

Remote Deposit Services Addendum

November 2019

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Remote Deposit Services Addendum to ECCU's Online Banking Agreement

Introduction

This Remote Deposit Services Addendum is effective November 1, 2019.

Your use of Remote Deposit Services is governed by the terms of ECCU's *Online Banking Agreement* ("Agreement") and this *Remote Deposit Services Addendum* ("RDS Addendum"). Your enrollment in Remote Deposit Services constitutes your agreement with the terms and conditions of the Agreement and RDS Addendum. Terms used in this RDS Addendum but not defined shall have the meaning assigned to them in the Agreement. You acknowledge that you have read this RDS Addendum and will retain a copy for your records.

In this RDS Addendum, the words "we," "us," "our," and "ECCU" refer to Evangelical Christian Credit Union. The words "you" and "your" refer to the organization entering into this RDS Addendum, as well as anyone authorized by the organization to exercise control over the accountholder's funds through online banking, including but not limited to any user you authorize to use Remote Deposit Services on your behalf.

The terms, provisions, and conditions of this RDS Addendum do not replace, but supplement, any and all other agreements (whether now or in the future) that govern any of the accounts that you maintain at ECCU (whether now or in the future), or any other ECCU services utilized by you (whether now or in the future).

Terms and Conditions

1. General Description of Remote Deposit Services

Subject to the terms, provisions, and conditions of this RDS Addendum, Remote Deposit Services enables you to make deposits to your deposit accounts (each such deposit account an "**Account**" and, collectively, the "**Accounts**") from your office by scanning checks on a desktop scanner and delivering the images electronically and information required hereby to ECCU or ECCU's designated processor (a "**Processor**"). The terms "ECCU" and "Processor" may be used interchangeably when used in relation to any services performed by a Processor on behalf of ECCU including, but not limited to, the receipt and processing of images and check data and any notices related thereto. The scanner must capture an image of the front and back of each check (as herein defined) to be deposited (each an "**Image**" and, if more than one, "**Images**") in accordance with the User Guides/FAQs, must read and capture the magnetic ink character recognition ("**MICR**") line on each check and must read and capture all such other data and information as required by this RDS Addendum. After capture of the Images, the MICR line on each check and all other required data and information from each check, you will transmit one or more Deposits containing the Images, the MICR line from each check and all other required data and information from or pertaining to all checks and other required information (each such file a "**Deposit**" and, if more than one, "**Deposits**") to ECCU or Processor via the Internet. Subject to compliance with the terms, provisions, and conditions of, and as provided in this RDS Addendum, ECCU will provisionally credit the Account or Accounts that you designate for the amount of the deposit(s) to which the Deposit(s) pertains on the day of receipt of the Deposit(s), provided received by cut-off time and enter the images of the checks into the collection process, in accordance with the provisions of ECCU's then-current *Ministry and Business Account*

General Description of Remote Deposit Services (Continued)

Agreement and Disclosures pertaining to the Account(s) into which the deposit is to be made (the “**Deposit Agreement**”) and this RDS Addendum. You acknowledge and agree that ECCU may discontinue and/or change the terms of the Remote Deposit Services or any related content, features, products, or services associated therewith, at any time without notice or liability to you or any third party.

2. Hardware and Software

In connection with your use of Remote Deposit Services, you understand and agree that use of Remote Deposit Services requires you to utilize Internet-based services to perform the functions of Remote Deposit Services and you and ECCU are bound by the liability as stated in *Section 18 – Limit of Liability*. You agree to only use the scanners and drivers provided by ECCU or such other hardware as is approved in writing, in advance by ECCU. Upon discontinuance of Remote Deposit Services by either you or ECCU, you agree to return all property of ECCU, at your expense, not limited to, but including the scanner(s), within thirty (30) days.

If you notify us of a scanner failure and we approve your request for a return, a replacement unit will be sent directly to you along with a return authorization.

In the event of your failure to return the equipment, you agree to make payment to ECCU in an amount indicated in the *Ministry and Business Account Information and Fee Schedule*. Failure to return the scanner(s) within thirty (30) days will result in a direct charge for the equipment to you. Failure to return scanners shall be a default under this RDS Addendum.

You agree not to use this software, hardware, or documentation in any other way than as expressly intended under this RDS Addendum, or without prior written authorization from ECCU.

If you are using the Image File Deposit (“**IFD**”) remote services, you agree to notify ECCU prior to any third-party remote deposit capture vendor change.

3. Checks Deposited and Settlement Reserve

You hereby agree that you will only scan and deposit a check(s) as that term is defined in Federal Reserve Board Regulation CC (“**Reg CC**”). You agree that the image of the check that is transmitted to ECCU (each such check and other item a “**Check**” and, if more than one, “**Checks**”) shall be deemed an “item” within the meaning of Article 4 of the Uniform Commercial Code (1990 Official Text).

You further agree that you will not remotely deposit any checks or other items that: (a) are payable to any person or entity other than you; (b) are prohibited by ECCU’s then-current User Guides/FAQs pertaining to Remote Deposit Services or are in violation of any law, rule, or regulation; (c) 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(s) are drawn; (d) have been previously endorsed by a bank and are either “substitute checks” (as defined in Reg CC or other applicable federal law or regulation) or “Image Replacement Documents” that purport to be substitute checks, without ECCU’s prior written consent; (e) are drawn on financial institutions that are located outside of the United States or Territories of the United States; (f) are Remotely Created Checks; or (g) are not acceptable to ECCU for deposit into a

Checks Deposited and Settlement Reserve (Continued)

deposit account as provided in the Deposit Agreement, which is incorporated herein by reference and made a part hereof (checks described in clauses (a) through (g) each a “**Prohibited Check**” and, collectively, “**Prohibited Checks**”). If you deposit a Prohibited Check, you agree to indemnify and reimburse ECCU for, and hold ECCU harmless from and against, any and all losses, costs, and expenses (including reasonable attorney’s fees) ECCU may incur associated with any warranty, indemnity, or other claim related thereto. You also agree that ECCU has the right to reject any item for deposit if it is identified as a “**Prohibited Check.**” Furthermore, if, after first having obtained ECCU’s written consent to do so, you provide ECCU with an electronic representation of a substitute check for deposit into an Account instead of an original Check, you agree to indemnify and reimburse ECCU for, and hold ECCU harmless from and against, any and all losses, costs, and expenses (including reasonable attorney’s fees) ECCU incurs because any such substitute check resulting from such electronic representation does not meet applicable substitute check standards and/or causes duplicate payments.

You may be required to maintain a reserve (“**Settlement Reserve**”) of an amount to be solely determined by ECCU. You acknowledge and agree that any Settlement Reserve will be deposited in an ECCU account for exclusive use by ECCU for purposes of offsetting any of your obligations under this RDS Addendum. You grant ECCU a security interest in any Settlement Reserve to enable ECCU to enforce any obligation owed by you under this RDS Addendum without notice or demand to you. Your obligation to maintain a Settlement Reserve shall survive the termination of this RDS Addendum, with such obligation lasting until all of your obligations under this RDS Addendum have been fully offset.

4. Security and Scanning of Checks

You shall properly install and use all software and hardware required by this RDS Addendum or otherwise required for, or related to, the use of Remote Deposit Services. You shall (a) scan the front and back of each Check to be deposited and thereby capture the image of the front and back of each Check and capture the MICR encoding on, and any other required data from, each Check; and (b) transmit the Deposit containing the images of, the MICR line from and all other required data and information from or pertaining to, such Checks and other information to ECCU or its Processor in accordance with the User Guides/FAQs, a copy of which User Guides/FAQs have either heretofore been, or are herewith, provided to you by ECCU, and you acknowledge receipt of and/or access to. ECCU reserves the right to amend the User Guides/FAQs, with or without prior notice to you. ECCU may also provide you with, or require you to establish, a User Name and password and other procedures (collectively, “**Security Procedures**”) to access Remote Deposit Services. The specific Security Procedures will be described in the User Guides/FAQs. You agree to, at all times, (a) comply with the User Guides/FAQs; (b) safeguard the confidentiality and security of the User Guides/FAQs, Security Procedures, and all other proprietary property or information ECCU provides to you in connection with Remote Deposit Services; and (c) notify ECCU immediately if you have any reason to believe the security or confidentiality required by this provision has been or may be breached. You acknowledge, understand, and agree the Security Procedures are not designed for the detection of errors. ECCU is not, and will not be, obligated to detect errors by you or others, even if ECCU takes certain actions from time to time to do so.

5. Transmission of Deposit

To ensure accuracy, you shall balance the dollar amount of each deposit to the sum of the Checks prior to transmitting the Deposit in accordance with the User Guides/FAQs. You may send multiple Deposits to ECCU or Processor throughout the day. The total dollar value of the Deposits sent by you to ECCU on any day shall not exceed their deposit limit amount (the “**Deposit Limit**”) assigned by ECCU. If the total dollar value of the Deposits sent by you to ECCU on any day exceeds the Deposit Limit, ECCU may, at its option, refuse to accept the Deposit that exceeds the Deposit Limit, or ECCU may accept and process the Deposit. To be eligible for processing on the day transmitted, Deposits must be received by ECCU no later than the cut-off time, on any ECCU business day. To meet the cut-off time, the entire Deposit must be received by ECCU prior to the cut-off time, and the Deposit must successfully pass the edits for conformity with the technical requirements. For purposes of determining when a Deposit has been delivered and received, ECCU’s records shall be determinative.

You agree that a deposit that is not balanced allows ECCU to make an adjustment to the deposited total by either debiting or crediting your account for the out of balance difference or, at our discretion, rejecting the entire deposit for not conforming to the requirements of a balanced deposit. ECCU reserves the right to change the number of Deposits that may be transmitted in a day, the Deposit Limit, and the cut-off time. All such changes shall be effective immediately and may be implemented prior to your receipt of notice thereof.

6. Maintenance and Destruction of Original Check

You shall securely store all original Checks for a period of thirty (30) days after you have received notice from ECCU that the Deposit containing the images of such Checks has been accepted (such period the “**Retention Period**”). During the Retention Period, you shall take appropriate security measures to ensure that: (a) only authorized personnel shall have access to original Checks; (b) the information contained on such Checks shall not be disclosed; (c) such Checks shall not be duplicated or scanned more than one time; (d) such Checks shall not be deposited or negotiated in any form; and (e) such Checks are handled in dual custody.

You shall destroy original Checks upon the expiration of the Retention Period applicable to such Checks. You will use commercially reasonable methods of destruction to destroy original Checks after expiration of the Retention Period. You hereby indemnify ECCU for, and hold ECCU harmless from and against, any and all claims, demands, actions, causes of action, losses, and damages, of whatever nature or kind, and regardless of the theory upon which the same is (are) based, caused directly or indirectly by, arising out of, related to, in connection with or resulting wholly or partially from, the storage or destruction of original Checks by you. Within the Retention Period, you will promptly (but in all events within five [5] business days) provide any retained Check (or, if the Check is no longer in existence, a sufficient copy of the front and back of the Check) to ECCU as requested to aid in the clearing and collection process or to resolve claims by third parties with respect to any Check.

7. Image and MICR Quality

Each Deposit transmitted by you to ECCU shall contain Images of the front and the back of the Checks scanned and remotely deposited by you. Each Image of each Check shall be of

Image and MICR Quality (Continued)

such quality that all of the information can clearly be read and understood by sight review of such Image.

Each Image shall also meet all standards for image quality 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.

You shall also capture and transmit to ECCU the full-field MICR encoding on each Check. In accordance with the User Guides/FAQs, you shall ensure that the following information is captured from the MICR line of each Check:

- a. The American Bankers Association routing transit number (“RTN”);
- b. The number of the account on which the Check is drawn;
- c. When encoded, the amount of the Check; and
- d. When encoded, the serial number and the process control field of the Check.

An Electronically Created Image is an electronic image that has all the attributes of an electronic check or electronic returned check but was created electronically and not derived from a paper check. It is ECCU policy not to accept Electronically Created Images.

8. Image File Deposit Technical Requirements

If you are utilizing IFD services, you will be given a host name, user name, an Internet Protocol (IP) Address, and a Private Key File in order to configure your Secure File Transfer Protocol (SFTP) software. The online banking Administrator will provide to ECCU the static IP Address from which all IFD files will be sent.

Your third party solution must be able to create an X9.37 image cash letter in the format as approved by ECCU. All X9.37 files must be transmitted to ECCU through an SFTP channel that will be configured by you with information provided by ECCU. You agree that a static IP Address is required to process an Image File. You are advised that an Image File sent from an IP Address other than the agreed upon address, is unauthorized. Changes to the IP Address or the file format, require ten (10) business days notification, after receipt by ECCU.

9. Laws, Rules, and Regulations

You agree to comply with all existing and future User Guides/FAQs used by ECCU for processing of transactions. You further agree to comply with, and be bound by, all applicable state or federal laws, rules, regulations, orders, guidelines, operating circulars, and pronouncements affecting checks and drafts, including, but not limited to, all rules and procedural guidelines established by the Federal Trade Commission (“FTC”), the Board of Governors of the Federal Reserve, Electronic Check Clearing House Organization (“ECCHO”) and any other clearing house or other organization in which ECCU is a member or to which rules ECCU has agreed to be bound. These User Guides/FAQs, rules, and regulations (collectively the “Rules”) and laws are incorporated herein by reference. In the event of conflict between the terms of this RDS Addendum and the Rules, the Rules will control.

10. Agreement to Audit

You agree that ECCU, upon request, has the right to audit your Remote Deposit Capture program for compliance with this agreement and applicable rules.

11. Contingency Plan

You agree that, in the event you are not able to capture, balance, process, produce, or transmit a Deposit to ECCU, or otherwise comply with the terms of the User Guides/FAQs, for any reason, including, but not limited to, communications, equipment or software outages, interruptions, or failures, you will transport the originals, via mail delivery or in person, of all Checks to the closest office of ECCU or other ECCU-designated depository institution, and deposit original Checks with ECCU until such time that the outage, interruption, or failure is identified and resolved.

The deposit of original Checks at an office of ECCU or other designated depository institution shall be governed by the terms and conditions of the Deposit Agreement and not by the terms of this RDS Addendum.

12. Your Representations and Warranties

You represent, warrant, and covenant that: You shall only deposit Checks that are authorized by this RDS Addendum, the User Guides/FAQs, and applicable ECCU Documents; Each Image transmitted by you to ECCU contains an accurate representation of the front and back of each Check and complies with the requirements of this RDS Addendum; All data and other information submitted by you to ECCU, including but not limited to data contained in the MICR line of each Check, is complete and accurate and complies with requirements of this RDS Addendum; You are not a consumer, and Remote Deposit Services shall be used for business purposes only; You will not: (a) create duplicate Images of the Checks, (b) transmit a duplicate Image or Deposit to ECCU, or (c) deposit or otherwise negotiate the original of any Check of which an Image was created. You further warrant that no subsequent transferee, including but not limited to ECCU, a collecting or returning bank, drawer, drawee, payee, or endorser will be asked to pay the original Item from which the Image(s) was created or a duplication (whether paper or electronic) of the Item(s); No Subsequent transferees of the Item(s), including but not limited to ECCU, a collecting or returning bank, drawer, drawee, payee, or endorser shall sustain a loss as the result of the fact that the Image was presented for payment or returned instead of the original Check; All information provided by you to ECCU is true, complete, and accurate and properly reflects the business, financial condition and principal partners, owners or officers, of you. You are not engaged in, or affiliated with, any businesses, products, or methods of selling other than those disclosed by you to ECCU; All Checks and business transactions of yours are, and will be, bona fide.

All signatures on Checks are authentic and authorized. You conduct your business and submit Checks and Deposits in compliance with this RDS Addendum, the User Guides/FAQs, applicable law, and the Rules. No Deposits or Checks contain any computer viruses or other harmful, intrusive, or invasive codes.

13. Returned Checks

If Images of Checks deposited by you are dishonored or otherwise returned unpaid by the drawee bank, or are returned by a clearing agent for any reason, including, but not limited to, issues relating to the quality of the Image, you understand and agree that, since you either maintain the original Check or have destroyed the original Check in accordance with *Section 6 – Maintenance and Destruction of Original Check* – of this RDS Addendum, the original Check will not be returned, and ECCU may charge back an Image of the Check to your Account.

You understand and agree that the Image may be in the form of an electronic or paper reproduction of the original Check or a substitute check. If you receive a reproduction of the original check (or substitute check) and still possess the original check, then you agree that only one of these (reproduction or original) may be re-deposited. Any checks being re-deposited that were originally deposited through RDC, must be re-deposited outside of the RDC system (e.g. in branch, bank-by-mail, etc.).

14. Fees and Charges

In addition to Remote Deposit Service fees, you agree to pay all taxes, tariffs, and assessments levied or imposed by any government agency in connection with Remote Deposit Services, this RDS Addendum, and/or the software or equipment made available to you (excluding any income tax payable by ECCU).

15. Amendments

ECCU may amend the terms of this RDS Addendum at any time, in its sole discretion, in accordance with the terms of the Agreement. Your continued use of Remote Deposit Services shall constitute your agreement to such amendments.

16. Update Notice

ECCU retains the right to: (a) review your Checks, Deposits, and business activities from time to time to confirm you are conducting business as stated by you at the time of the execution of this RDS Addendum; and (b) re-price or terminate Remote Deposit Services based on changes to information previously provided to ECCU by you.

17. Indemnification and Liability: Third-Party Claims

You hereby indemnify ECCU and each of its parents, subsidiaries, and affiliates and their respective officers, directors, volunteers, employees, members, partners, agents, insurers, and attorneys (each an “**Indemnified Party**” and, collectively, the “**Indemnified Parties**”) for, and hold each of the Indemnified Parties harmless from and against, all actions, causes of action, claims, damages, liabilities, and expenses (including reasonable attorney’s fees) of any nature or kind (including those by third parties) arising out of, or related to, this RDS Addendum, including all actions, causes of action, claims, damages, liabilities, and expenses arising out of, related to or resulting from: (a) Your (i) failure to report required changes, (ii) transmission of incorrect data to ECCU, or (iii) failure to maintain compliance with the Rules; (b) ECCU’s provision of Remote Deposit Services, ECCU’s action or inaction in accordance with, or in reliance upon, any instructions or information received from any person reasonably believed by ECCU to be an authorized representative of yours; (c) Your breach of any of your representations, warranties, covenants or other agreements or

Indemnification and Liability: Third-Party Claims (Continued)

responsibilities under this RDS Addendum; and/or (d) Your breach or violation of any Rules; provided, however, you are not obligated to indemnify ECCU for any damages solely and proximately caused by ECCU's gross negligence or willful misconduct.

18. Limit of Liability

- a. Any provision in this RDS Addendum, any other agreement or the rules to the contrary notwithstanding, ECCU shall only be liable for damages solely and proximately caused by its gross negligence or willful misconduct, and ECCU's liability shall in no event exceed the lesser of (i) your actual damages or (ii) the total fees paid by you to ECCU for Remote Deposit Services. In no event shall ECCU or any provider be responsible or liable for any indirect, special, consequential, exemplary, punitive or incidental damages, losses or injuries (including, without limitation, lost profits, loss of use, loss of data, or cost of cover) arising out of, or related to, the use by you of Remote Deposit Services or any service or the failure of ECCU or any provider to properly process and complete transactions, even if ECCU or such provider(s) have been specifically advised of the possibility of such damages, losses, or injuries.
- b. You acknowledge and agree that your use of Remote Deposit Services shall be at your sole risk, and that Remote Deposit Services is provided by ECCU on an "as is" basis.
- c. Except as expressly set forth in this RDS Addendum, ECCU makes absolutely no representations or warranties whatsoever, express or implied, in law or in fact, to you or to any other person, as to Remote Deposit Services or any aspect thereof, including (without limitation) any warranty of merchantability, fitness for a particular purpose, quality,
- d. Accuracy, or suitability, and ECCU hereby disclaims any and all of the same. You agree that no oral or written advice or representation obtained from any ECCU employee or representative shall create a warranty or representation for purposes of this RDS Addendum or Remote Deposit Services to be performed pursuant hereto.
- e. To the fullest extent allowed by law, and subject to the foregoing provisions of this section dealing with ECCU's liability for damages solely and proximately caused by its gross negligence or willful misconduct, ECCU's liability to you under this RDS Addendum shall be limited to correcting errors resulting from ECCU's failure to exercise ordinary care.
- f. ECCU makes absolutely no representations or warranties whatsoever, express or implied, in law or in fact, to you or to any other person as to any computer hardware, software, or equipment in connection with Remote Deposit Services, including, but not limited to, your computer systems or related equipment, your software, or your internet service provider, or its equipment, or as to the suitability or compatibility of ECCU's software, internet delivered service, equipment, or communication interfaces with those that you use, or as to whether any software or internet delivered service will perform in an uninterrupted manner, including, but not limited to, any warranty of merchantability or fitness for a particular purpose.

Limit of Liability (Continued)

- g. ECCU shall not be responsible or liable for any errors or failures resulting from defects in, or malfunctions of, your computer hardware or software, for the quality of
- h. performance or lack of performance of any computer software or hardware or internet delivered services supplied by ECCU to you in connection with this RDS Addendum, or for the transmission or failure of transmission of any information from you to ECCU, from ECCU to you, from you to any processor, from any processor to ECCU, or otherwise. ECCU shall not be responsible for notifying you of any upgrades or enhancements to any of your computer hardware or software.

19. Third Parties: Maintenance

a. Remote Deposit Service from Others:

You may be using special equipment, services, or software provided by a third party to assist it in processing Checks and Deposits hereunder (each a “**Third Party**” and, if more than one, “**Third Parties**”). You (i) agree that any Third Party is acting as your agent in the delivery of Checks and Deposits to ECCU, and (ii) agree to assume full responsibility and liability for any failure of that Third Party to comply with the Rules or this RDS Addendum. ECCU will not be liable for any losses or additional costs incurred by you as a result of any error by a Third Party or a malfunction of equipment provided by a Third Party. You shall provide at least ten (10) business days advance written notice to ECCU in the event it uses any such Third Party. You are solely responsible for maintaining compliance with the requirements of any Third Party, including obtaining any software updates. ECCU shall not have any responsibility for any Check or Deposit handled by a Third Party until that point in time when ECCU accepts and approves a Check or Deposit from such Third Party for processing.

b. Equipment Maintenance:

You shall be solely responsible for obtaining and properly maintaining your equipment and system requirements, including computer equipment, Internet connectivity, scanning terminals (unless contracted with ECCU), and any other equipment or items necessary to receive Remote Deposit Services. ECCU shall not be liable to you, in any manner whatsoever, for any type of errors, losses, damages, or other claims related to your failure to do so.

20. Termination

You or we may terminate the Remote Deposit Services at any time. In the event your use of the Remote Deposit Services is terminated, we may require you to return at your own expense all hardware that we provided to you in using the Remote Deposit Services.

ECCU and you agree that Sections 3, 6, 11, 13, 17, and 18 shall survive the termination of the Remote Deposit Services.

NOTICE: IF YOU DO NOT AGREE TO THE TERMS OF THIS RDS ADDENDUM, DO NOT USE REMOTE DEPOSIT SERVICES.