



eDeposit Services Agreement

This eDeposit Services Agreement, ("Agreement") is the contract that covers your and our rights and responsibilities concerning the eDeposit services offered to you by Michigan State University Federal Credit Union and Oakland University Credit Union ("Credit Union"). Oakland University Credit Union, OUCU, is a licensed trade name of Michigan State University Federal Credit Union. While some of your account materials may reflect the OUCU logo, MSUFCU remains the legal entity behind both brands, MSUFCU and OUCU. Your legal documents, eDeposit transactions and Federal Reserve transactions will be listed in your account as MSUFCU.

The words "we," "us," and "our" mean Michigan State University Federal Credit Union. The word "account" means any one or more deposit or loan accounts you have with the Credit Union. The words "you" and "your" refer to you as an MSUFCU or Oakland University Credit Union account owner. The word "eDeposit" means the remote deposit capture service for checks offered by the Credit Union. By using the eDeposit service and accepting this Agreement, you and any joint owners or authorized users, jointly and severally, agree to the terms and conditions in this Agreement, and any amendments.

This eDeposit service is offered for the purpose of converting original checks to substitute checks, as such term is defined in the Check Clearing for the 21st Century Act and Federal Reserve Board Regulation CC ("Check 21"), for deposit with Credit Union and for processing and presentment to a collecting or paying financial institution. The eDeposit service is subject to the following terms and conditions and to the instructions, rules, and terms contained in the eDeposit Help File provided to you via a link within the service and incorporated by reference herein.

1. eDeposit Service.

1.1 eDeposit Check Capture Process. You will scan checks or drafts ("items") with an image capture device ("Scanner") creating an electronic image and you will transmit an electronic file of such electronic images that we will deposit to your account. Our processing agent shall perform an image quality assessment of scanned checks or items and shall convert items meeting our required standards into substitute checks to facilitate the deposit and collection of such items. You agree that the manner in which items (e.g., substitute check, image exchange, ACH) are cleared or presented for payment shall be determined by us, at our sole discretion. We reserve the right to select the clearing agents through which we clear items. You agree to be bound by any clearinghouse agreements, operating circulars, and image exchange agreements to which we are a party.

1.2 Funds Availability. Funds from deposited items will be available according to our Truth in Savings and Funds Availability Disclosure, as amended from time to time, which is incorporated herein by reference. For purposes of determining the availability of funds, checks deposited via an eDeposit session are considered received by us when the eDeposit check capture system expressly indicates that the checks were received by or delivered to us. You agree that the scanning and transmitting of checks does not constitute receipt by us. Checks scanned and transmitted via eDeposit will be considered received by us on the day of receipt. For the purpose of establishing funds availability, your deposits via eDeposit are deemed to be received by us at the time the system indicates a successful transaction is completed. Acknowledgment of receipt or delivery does not constitute an acknowledgment by us that the transmission of a check or items does not contain errors.

1.3 Deposit Acceptance. You agree that we may at any time, at our sole discretion, refuse to accept deposits of checks from you via eDeposit. In the event that eDeposit check capture services are interrupted or are otherwise unavailable, you may, at your option, deposit checks in person at one of our branches, automated teller machines (ATM), or via night drop, mail, or other contractually acceptable method.

2. Your Account.

2.1 Your Account. You will designate a Credit Union savings, checking, or loan account as the settlement account to be used for the purposes of settling, in aggregate, the financial transactions requested in connection with the eDeposit service. We shall provide you with details of the specific transactions, reported similarly as other transactions may be done, that were a result of access to the service. You shall be responsible for auditing and balancing of any settlement account.

2.2 Responsibility for Scanning. You are solely responsible for scanning deposit items, accessing the service from us, and for maintaining your scanning equipment. You will be responsible for the payment of all telecommunications expenses associated with the service. We shall not be responsible for providing or servicing any equipment for you.

2.3 Hardware and Software Requirements. The eDeposit Check Capture Process has specific hardware and software requirements in order to properly use this service. These requirements are specified on our webpage at msufcu.org under the frequently asked questions section of the eDeposit page.

2.4 Deposit Requirements. You agree that you will only use eDeposit to deposit checks drawn on financial institutions within the United States, excluding its territories. You will deposit checks not falling within this requirement in person, using a night drop facility, or by U.S. mail accompanied by written instructions including, but not limited to, the account number for said deposit to be posted to. You agree that each check you submit for deposit through the eDeposit check capture service will meet the image quality standards established in American National Standards Institute's standard DSTUX9.37-2003. Each image of each check shall be of such quality that the following information can clearly be read and understood by sight review of such image:

- a. Amount of the check,
- b. Payee of the check,
- c. Signature of the drawer of the check,
- d. Date of the check,

- e. Check number,
- f. Information identifying the drawer of the paying financial institution that is preprinted on the check, including the MICR line, and
- g. All other information placed on the check prior to the time 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.

2.5 Check Retention and Destruction. You agree all items belong to you, and not to us, and that those items shall be handled in accordance with this Agreement and the Help File. After receipt by us of any transmission by you of imaged items for deposit to your account, we will acknowledge by electronic means its receipt of such electronic transmission. Your electronic transmission is subject to proof and verification. You shall retain the original of all imaged items that have been deposited via eDeposit for reasonable period of time in order to verify settlement and credit or to balance periodic statements, but in no case beyond 90 days from the date processed and shall properly destroy and dispose of such original checks after such time. During the period that you maintain the original checks, you understand and agree that you must use a high degree of care to protect these original checks against security risks. These risks include, without limitation, (i) theft or reproduction of the original checks (including by employees) for purposes of presentment for deposit of these original checks (i.e., after the original checks have already been presented for deposit via the eDeposit check capture service) and (ii) unauthorized use of information derived from the original checks. When you destroy and dispose of the original checks pursuant to the requirements of this Agreement, you understand and agree that you must use a high degree of care when selecting and implementing destruction and disposal procedures. Among other things, these procedures must be designed to ensure the original checks are not accessed by unauthorized persons during the destruction and disposal process and, once destroyed, the original checks are no longer readable or capable of being reconstructed (e.g., through the use of competent shredding equipment.)

2.6 Presentment Prohibitions. You shall not present, or attempt to present, or allow others, either directly or indirectly, to present, or attempt to present, for deposit by any means (i) any substitute check that has already been presented for deposit via eDeposit or (ii) any original check, the substitute check of which has already been presented for deposit via eDeposit. In the event that you, or any third party, presents, or attempts to present, a deposit in violation of this Subsection you agree to defend, indemnify, and hold us and our agents harmless from and against all liability, damage and loss arising out of any claims, suits, or demands brought by third parties with respect to any such substitute check or original check. You agree the aggregate amount of any items which are deposited more than once will be debited from your account, and to the extent funds in your account are insufficient to cover such amount, any balance shall be debited by us from any other deposit accounts with us at our sole discretion. You further acknowledge that you and not us are responsible for the processing and handling of any original items which are imaged and deposited utilizing the service and you assume all liability to the drawer of any item imaged using the service or liability arising from our printing of any substitute check from those images.

2.7 Your Representations and Warranties. You represent and warrant that:

- i. You will comply with all federal and state laws, and rules and regulations applicable to Online transactions, including those of the National Automated Clearing House for ACH transactions,
- ii. All checks scanned through image transport are made payable to you,
- iii. All signatures on each check are authentic and authorized,
- iv. You will not attempt to re-deposit or re-present any check,
- v. You will not deposit or attempt to deposit any check that you know or suspect (or have reason to know or suspect) is fraudulent or otherwise not authorized by the owner of the account the check is drawn upon, and
- vi. Each check has not been altered.

In the event you breach any of these representations or warranties, you agree to defend, indemnify and hold us and our agents harmless from and against all liability, damages and loss arising out of any claims, suits or demands brought by third parties with respect to any such breach, including reasonable attorneys' fees. You further authorize us to charge your account for the amount of any such demand, claim or suit that constitutes a breach of warranty claim under the provisions of the Uniform Commercial Code.

2.8 Financial Responsibility. You are, and shall remain, solely and exclusively responsible for any and all financial risks including, without limitation, insufficient funds associated with accessing the service. We shall not be liable in any manner for such risk unless we fail to follow the procedures described in materials for use of the service. You assume exclusive responsibility for the consequences of any instructions it you give to us for your failures to access the service properly in a manner prescribed by us, and for your failure to supply accurate input information, including, without limitation, any information contained in an application.

2.9 Account Reconciliation. You will verify and reconcile any out-of-balance condition and promptly notify us of any errors within the time periods established in the Help File (exclusive of weekends and applicable holidays) after receipt of the applicable detail report from us. If notified within such period, we shall correct and resubmit all erroneous files, reports and other data at our then-standard charges, or at no charge, if the erroneous report or other data directly resulted from our error. Upon request, you agree to provide copies of imaged documents (or original documents, if available) to facilitate investigations related to unusual transactions or poor-quality transmissions, or to resolve disputes.

3. Our Obligations.

3.1 Financial Data. We agree to transmit all the financial data under our control required to utilize the service selected by you and to act on appropriate instructions received from you in connection with such service. We shall exercise due care in seeking to preserve the confidentiality of the user number, password, test key, or other code or identifier and to prevent the use of the service by unauthorized persons (It is understood and agreed that implementation by us of our normal procedures for maintaining the confidentiality of information relating to our members, and where practicable the obtaining by us from any third parties engaged in the installation, maintenance and operation of the system of similar undertakings, shall constitute fulfillment of our obligation so to exercise due care.) but shall not otherwise be under any liability or have any responsibility of any kind for any loss incurred or damage suffered by you by reason or in consequence of any unauthorized person gaining access to or otherwise making use of the service. You assume full responsibility for the consequences of any misuse or unauthorized use of or access to the service or disclosure of any confidential information or instructions of you by your employees, agents, or other third parties.

3.2 Service Availability. You understand service availability is at all times conditioned upon the corresponding operation and availability of those computer services and systems used in communicating your instructions and requests to us and our response. We shall not be liable or have any responsibility of any kind for any loss or damage thereby incurred or suffered by you in the event of any failure or interruption of such services or any part thereof, resulting from the act or omission of any third party, or from any other cause not reasonably within our control.

3.3 Exception Items. When we review and process your electronic file, we may reject any electronic image that we, at our sole discretion, determine to be ineligible for the service ("Exception Item") including, without limitation, electronic images of items drawn on banks located outside the United States, items drawn on U.S. banks in foreign currency, electronic images that are illegible (due to poor image quality or otherwise), electronic images of items previously processed, electronic images of items missing signatures and/or endorsements, electronic images of items that are not made payable to the account holder, electronic images previously converted to substitute checks, and electronic images with unreadable MICR Information. You agree that if you wish to attempt to deposit any Exception Item to any of your accounts with us, you shall only do so by depositing the original item on which the Exception Item is based. You acknowledge and agree that even if we do not initially identify an electronic image as an Exception Item, the substitute check created by the Credit Union therefrom may nevertheless be returned to us because, among other reasons, the electronic image is deemed illegible by a paying bank. Our failure to identify an Exception Item shall not preclude or limit the obligation of you to us.

3.4 Transaction History. We shall provide you with transaction history via the internet and the online banking service detailing items processed, return items, and deposit adjustments.

4. Service Charges and Fees. Currently, there is no monthly fee for eDeposit unless you elect the High-Speed Scanning Option. If you elect the High-Speed Scanning Option, you agree to pay a monthly fee as stated in the eDeposit High-Speed Scanning Agreement. You agree to pay all fees and charges for deposit services as set forth on the Schedule of Service Charges. All charges are subject to change by us.

5. Warranties; Disclaimer of Warranties.

5.1 Service Warranty. You perform the function of converting an original check to a substitute check. Therefore, you understand and agree that you are responsible, to the extent permitted by law, for all warranties and indemnifications set forth in Check 21 applying to any Reconverting financial institution and Truncating financial institution, as such terms are defined by Check 21, including, without limitation, the obligation to only convert an original check that allows for the creation of a substitute check that clearly and accurately represents the information on the front and back of the original check. We and our agents may, but shall have no obligation to, screen items or substitute checks for legal compliance. You agree to defend, indemnify, and hold us and our agents harmless from and against all liability, damage and loss arising out of any claims, suits, or demands brought by third parties with respect to any such substitute checks.

5.2 Disclaimer of Liability. YOU ACKNOWLEDGE THE SERVICE IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE ARE NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN OR TO ANY INFORMATION RESULTING FROM YOUR USE OF THE SERVICE. WE MAKE NO AND EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE SERVICE, INCLUDING THE WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, WE DISCLAIM ANY WARRANTIES REGARDING THE OPERATION, PERFORMANCE OR FUNCTIONALITY OF THE SERVICE (INCLUDING, WITHOUT LIMITATION, THAT THE SERVICE WILL OPERATE WITHOUT INTERRUPTION OR BE ERROR-FREE). YOU FURTHER ACKNOWLEDGE THERE ARE CERTAIN SECURITY, CORRUPTION, TRANSMISSION ERROR AND ACCESS AVAILABILITY RISKS ASSOCIATED WITH USING OPEN NETWORKS SUCH AS THE INTERNET AND/OR TELECOMMUNICATION LINES OR CIRCUITS. YOU HEREBY ASSUME ALL RISKS RELATING TO THE FOREGOING.

6. Our Liabilities.

6.1 Direct Damages. OUR LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES SUSTAINED BY YOU AND ONLY TO THE EXTENT SUCH DAMAGES ARE A DIRECT RESULT OF OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, PROVIDED THAT OUR MAXIMUM AGGREGATE LIABILITY RESULTING FROM ANY SUCH CLAIMS SHALL NOT EXCEED THE TOTAL FEES PAID BY YOU FOR THE SERVICE RESULTING IN SUCH LIABILITY IN THE SIX-MONTH PERIOD PRECEDING THE DATE THE CLAIM ACCRUED. IN NO EVENT SHALL WE BE LIABLE FOR SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND INCLUDING LOST PROFITS WHETHER OR NOT TWE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. OUR LICENSORS OR SUPPLIERS WILL NOT BE SUBJECT TO ANY LIABILITY TO YOU IN CONNECTION WITH ANY MATTER.

6.2 Your Duty to Report Errors. You shall notify us of any errors, omissions, interruptions in, or delay or unavailability of, the Services as promptly as practicable, and in any event within one business day after the earliest of discovery thereof, or the date discovery should have occurred through the exercise of reasonable care, and, in the case of any error, within 14 days of the date of the earliest notice to you which reflects the error. Your failure to notify us of any error, omission, or other discrepancy within seven (7) days from the date of a loss shall relieve us of any liability for such error, omission, or discrepancy.

6.3 Our Performance. You acknowledge and agree that we shall not be liable for any damages or loss of any kind resulting from any unintentional error or omission by us in performing the Services, in accordance with or unintentional deviation from the terms and conditions of this Agreement, including exhibits or addenda. You acknowledge that our systems and procedures established for providing the Services are commercially reasonable. You shall defend, indemnify, and hold us harmless from and against all liability, damage, and loss arising out of any claims, suits, or demands brought by third parties with respect to the Services.

6.4 Limitation. We shall have no liability to you, or any other person or entity for any loss, damage, cost, or expense arising out of this Agreement or the Services regardless of the form in which asserted, whether in contract, tort (including negligence), warranty, or any other legal or equitable grounds, and regardless of whether the remedies available fail of their essential purpose, except as provided by applicable law for any error or delay in performing the Services provided for in this Agreement, and shall have no liability for not effecting an Entry, if:

- i. We receive actual notice or have reason to believe that you have filed or commenced a petition or proceeding for relief under any bankruptcy or similar law,
- ii. The ownership of funds involving an Entry or the Authorized Representative's authority to transmit an Entry is in question,
- iii. We suspect a breach of the Security procedures,
- iv. We suspect that the account has been used for illegal or fraudulent purposes, or
- v. We reasonably believe that an Entry is prohibited by federal law or regulation, or otherwise so provided in the Agreement.

We will not be liable if you fail to report timely any error or discrepancy reflected in a Statement prepared by us, or if you fail to report a breach of a security procedure. If we fail to perform under this Agreement in accordance with the standards set herein, our liability for damages, losses, and other compensation owing to you shall be limited to the total fees paid by you to us for our failure to perform resulting in such liability in the two-month period preceding the date the claim accrued. We shall not be liable for any loss, damage, liability, or claim arising directly or indirectly from

any error, delay, or failure to perform hereunder which is caused by earthquakes, fires, natural disasters, civil or foreign disturbances, power outages, acts of government, labor disputes, failures in either communication or computer networks, legal constraints, or any other event beyond our control. In no event will we be liable for any indirect, consequential, punitive, or special damages. We will also be excused from failing to transmit or delay in transmitting an entry if such transmittal would result in it exceeding any limitation imposed on it by any governmental or regulatory body.

7. Force Majeure. We shall not be responsible for liability, loss, or damage of any kind resulting from any delay in the performance of or failure to perform your responsibilities hereunder due to causes beyond our reasonable control.

8. Termination. Either party may terminate this Agreement upon not less than 10 days prior written notice to the other party. Notwithstanding any such notice of termination, this Agreement shall remain effective in respect of any transaction occurring prior to such termination. Upon any termination of this Agreement, you will immediately cease using the service and you shall promptly remit all unpaid monies due under this Agreement. We may immediately suspend or terminate your access to the service in the event that we reasonably determine such suspension or termination is necessary in order to protect the service or us from harm or compromise of integrity, security, reputation, or operation.

9. Indemnification. You agree to indemnify, defend and hold harmless us and our shareholders, directors, officers, employees, and agents (the "Indemnified Parties") from and against any and all losses, costs, expenses, fees (including, but not limited to, reasonable attorney fees and disbursements), claims, damages, liabilities, and causes of actions of third parties resulting or arising from: (a) your failure to abide by or perform any obligation imposed upon you under this Agreement; (b) the willful misconduct, fraud, criminal activity, intentional tort or negligence of you or any of your representatives involving use of the service; (c) the actions, omissions or commissions of you, your employees, consultants and/or agents relating to the service; and (d) any transmission or instruction, whether or not authorized, acted upon by us 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 we may participate in such defense and settlement with counsel of our own choosing at our own expense; provided, further, however, you shall have no authority to settle any claim against any Indemnified Party without the prior written consent of such Indemnified Party (which consent shall not be unreasonably withheld).

10. Modification of Services. We reserve the right to modify eDeposit from time to time without making prior notice to you, provided we will give you at least 30 days' notice prior to making any modifications to the eDeposit service that would materially alter its functionality.

11. Notices. Except as otherwise expressly provided herein, we shall not be required to act upon any notice or instruction received from you or any other person, or to provide any notice or advice to you or any other person with respect to any matter.

12. Enforcement. You agree to be liable to us for any liability, loss, or expense as provided in this Agreement that we incur as a result of any dispute involving your accounts or services. You authorize us to deduct any such liability, loss, or expense from your account without prior notice to you. This Agreement shall be governed by and construed under the laws of the State of Michigan as applied to contracts entered into solely between residents of, and to be performed entirely in, such state. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to Michigan law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. Should any one or more provisions of this Agreement be determined illegal or unenforceable in any relevant jurisdiction, then such provision may be modified by the proper court, if possible, but only to the extent necessary to make the provision enforceable and such modification shall not affect any other provision of this Agreement.

13. Financial Information. We may from time-to-time request information from you in order to evaluate a continuation of service to be provided by us under this agreement. You agree to provide the requested financial information immediately upon request by us, in the form required by us. You authorize us to investigate or reinvestigate at any time any information provided by the you in connection with this Agreement or service and to request reports from credit bureaus and reporting agencies for such purpose. Upon request by us, you hereby authorize us, if you are a business entity with premises open to the public, to enter your business premises for the purpose of ensuring that you are in compliance with this Agreement. If you refuse to provide the requested financial information, or if we conclude, at our sole discretion, that your credit risk is unacceptable, or if you refuse to give us access to your premises, we may terminate service according to the provisions hereof.