

**MOBILE REMOTE DEPOSIT CAPTURE
SERVICE ADDENDUM TO
ONLINE BANKING SERVICES AGREEMENT**

Together with the Online Banking Services (“OB Services”) agreement (“Agreement”), which continues to apply and is hereby ratified, confirmed and deemed incorporated herein, this addendum (the “mRDC Addendum”) supplements said Agreement. The Agreement and Addendum describe both Apple Bank for Savings’ (“Apple Bank” or “Bank”) and your rights and obligations when using the mobile remote deposit capture service (“mRDC Service”) and represents your acceptance of the terms and conditions.

PLEASE TAKE NOTICE: ALL TERMS AND CONDITIONS OF THE AGREEMENT INCLUDING, BUT NOT LIMITED TO, THOSE PERTAINING TO YOUR RESPONSIBILITIES, LIABILITIES AND OBLIGATIONS TO RELEASE, HOLD HARMLESS AND INDEMNIFY THE BANK, TO PROVIDE TIMELY NOTICE(S) AND TO BE BOUND BY THE BANK’S LIMITED LIABILITY, DISCLAIMERS OF WARRANTIES AND ITS DISCLOSURES CONCERNING CONSUMER ELECTRONIC FUNDS TRANSFERS, ONLINE SECURITY, ELECTRONIC COMMUNICATIONS, SYSTEM REQUIREMENTS, ACCESS TO SERVICES, GENERAL TERMS AND CONDITIONS, ETC., ALL AS SET FORTH THEREIN, ARE DEEMED INCORPORATED HEREIN FOR ALL PURPOSES AND SHALL APPLY IN ALL RESPECTS TO THE MOBILE REMOTE DEPOSIT CAPTURE SERVICE PROVIDED PURSUANT TO THIS ADDENDUM. Please read them carefully and make copies for your records.

This Addendum contains supplemental definitions and abbreviations at Section XI.

I. mRDC – MOBILE REMOTE DEPOSIT CAPTURE SERVICE

The mobile remote deposit capture service (“mRDC Service”) is embedded within the Q2mobility application available through Ensenta Corporation, a third-party provider of Q2.

A. By subscribing, using an Electronic Signature, clicking “I Agree,” requesting access or using the mRDC Service and providing Login Credentials, you and anyone else you authorize (i.e., an Authorized Person) agree to be bound by this Addendum and the Bank’s Rules. Your acceptance of this Addendum constitutes your Enrollment and registration in the mRDC Service and evidences affirmative consent under the E-Sign Act.

B. Authorization. By enrolling, you authorize and direct the Bank, Q2, and Ensenta Corporation (“Ensenta”) and their processing agents to: (1) activate said Service, (2) accept and process your mobile remote deposit capture instructions, and (3) do all things necessary to enable you to access and use the Service.

C. Convenience and Accuracy. When using the mRDC Service Users can quickly and conveniently deposit paper checks (“Checks”) to their checking, money market and savings accounts maintained at the Bank through scanning and the electronic capture of each Check image, front and back, along with related data (e.g., MICR line data, date, Check number, etc.).

The images and Check data can then be securely transmitted to the Bank for processing and forward collection, through use of a supported Mobile Device and its camera function. Users can also review their Check deposit history through the Mobile Application or a Computer.

The mRDC Service seeks to maximize Check image quality. The Service employs clearly worded error or warning messages, allowing self-correction in the process, and immediately notifies Users of Check image readability problems, Check negotiability issues (e.g., invalid MICR line) or other failures.

D. Submission of Checks. All Checks submitted for deposit through the mRDC Service are subject to Bank risk management review, verification, collection and final payment. Your submission of image and data files of any Check will not be considered a deposit until the Bank has accepted the same for forward collection, following review. See also, sections 1. F. and 1. G., below.

E. Posting. When Checks are submitted prior to the 3:00 PM ET Business Day cut-off and are reviewed by the Bank and accepted for deposit and collection, Users will see their updated account balance(s) posted on their Mobile Devices or Computers after 5:00 PM on that Business Day. When submitted after the cut-off time, Users will see their updated account balance(s) posted after 5:00 PM on the next Business Day.

F. The Bank as Collecting Agent. In accepting items for deposit or collection, the Bank acts only as your collecting agent. The manner in which any item is sent for forward collection, presentment and clearing is determined at the Bank's sole discretion and in accordance with its Rules. The deposit of any Check or other item through mRDC is done at your own risk. Checks are credited subject to receipt of actual payment. The Bank shall have the right of charge back on your account for any item(s) on which actual payment is not received and will not be liable for charges, fees or expenses you may incur as a consequence of any such charge back.

G. Real Time Deposit Risk Management. Behind the scenes, the mRDC Service and the Q2mobility application utilize a wide range of Check deposit risk factors weighing against each of your mobile Check deposit submissions, in an effort to detect and uncover errors, irregularities and indications of possibly fraudulent characteristics that, potentially, could defeat the collection of a Check or result in its later return. The Bank will promptly review Checks placed in this category. This risk management process benefits not only the Bank, but also protects you, the User.

In its discretion the Bank may reject any Check submission, not only for issues of poor image quality, but also for issues concerning its authenticity, potential fraud, compliance with the Bank's rules and Check negotiability.

The criteria for rejection could include, but are not limited to, violations of Maximum Deposit Limits (see section II., below), Ineligible Items, incomplete Checks, improper endorsements, missing endorsements, forgeries, mismatched names, amounts or other data, material alterations, counterfeits, errors in MICR line or routing transit number ("RTN"), duplicates [i.e., checks previously deposited or submitted for deposit at any financial institution (which were not eligible for redeposit)], stopped items, closed or blocked accounts, device or geo-location issues, etc.). If rejection of a Check is possible, but not certain, it will be sent for back office review and a quick determination of whether or not the Check will be accepted and sent for collection.

If the Check image is illegible or the Maximum Deposit Limits are exceeded, you will receive prompt on-screen notice of the rejection. If rejected for other reasons, you will be notified of the rejection via email.

H. Joint Owners. If two or more joint owners hold an Account, remote deposit scanning, capture and transmission through the mRDC Service may be made by any one of them, subject to the payee endorsement requirements and Account ownership that comports with the Check or item. You hereby confirm that your joint account holder(s), if any, has/have consented to use of the Account(s) for the Service. We will end your use of the mRDC Service if any joint account holder notifies us that (i) he or she never consented to your use of the Service, (ii) the joint account can no longer be operated on your instructions alone, or (iii) he or she is withdrawing consent for you to operate the joint account.

II. MAXIMUM DEPOSIT LIMITS

The following maximum deposit limits apply:

- Daily dollar (\$) limits: \$3,000.00 (per Check or in aggregate)
- Aggregate monthly dollar (\$) limit: \$10,000.00 (i.e., a rolling 30-day period)
- Number of Check limits: 5 Checks per day/20 items (per rolling 30-day period)

Note: Higher limits may be available upon management approval.

III. FUNDS AVAILABILITY

Deposit(s) accepted through the mRDC Service will not receive any faster funds availability for cash withdrawals or payments of Checks or other items payable to others and will continue to be subject to the provisions of Federal Reserve Board Regulation CC and Apple Bank's funds availability policy as set forth in the About Your Apple Bank Accounts brochure. For funds availability purposes, any mRDC deposit submission after 3:00 PM ET will be treated as having been received, and will not be processed until, the next Business Day.

IV. REQUIRED PROCEDURES

When you are using the mRDC Service, you represent that you shall use and follow the Bank's Rules and the procedures set forth herein and as they may be amended from time to time, including, but not limited to:

Ineligible Items. You will scan and electronically transmit only "Eligible Items" (as defined at Section XI) and will NOT scan any Check the Bank considers ineligible for mRDC purposes under the Addendum, including, but not limited to, any:

- Check payable to a person or entity that is not the owner of the account into which the deposit is being made
- Check previously submitted using the mRDC Service or through any remote deposit capture service at or through another financial institution ("FI")

- Check payable to joint parties unless it is deposited into an account in the names of all the joint payees
- Check with more than one endorsement where not all signatures/identities are known or immediately verifiable
- Check previously converted into a “substitute check” as defined in FRB Reg. CC
- Check containing a forged signature or any alteration of it
- Check which you know or suspect is fraudulent, not properly payable or was not drawn or authorized by the owner of the drawer’s account
- Check with any endorsement on its back that was not made in accordance with the Bank’s endorsement standards and requirements, as set forth below
- Check drawn on the United States Treasury Department
- Any U.S. Postal Money Order
- Check drawn on financial institution outside the United States of America
- Check that was “remotely created”
- Check payable on sight or payable through Drafts, as defined in Reg. CC
- Check not payable in U.S. currency
- Check is stale dated, i.e., was drawn and dated more than 6 months prior to the date of deposit
- Check or other item that is not acceptable under the Bank’s Rules, as amended from time to time
- Check or other item not permitted under the Agreement or this Addendum

Endorsements. You must sign and restrictively endorse any Check to be submitted through the mRDC Service using the words: "**For mobile deposit only, # _____**" (insert account number), include the signature(s) of all named payee(s) (assuming they are all of the account owners) and as the Bank otherwise directs.

Image Quality. You must comply with the Bank’s Check image quality requirements, as established by the FRB, the FDIC, other regulatory agency or any automated clearing house, as applicable.

Receipt of Checks. The Bank reserves a right to reject any Check submitted through the mRDC Service at its sole discretion and without liability to you. The Bank bears no liability for items it does

not receive or for images and data that are misdirected, lost or intercepted during transmission. An item image will be deemed received when you obtain a confirmation, but that does not necessarily mean that the transmission was error free, complete or will be considered a deposit and credited to your account.

Disposal of Transmitted Checks. You agree to retain the physical original of any Check or item transmitted through the mRDC Service for a period of at least 14 calendar days following your receipt of confirmation that the image was received. Thereafter, you must either destroy the original physical Check or item that you transmitted as an image, mark it "VOID", or otherwise render it incapable of further transmission, deposit, or presentment. During the time the retained Check is available, you agree to promptly provide it to the Bank upon its request.

Errors. You must IMMEDIATELY notify the Bank of any known or suspected error(s) or omissions in the transmission, confirmation, receipts, statements, processing and/or posting of any Check(s) that you deposit through the mRDC Service. In no event may such notice be made later than 30 calendar days after the applicable account statement is mailed, sent or otherwise made available to you through the OB Service.

Call CustomerLine at (914) 902-APPLE (2775), or write us at:

Apple Bank for Savings
c/o CustomerLine
1395 Northern Boulevard
Manhasset, NY 11030

V. FEES

There are no Fees associated with the submission of Checks for deposit through the mRDC Service, though the Bank reserves the right to do so in the future, upon prior written notice to you. For other service fees and charges, generally, refer to the Bank's Maintenance and Service Charges brochure.

VI. ASSUMPTION OF RISK, HOLD HARMLESS AND INDEMNIFICATION

Assumption of Risk

You agree that you shall bear the sole risk and peril of any financial loss or damage you sustain as a result of accessing and/or using the mRDC Service.

Hold Harmless and Indemnity

At your sole cost and expense, you shall defend, hold harmless and indemnify the Bank from and against any and all losses (including losses in excess of the amount of any Check), damages, liabilities, costs or expenses (including actual third-party out of pocket, reasonable attorneys' fees and expenses) [herein "Loss"] incurred or sustained by the Bank and/or for actions, claims, demands or suits made or brought by any other person or entity, any of the same becoming due, directly or indirectly arising out of, as a result of, in connection with or relating to any Check or deposit

transmission, whether accepted or rejected by the Bank, under any theory of recovery advanced, including but not limited to breach of contract, breach of representation or warranty, tort or otherwise, provided the Loss has not resulted from the Bank's gross negligence or willful misconduct.

Without limiting the foregoing, you shall also indemnify the Bank and any recipient of a substitute check created from data and image files of any Check or other item deposited hereunder, any subsequent recipient of such substitute check for any loss or damage incurred or sustained by any recipient of a substitute check if that loss occurred due to the receipt of a substitute check instead of the original Check.

You shall indemnify the Bank for all costs and expenses (including, without limitation, actual third-party out of pocket, reasonable attorneys' fees) incurred or sustained by the Bank in the enforcement of this Addendum including, without limitation, enforcement of the Agreement's release, hold harmless and indemnity provisions. You acknowledge that recoverable damages under the aforesaid provisions shall not be limited to the dollar amount of any Check(s).

VII. USER REPRESENTATIONS AND WARRANTIES

By subscribing hereto, you, on becoming a User, requesting access and when using the mRDC Service authorize, represent and warrant as follows:

- (1) The Bank, Q2, Ensenta and any of their processing agent(s) are authorized to use, copy, modify, display and distribute any information, data, materials or other content, both confidential and non-confidential, that the User provides to such processing agents for the purpose of providing the Services;
- (2) You have the right to authorize and permit the Bank, Q2, Ensenta and/or their processing agents to access your accounts to effect mobile remote deposit capture ("mRDC") deposit transmissions or for any other purpose authorized by the Agreement and this Addendum;
- (3) By disclosing account and Check information to the Bank, Q2, Ensenta and/or their processing agents, and allowing us and them to use such information, you are not violating any third party rights;
- (4) The information provided to the Bank, Q2, Ensenta and their processing agents is and shall continue to be true, current, correct and complete;
- (5) The Bank, Q2, Ensenta and their processing agent(s) may rely upon all data, images or other information provided by the End User or Authorized person when using the mRDC Service;
- (6) Upon each deposit transmission, and for each Check or other item in any deposit, you further represent and warrant to the Bank that:
 - (A) You will only transmit Eligible Checks through the mRDC Service;
 - (B) You will not transmit any duplicate Checks or items that have been previously deposited or submitted to any financial institution (which were not eligible for redeposit);

- (C) You are a person entitled to enforce each instrument, Check or item;
 - (D) All signatures required for transfer of the Checks (including, but not limited to, the endorsement of any third-party payee) appear thereon, and are authorized and authentic;
 - (E) No Check or item has been materially altered;
 - (F) No Check or item is or will become subject to any defense or claim of recoupment by any party that could be asserted against the Client;
 - (G) You are not aware of any circumstance that could impair the collectability of any such Check or item;
 - (H) You have no knowledge of any receivership or other insolvency proceeding commenced with respect to the maker or drawer of any such Check or item;
 - (I) All data on Checks sent to the Bank accurately contain the RTN, account number, Check number and amount of such Check;
 - (J) The image transmitted of each such Check or item accurately represents the entire image of the front and back thereof as of the time of your remote capture;
 - (K) Each such image shall be legible;
 - (L) No Check or item has been deposited previously (either conventionally or electronically) unless returned unpaid only once for insufficient funds;
 - (M) Nor will any such Check or item subsequently be deposited (conventionally or electronically) unless such Check has been returned only once unpaid for insufficient funds;
 - (N) No Check or item shall constitute a remotely created Check (as defined in Regulation CC);
 - (O) You have no knowledge that any Check or item is subject to a stop payment order, legal process or other restraint;
 - (P) No Check or item deposit amount exceeds the dollar limits set forth above at Section II; and
 - (Q) You will comply with the Bank's Rules, as may be amended, at all times.
- (7) You hereby appoint the Bank, Q2, Ensenta and their processing agents as your true and lawful attorney(s)-in-fact to access your Account information, Check or item images and data, but only for purposes of performing the Services hereunder, including but not limited to, the handling of each remote deposit capture and transmission, and effectuating such acts as may be required or necessary to be done hereunder in the forwarding of Checks or items for collection, presentment, clearing and settlement, and, further, for verifying the content and authenticity of any instruction for the purposes of security procedures applicable to your Accounts and the mRDC Service, for all intents and purposes as the User might or could do in person; and
- (8) You acknowledge and agree that upon a breach of any of your representations and warranties set forth herein, you shall be liable for damages equal to the actual pecuniary loss

suffered or incurred by the Bank as a result, including, without limitation, all damages otherwise recoverable against a depository or collecting bank as a result of the warranties and obligations relating to the presentment of Checks or items into the collection stream under state and federal law, including, but not limited to, the NY UCC and Federal Reserve Board Regulations J and CC, which obligations are hereby assumed by you, the End User.

VIII. USER LIABILITY AND INDEMNIFICATION

You, the User, agree to indemnify, defend and hold Apple Bank, Q2, Ensenta and their processing agents, as well as their subsidiaries, affiliates, partners, officers, directors, employees, consultants and agents harmless from any and all third party claims, liability, damages and/or costs (including, but not limited to, attorneys' fees) arising from: (1) your use of the mRDC Service, (2) said entities' and persons' good faith reliance upon the User's representations and warranties, as set forth above (in Section VII), and/or (3) the information, instructions, license and/or authorizations provided to them by you, which later results in injury or damages to the rights of any person or entity.

IX. LIMITED LIABILITY OF THE BANK AND THIRD-PARTY PROVIDERS

A. **Our Liability.** This Section explains the Bank's and Third-Party Providers' liability to you only to the extent that the Agreement, applicable Addenda, notices or other disclosures do not separately disclose it. In the event of a conflict, the pertinent provisions of the Addenda shall govern.

B. **NOTE:**

See, **Section XI of the Agreement**, at sub-sections A. through I., for details on the Limited Liability of the Bank and Third-Party Providers.

See also, **Section XVII of the Agreement** for additional Definitions.

X. TERMINATION OF MOBILE REMOTE DEPOSIT CAPTURE SERVICE

You may terminate this mRDC Services Addendum and cease your participation, by calling (914) 902-APPLE (2775) between the hours of 8:30 AM and 9:00 PM M-F; and between 9:00 AM and 3:00 PM SAT-SUN, Eastern Time ("ET"), or by writing the Bank at:

CustomerLine
c/o Apple Bank for Savings
1395 Northern Blvd.
Manhasset, NY 11030

XI. DEFINITIONS

In addition to the definitions in the Agreement, the following apply:

1. "Eligible Items" include only "Checks", as defined by the Federal Reserve Board Regulation CC (herein, "FRB Reg. CC"), but excluding those described herein (at Section IV) as "Ineligible Items", and which, upon the Bank's presentment as an image replacement document ("IRD") for

forward collection, will constitute “items” within the meaning of the New York State Uniform Commercial Code (“NY UCC”) Articles 3 and 4.

**Apple Bank for Savings
Member FDIC**

(May 2018)