOFTWARE IN THE TWELVE (12) MONTHS PRIOR TO WHEN THE EVENT GIVING RISE TO THE LIABILITY TOOK PLACE, WHETHER IN CONTRACT, TORT, OR OTHERWISE.

IN NO EVENT WILL A THIRD PARTY BE LIABLE FOR ANY LOSS OF PROFITS, OR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR OTHER CONSEQUENTIAL DAMAGES (INCLUDING ANY DAMAGES RESULTING FROM LOSS OF USE, LOSS OF DATA, OR LOSS OF BUSINESS) IN CONNECTION WITH ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Financial Information. You must inform us immediately of any material change in your financial circumstances. You agree to provide us any financial information we reasonably request during the term of this Agreement. You authorize us to review your history from time to time.

Governing Law. You understand and agree that this Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in accordance with the internal laws of New York, notwithstanding any conflict-of laws doctrines of such state or other jurisdiction to the contrary. You also agree to submit to the personal jurisdiction of the courts of the New York.