

Remote Deposit Capture (RDC) Service Description

- 1. Introduction.** Banc of California (“Banc”) hereby offers its Customer and Customer hereby accepts the remote deposit capture service (“Remote Deposit Capture Service”) described in this Service Description. The Remote Deposit Capture Service allows Customer to transmit paper checks converted to Imaged Items to Banc for processing and deposit into the designated account of Customer maintained at Banc. Customer desires to use the Remote Deposit Capture Service to facilitate the services as identified in and subject to this Service Description. Banc reserves the right, with prior written notice to Customer, to place, from time to time, limits on Customer's right to use the Remote Deposit Capture Service.
- 2. Treasury Management Services Disclosure.** Banc will provide to Customer the Remote Deposit Capture Services described in this Service Description to enable Customer to transmit Imaged Items to Banc or Banc's designated processor to be cleared as Substitute Checks or Image Exchange Items. This Service Description forms part of the Treasury Management Services Disclosure (“Disclosure”) agreed to by Customer. In the event of conflicts between the terms of this Service Description and the terms of the Disclosure, the terms of this Service Description shall control. To the extent Customer accesses the Remote Deposit Capture Services using Banc's online services, including wireless access, Customer's use of the Remote Deposit Capture Services must also be facilitated pursuant to the separate Business Online Service Description.
- 3. Access.** The Remote Deposit Capture Service enables Customer to use an approved Software application together with a compatible wireless access device (“Wireless Access Device”) or other compatible scanning hardware maintained by Customer to create electronic images of the front and back of Original Checks and transmit those images and other information, including, without limitation, information captured from the magnetic ink character recognition (“MICR”) line, to Banc for review and processing in accordance with this Service Description. Customer agrees to exercise due care in preserving the confidentiality of any user identification, password, test key, or other code or authentication method provided by Banc or otherwise required for use of the Remote Deposit Capture Service and shall further prevent the use of the same by unauthorized persons. Customer assumes full responsibility for the consequences of any missing or unauthorized use of or access to the Remote Deposit Capture Service or disclosure of any confidential information or instructions by Customer, or anyone acting on Customer's behalf.

Wireless Access. Customer's access to the Remote Deposit Capture Service via Customer's Wireless Access Device (“Wireless RDC”) is subject to Banc's prior and ongoing approval. Banc may deny Customer's access to all or any part of the Remote Deposit Capture Service, at Banc's sole discretion, including wireless access. To access and utilize Wireless RDC Customer will need a compatible Wireless Access Device that is connected to the Internet through Customer's mobile communications service provider. If Customer obtains a different Wireless Access Device, Customer will be required to download and install software, to that different Wireless Access Device, under the same terms set forth in this Service Description, as amended. Customer agrees to delete all such software from Customer's Wireless Access Device promptly if the licenses or this Service Description terminate for any reason. The availability, timeliness and proper functioning of Wireless RDC depends on many factors, including Customer's Wireless Access Device location, wireless network availability and signal strength, and the proper functioning and configuration of hardware, Software, and Customer's Wireless Access Device. Neither Banc nor any of Banc's service providers warrant that Wireless RDC will operate without interruption, and neither Banc nor Banc's service providers shall be liable for any loss or damage caused by any unavailability of Wireless RDC, including service interruptions, delays, or loss of personalized settings. Neither Banc nor any of Banc's service providers assume responsibility for the operation, security, functionality or availability of any Wireless Access Device or mobile network which Customer utilizes to access the Remote Deposit Capture Service. Customer agrees that, when Customer uses Wireless RDC, Customer remains subject to the terms and condition of Customer's existing agreements with any unaffiliated service providers, including, but not limited to Customer's mobile service provider. Customer understands that those agreements may provide for fees, limitations and restrictions (such as data usage or text messaging charges imposed on Customer by Customer's mobile service provider) which might impact Customer's use of the Remote Deposit Capture Service when Customer uses a camera-enabled mobile device to capture and electronically send check images and associated deposit information to Banc for review and processing in accordance with this Service Description, and Customer agrees to be solely responsible for all such fees, limitations and restrictions. Customer also agrees that only Customer's mobile service provider is responsible for its products and services. Accordingly, Customer agrees to resolve any problems pertaining to Customer's Wireless Access Device or mobile services with Customer's provider directly.

Security of Data in Transition and Storage. Customer expressly acknowledges that any wireless access to Customer's accounts may not be secure and, as such, Customer assumes the risk associated with unauthorized access to the Remote Deposit Capture Service and any information contained therein, resulting from such wireless connectivity. Customer assumes all risk that any information Customer download or otherwise stored on Customer's Wireless Access Device may be accessed by unauthorized third parties. Without limiting the foregoing, Customer acknowledges that Customer's Wireless Access Device may become subject to unauthorized tracking, "hacking" or other manipulation by spyware, viruses or other malicious code ("malware"). Banc is not responsible for advising Customer of the existence or potential effect of any malware. Customer's use of Customer's hardware and Software is at Customer's own risk.

Banc is not responsible for the security and confidentiality of information when Customer: (i) uses wireless connections to download Customer's account information, in which case Customer acknowledge such connection may permit other persons to access the information being downloaded, or (ii) allows other persons access to Customer's Wireless Access Device. Customer agrees that any account information that Customer downloads is done at Customer's own risk, and Customer is solely responsible for any damage that might occur to the electronic device to which Customer downloads any information, or any loss or corruption of data that might occur as a result of the downloading or its storage on an electronic device.

CUSTOMER AGREES TO TERMINATE THE REMOTE DEPOSIT CAPTURE SERVICE, OR DISABLE CUSTOMER'S REGISTERED WIRELESS ACCESS DEVICE FROM THE REMOTE DEPOSIT CAPTURE SERVICE IMMEDIATELY IN THE EVENT CUSTOMER'S REGISTERED DEVICE BECOMES LOST, STOLEN OR IS NO LONGER IN USE BY CUSTOMER.

4. **Primary Account Designation.** Customer may use the Remote Deposit Capture Services to facilitate a deposit to any deposit account Customer has with Banc (other than those with deposit restrictions, such as certificate of deposits). The account to which Customer designates a deposit shall be referred to as the "RDC Account" for the purpose of this Service Description and the deposit transaction. Customer authorizes Banc to debit the RDC Account (or any other account maintained by Customer at Banc) for any fees or other amounts due Banc in connection with the Remote Deposit Capture Services. If the RDC Account is closed for any reason, Customer's Remote Deposit Capture Services will be stopped along with any unprocessed Remote Deposit Capture Services transfers. To reinstate its Remote Deposit Capture Services, Customer must designate a new RDC Account.
5. **Customer Rights.** Subject to the terms of this Service Description, Banc hereby grants Customer a non-exclusive, non-transferable right to access and use the Remote Deposit Capture Service in connection with Customer's own business operations in accordance with the Supporting Documents.
6. **Definitions.** Unless otherwise defined below or in this Service Description, terms in this Service Description shall have the meaning provided in the Disclosure. For the purpose of this Service Description, the term "Communications" shall have the meaning provided in the Disclosure and shall include Communications to Banc in connection with the Remote Deposit Capture Service, including transmission of output files from Customer to Banc; the terms "Security Procedures" and "Security Devices" shall have the meaning provided in the Disclosure and shall include but not be limited to any Security Procedures and Security Devices used to access the RDC Account and to use the Remote Deposit Capture Service.
 - 6.1. "Check" means an Original Check, as defined in Regulation CC.
 - 6.2. "Endpoint" means any Federal Reserve Bank, financial institution, local clearing house, courier or other entity or location for the delivery of cash letters or other presentment of Electronic Items or Substitute Checks.
 - 6.3. "Image Exchange Item" means a digitized image of an Item cleared and settled directly with a Paying Bank without conversion to a Substitute Check.
 - 6.4. "Imaged Item" means the digitized image of a Check that is created by Customer and transmitted to Banc using the Remote Deposit Capture Service.
 - 6.5. "Item" means a Check that is payable on demand, drawn on or payable through or at an office of a United States Financial Institution and payable or endorsed to Customer, and includes Original Checks, Substitute Checks and Image Exchange Items.

- 6.6. "Non-cash Item" means an Item that would otherwise be an Item, except that: (i) a passbook, certificate or other document is attached; (ii) it is accompanied by special instructions, such as a request for special advice of payment or dishonor; (iii) it consists of more than a single thickness of paper, except an Item that qualifies for handling by automated check processing equipment; or (iv) it has not been preprinted or post-encoded in magnetic ink with the routing number of the Paying Bank.
- 6.7. "Non-qualifying Item" means Non-cash Items, Items payable in a medium other than United States money, currency, warrants, Items payable to third parties, Items payable to joint payees (unless payable to the payees alternatively and deposited into an account in the name of all payees), demand drafts or remotely created checks as defined by the UCC and Regulation CC, respectively, Items that are stale dated by six months or more or post dated, savings bonds, Items payable to "cash," Substitute Checks, non-negotiable Items, Items that have been returned unpaid for any reason and any Item that exceeds Customer's transaction limitations as established by Banc from time to time.
- 6.8. "Original" with respect to a Check means the first paper Item issued with respect to a particular payment transaction.
- 6.9. "Paying Bank" means the United States financial institution ordered in an Item to make payment to the payee(s) named on the Item.
- 6.10. "Remote Deposit Capture Services" means the services described in this Service Description, to be provided by Banc to Customer to enable the processing of Items digitally as Image Exchange Items through image exchange networks or through creation of Substitute Checks and presentment to established Endpoints, including collectively the procedures, protocols, and software used by Banc and its licensors and contractors in connection with the electronic processing of Items.
- 6.11. "Software" means any software which may be offered or required by Banc for use in receiving, validating and packaging images and data from a bulk file to be forwarded to Banc for additional processing.
- 6.12. "Substitute Check" means a paper reproduction of an Item that satisfies the requirements and definition of "substitute check" set forth in Regulation CC.
- 6.13. "UCC" means the Uniform Commercial Code as enacted and amended in the state whose law governs interpretation of this Service Description.
- 6.14. "United States Financial Institution" means (i) any person, located in the United States, engaged in the business of banking; (ii) a Federal Reserve Bank; (iii) a Federal Home Loan Bank; and (iv) to the extent it acts as a payor, the U.S. Treasury, the U.S. Postal Service, or a State or local government.

7. Remote Deposit Capture Service.

- 7.1. Customer will create images of Checks at Customer's location by use of scanning hardware and Software, if any, approved or provided by Banc (as applicable). Customer will enter all amounts and any other required information correctly and as provided in the Supporting Documents.
- 7.2. The electronic images of Checks will be transmitted by Customer to Banc, or Banc's authorized processor, over the Internet through a secure web-based interface.
- 7.3. Customer's RDC Account will be provisionally credited upon Banc's acceptance of the Imaged Items for deposit which are received by Banc from Customer through the Remote Deposit Capture Service.
- 7.4. Customer will maintain the RDC Account for Customer to receive credit and provide other specific information required by Banc related to the Remote Deposit Capture Service. As set forth in this Service Description, all deposits received by Banc are accepted subject to Banc's verification and final inspection and may be rejected by Banc in Banc's sole discretion. All deposits are subject to the terms of the deposit account agreement governing Customer's accounts.

- 8. Customer Responsibilities.** In connection with the Remote Deposit Capture Services, Customer shall comply with the following:
- 8.1. Customer shall maintain the RDC Account at Banc for the receipt of deposits of Items.
 - 8.2. Customer will create images of Checks at Customer's location by use of scanning hardware and Software approved or provided by Banc. Customer will enter all amounts and any other required information correctly.
 - 8.3. Customer will only submit Checks for processing to Banc that meet the definition of "Item" as provided in this Service Description and will ensure that the Items scanned meet the standards for image quality established by the American National Standard Institute (ANSI) required by Regulation CC, or other standards established or required by Banc or applicable law, as amended from time to time. Customer will not process any Non-qualifying Items. Banc's processing of any Non-qualifying Items shall not constitute a waiver by Banc or obligate it to process such Non-qualifying Items in the future. Banc may discontinue processing of Non-qualifying Items at any time, without cause or prior notice.
 - 8.4. Unless with prior approval by Banc in writing, Customer will not attempt to scan and transmit to Banc any Item which is drawn on a deposit account of Customer at Banc or any other financial institution, or a deposit account of any business entity of which Customer is a principal, officer or authorized signer. Customer will only use the Remote Deposit Capture Service for its own purposes and in accordance with this Service Description.
 - 8.5. Customer will not attempt to scan and transmit to Banc any third-party checks or photocopies of an Original Check.
 - 8.6. Customer will not attempt to scan and transmit to Banc any previously truncated and reconverted Substitute Check. Any previously truncated and reconverted Substituted Check must be physically deposited with the Banc. Notwithstanding the foregoing, Banc may redeposit any returned Substitute Check or Image Exchange Item consistent with the terms of the deposit account agreement governing Customer's accounts.
 - 8.7. Customer will (i) ensure that, prior to scanning, Items are restrictively indorsed "FOR REMOTE DEPOSIT TO BANC OF CALIFORNIA," (ii) handle, process, maintain and destroy Original Checks as set forth in this this Service Description and the Supporting Documents, and (iii) ensure that no financial institution (depository, collecting or payor), drawee, drawer or indorser receives presentment or return of, or otherwise is charged for an Item more than once in any form (no second presentment);
 - 8.8. Customer will deploy access controls and procedures to manage the re-access of previously processed Original Checks.
 - 8.9. Except to the extent otherwise expressly agreed by Banc, Customer will provide, at its own expense, a broadband Internet connection, such as via a digital subscriber line (DSL) or other connectivity having equivalent or greater bandwidth and all other computer hardware, software, including but not limited to a compatible Web browser, and other equipment and supplies required to use the Remote Deposit Capture Service, all of which must satisfy any minimum requirements set forth in the Supporting Documents or as otherwise may be acceptable to Banc. Except to the extent otherwise provided in this Service Description or the Supporting Documents, Customer will provide, or obtain from another party selected by Customer at Customer's expense, support and maintenance of such Internet connection and all other computer hardware, software, and equipment required to use the Remote Deposit Capture Service, including without limitation troubleshooting Internet connectivity issues with Customer's internet service provider (ISP).
 - 8.10. Customer will balance the dollar amount of each deposit to the sum of Checks prior to transmitting to Banc.
 - 8.11. Customer will: (i) maintain a daily control record of all Checks, including transaction counts and dollar amounts; and (ii) balance transactions transmitted from the previous business day and immediately notify Banc of any error or discrepancy discovered.
 - 8.12. Unless Banc specifically agrees otherwise in writing, Customer will not use the Remote Deposit Capture Service to deposit any Check or Checks that exceed the transaction limits established by Banc from time to

time. Banc may communicate the transaction limits, including changes to the same, by written or electronic notice to Customer.

- 8.13. Customer will be responsible for verifying Banc's receipt of Customer's transmission(s) by verifying that deposits have been posted to the RDC Account, in addition to cooperating in any investigation and resolving any unsuccessful or lost transmission with the Banc.
- 8.14. Customer will maintain fully qualified, properly trained and experienced administrative staff and employees sufficient to perform its obligations under this Service Description. Customer will have a process to review and oversee employee use of the Remote Deposit Capture Service on a periodic basis, and immediately revoke user access for terminated or transferred employees.
- 8.15. Customer shall ensure that all users of the Remote Deposit Capture Service have a unique username to log into the system and shall exercise due care in preserving the confidentiality of any user identification, password, test key, or other code or authentication method provided by the Banc or otherwise required for use of the Remote Deposit Capture Service and shall further prevent the use of the same by unauthorized persons. Customer assumes full responsibility for the consequences of any missing or unauthorized use of or access to the Remote Deposit Capture Service or disclosure of any confidential information or instructions by Customer, its employees and agents (as applicable).
- 8.16. Customer will maintain physical, technical, procedural and administrative controls and safeguards reasonably designed to ensure security, integrity and confidential information, including firewalls, up-to-date antivirus software or updated operating systems for all equipment, Software, Wireless Access Devices, mobile devices, Intellectual Property and computer components necessary for the Remote Deposit Capture Service.
- 8.17. Customer will cooperate with Banc and provide immediate assistance as needed in the investigation or defense of any claim or complaint arising from the services provided under this Service Description.

9. Equipment.

- 9.1. Customer is responsible for obtaining and maintaining the compatible and Banc approved scanner equipment to facilitate the Remote Deposit Capture Service. Customer agrees to use only scanner equipment and software that meet Banc's service specifications, and shall not use any scanner equipment purchased or provided by third parties without Banc's prior written consent. "Scanner equipment" will mean any compatible and Banc approved hardware, including a Wireless Access Device. Customer will ensure that the equipment is clean and operating properly, and will inspect and verify the quality of images and ensure that the digitized images of Original Checks are legible for all posting and clearing purposes, including reviewing the MICR line, signature, and amount. Customer will be solely responsible for verifying the compatibility of any equipment used with the Remote Deposit Capture Service.
- 9.2. To the extent Banc provides access to equipment for Customer's use of the Remote Deposit Capture Service ("Banc-Provided Equipment"), Customer agrees not to remove the Banc-Provided Equipment from Customer's place of business, Customer is responsible for the maintenance of the Banc-Provided Equipment and Banc may require Customer's use of the same to be subject to additional terms. Banc's provision of Banc-Provided Equipment may be subject to separate terms and conditions. If any Banc-Provided Equipment is lost, stolen, or damaged in such a manner that Customer cannot comply with the capture, transmission, processing, and other applicable procedures and requirements of this Service Description, Customer agrees to inform Banc and to then obtain and substitute new equipment that is acceptable as shown in the supporting documentation, before Customer continues using the equipment and the Remote Deposit Capture Services. If Customer's use or maintenance resulted in damage to any Banc-Provided Equipment, Customer agrees to reimburse Banc on demand for Banc's costs to repair the equipment, or to replace the equipment if repair is not reasonably feasible. Upon termination of this Service Description, Customer's right to use the Banc-Provided Equipment shall terminate and Customer agrees to return the scanner and all program materials within 10 calendar days (or Banc shall charge Customer the replacement cost of the scanner).
- 9.3. Customer agrees to notify Banc in the event Customer's scanning equipment is relocated. Banc assumes no liability for any computer virus or related problems arising in connection with Customer's use of equipment,

including Banc-Provided Equipment, and Customer shall indemnify, defend and hold harmless the Banc for any losses, damages, costs and expenses resulting directly from any computer virus or related problems the Banc may suffer or incur from any computer virus or related problem caused by Customer.

10. Software. At any time during the term of this Service Description, Banc may require in its sole discretion the use of Software in connection with the Remote Deposit Capture Services. Banc may require Customer to upgrade or install patches to the Software which Customer agrees to do within 30 days of notice, or sooner if directed by Banc. The software may include tracking and other information technology features that are stored and shared with Banc and its providers.

- 10.1. Customer will implement and use the Software, as set forth in the Supporting Documents and any applicable materials relating to the Supporting Documents to transmit output files to Banc.
- 10.2. To the extent the Remote Deposit Capture Service involves Banc's having granted Customer Software license usage rights, such grant shall be a personal, non-exclusive, non-transferable right to access and use the Remote Deposit Capture Service in connection with Customer's use in accordance with this Service Description. The Remote Deposit Capture Service does not involve the sale of software. Nothing in this Service Description will entitle Customer to receive technical support, telephone assistance regarding the Software, or updates to Software.
- 10.3. Customer acknowledges that (i) its license to any Software that may be required for the Remote Deposit Capture Service is directly from the Software provider, pursuant to the license agreement that appears when any such Software is electronically accessed by Customer or otherwise provided to Customer, (ii) Banc may but is not obligated to provide certain "first level" support to Customer with respect to the Software, but that Banc will have no responsibility, for maintenance, support, infringement protection, or otherwise, to Customer with respect to the Software, and (iii) Customer will look strictly to the Software provider, or its successors, with respect to any issues concerning the Software that cannot be satisfactorily resolved with Banc's assistance.
- 10.4. Customer will use the Software solely for the purpose of transmitting output files to Banc consistent with this Service Description and not for communications with any other party. Customer will not allow access to the Software or the use of the Remote Deposit Capture Service by any person other than Customer, and will only process Items arising from a transaction or obligation between Customer and its direct payor. Without limiting the foregoing, Customer agrees to implement and maintain separation of duties and dual control procedures at Customer's location(s) to ensure compliance with the limitation on access commitments provided under this Service Description.
- 10.5. Customer acknowledges and agrees that the Software and content used by Banc in the operation of Banc's website and provision of the Remote Deposit Capture Service, and the copyright patent, trademark, trade secret and all other rights in and to the technology, software, content, designs, graphics, and trademarks included by Banc on Banc's website and as part of the Remote Deposit Capture Service and Banc's name and product names and the website's URL (collectively, by the "Intellectual Property"), are owned by Banc and Banc's licensors. As such, Customer will not gain any ownership or other right, title or interest in or to such Intellectual Property by reason of this Service Description or otherwise. Customer may not use, reproduce, duplicate, copy or distribute the content found at Banc's website or provided by the Remote Deposit Capture Service.
- 10.6. Customer may not distribute, reuse, reproduce, duplicate, copy, publish, sell, or otherwise transfer (i) any portion or element of the Remote Deposit Capture Service or the Intellectual Property or (ii) access to Banc's Remote Deposit Capture Service or Intellectual Property. Further, Customer may not (a) create derivative works of any portion or element of the Remote Deposit Capture Service or Intellectual Property; (b) reverse engineer, modify, decompile or disassemble any of the Intellectual Property; (c) deactivate or disable any password protection or other protection, security or reliability technology Banc incorporates in the Remote Deposit Capture Service; (d) modify or erase any copyright or trademark notice Banc places in connection with the Remote Deposit Capture Service; (e) engage in the practice known as "screen-scraping" or otherwise attempt to, or actually, obtain copies of content provided through the Remote Deposit Capture Service (sometimes known as "scrapers," "spiders," "robots" or "bots") to systematically access and download data; (f) access the Remote Deposit Capture Service by any means other than via Customer's Wireless Access

Device; (g) frame any content provided through the Remote Deposit Capture Service or any Intellectual Property; or (h) use any circumvention tools, meta tags or any other “hidden text” utilizing Banc’s name, trademark, URL, product name or other Intellectual Property. Customer agrees to comply with the terms of any license agreement made available to Customer through the Remote Deposit Capture Service.

- 10.7. Customer will promptly return all copies of the Software and Supporting Documents, including materials related to the Supporting Documents, to Banc upon termination of the Service Description.
- 10.8. To ensure Customer’s retention obligations under this Service Description, Customer agrees to implement and maintain business continuity procedures, including but not limited to those needed to ensure proper backup of data and periodic testing of the same.
- 10.9. Banc reserves the right to change, add to, or terminate services with Banc’s third-party software providers, to substitute different software providers, and to enter into or arrange for the provision Remote Deposit Capture Services by other licensors and third-parties.

11. Retention and Destruction of Original Check. When using the Remote Deposit Capture Service, the physical Checks remain in Customer’s possession rather than in the Banc’s. Maintaining custody of Checks may increase risk to Customer, such as exposure to monetary liability or reputational risk. Customer shall take precautions to prevent loss to either itself or to its customers, including, but not limited to, the requirements set forth in this Section. Customer will retain each Original Check in accordance with the Supporting Documents. If not directed otherwise by the Banc, Customer will store Original Checks in a safe and secure environment with restricted access for 45 days after such Item has been digitized and processed. Customer shall take appropriate security measures to ensure that: (i) only authorized personnel shall have access to Original Checks, and (ii) that the information contained on such Original Checks or on any corresponding Imaged Items are not disclosed to third parties. Customer will promptly (but in any event within 5 business days) provide any retained Original Check (or, if the Original Check is no longer in existence, a sufficient copy of the front and back of the Original Check, with the copy indicating that it is a copy on its face) to Banc as requested to aid in the clearing and collection process to resolve claims by third parties with respect to any Item or as Banc otherwise deems necessary. If Customer fails to produce the Original Check upon Banc’s request, Customer agrees that Banc may deduct the amount of the Original Check from any of Customer’s accounts. Customer will use a commercially reasonable method which is consistent with any requirements of Regulation CC and approved by Banc to securely and permanently destroy Original Checks after Customer’s retention period has expired. Customer agrees to mark Original Checks “VOID” just before destroying as provided in this Section.

12. Processing Times.

- 12.1. Notwithstanding any provisional credit that may be applied to the RDC Account in connection with Customer’s transmitted Imaged Items, Imaged Items processed for deposit through the Remote Deposit Capture Service will be deemed to have been received by Banc for deposit at the time the Imaged Items are actually received and accepted at the location where Banc or its designated agent posts the credit to the RDC Account. A deposit of Imaged Items will be deemed to have been received and accepted by Banc for deposit when all of the following have occurred: (i) Banc has preliminarily verified that the image quality of the Imaged Items is acceptable to Banc in its discretion, all Item information is complete and the deposit totals are balanced to the Item information provided for the deposit; and (ii) Banc has successfully performed all further validation routines with respect to the deposit. Notwithstanding the foregoing, Imaged Items received by Banc for deposit may be rejected by Banc in Banc’s sole discretion.
- 12.2. Items will be processed and ready for presentment by Banc after Banc receives all good digitized images and associated data for any given transmission from Customer. Customer agrees to view the images of each scanned Item that is sent to Banc. If Item information received by Banc is not complete or cannot be processed by Banc for any reason, Banc may reject the Imaged Item, notwithstanding any transmission confirmation and charge the amount back against any provisional credit to Customer’s RDC Account. Customer will be responsible for verifying Banc’s receipt of Customer’s transmissions by verifying that deposits have been posted to Customer’s RDC Account. Banc will use commercially reasonable efforts to present Items for payment to the applicable Endpoint within a reasonable period of time following such receipt.
- 12.3. If an Imaged Item is not accepted for deposit, Customer may then submit the Original Check to Banc for processing or contact the maker to reissue the Check. If Customer submits the Original Check for processing,

Banc reserves the right to refuse to process the Check for deposit and presentment to the Paying Bank and may instead require Customer to have the maker reissue the Check.

- 12.4. It is Customer's responsibility to understand and build into its transmission schedules the appropriate deadlines necessary to meet the availability schedules of Banc as set forth in the Disclosure or as otherwise established by Banc. Customer is further responsible for understanding and building into its transmission schedule the changes in transmission windows required by time changes associated with Daylight Savings Time.

13. Returned Items. Customer understands and agrees that an Item that is not paid by a Paying Bank, or is otherwise returned for any reason, will in Banc's discretion be: (i) re-presented to the Paying Bank; or (ii) returned to Customer and Customer's RDC Account charged for the amount of the Item plus any associated fees as disclosed in Banc's applicable fee schedule, which may be changed from time to time in Banc's discretion. Customer agrees that Items may be returned as Image Exchange Items, rather than Substitute Checks. Banc's right to charge the RDC Account of Customer will apply without regard to whether the Item is timely returned to Banc or whether there is any other claim or defense that the Item has been improperly returned to Banc.

14. Banc Rights and Responsibilities.

- 14.1. For all Imaged Items processed by Customer pursuant to this Service Description, either (i) digitized images will be converted to Substitute Checks and presented for payment to established Endpoints, or (ii) Imaged Exchange Items will be presented for payment through image exchange networks. Banc may in its sole discretion determine the manner of processing. All such processing and presentment shall be done in accordance with timeframes and deadlines set forth in the Supporting Documents and as otherwise established by the Banc from time to time.
- 14.2. Unless otherwise agreed by Customer and Banc, Banc will process any returned Items in accordance with applicable law and the Disclosure.
- 14.3. Subject to the terms of this Service Description, availability of credit from Items processed under this Service Description will be subject to the availability schedule of Banc, which may be amended from time to time.
- 14.4. Banc may at its sole option, and without notice to Customer, with or without cause, at any time and from time to time, refuse to process any Imaged Items. Banc may from time to time establish transaction limitations and assign them to Customer.
- 14.5. Banc shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission, or communication facilities, equipment failure, war, emergency conditions or other circumstances beyond Banc's control. In addition, Banc shall be excused from failing to transmit or delay in transmitting an Item for presentment if such transmittal would result in Banc's having exceeded any limitation upon its intraday net funds position established pursuant to Federal Reserve guidelines or if Banc's otherwise violating any provision of any risk control program of the Federal Reserve or any rule or regulation of any other U.S. governmental regulatory authority. In the event of any failure or delay, Customer acknowledges that it may instead deposit directly with Banc any Original Items for processing and presentment, provided such Original Items have not been previously imaged and processed in connection with the Remote Deposit Capture Services.
- 14.6. In addition to any other rights Banc may have with regards to the accounts of Customer, Banc may hold and use funds in any Customer account following termination of this Service Description for such time as Banc reasonably determines that any Item processed by Banc prior to termination may be returned, charged back or otherwise a cause for any loss, liability, cost, exposure or other action for which Banc may be responsible. Without limitation, Customer recognizes that under the UCC, Regulation CC, the Electronic Check Clearing House Organization™ ("ECCHO") Rules (as applicable), and the rules of any image exchange network, our representations and warranties with regards to Image Exchange Items and Substitute Checks may expose us to claims for several years following processing of the Image Exchange Item or Substitute Check.

15. Customer Representations and Warranties. Customer makes the following representations and warranties with respect to each Item, including Non-qualifying Items, processed by Customer pursuant to this Service Description:

- 15.1. The Imaged Item is a digitized image of the front and back of the Original Check and accurately represents all of the information on the front and back of the Original Check as of the time Customer converted the Original Check to an Imaged Item;
- 15.2. The Imaged Item contains all endorsements applied by parties that previously handled the Original Check in any form for forward collection or return;
- 15.3. Except as otherwise specifically disclosed in writing to Banc, Customer is not now engaged, and will not during the term of this Service Description engage, in any business that would result in Customer being or becoming a "money service business" as defined in the Federal Bank Secrecy Act and its implementing regulations;
- 15.4. All encoding, transfer, presentment and other warranties made under applicable law as Banc is deemed to make under applicable law, including without limitation those under the UCC, Regulation CC and the rules of any image exchange network;
- 15.5. There will be no duplicate presentment of a Check in any form, including as a digitized image, as a paper negotiable instrument or otherwise and Customer will be liable for and otherwise assume responsibility for any such duplicate presentment of any Check. Customer agrees to indemnify and defend Banc against any and all claims, causes of action or demands arising out of or directly or indirectly related to the duplicate presentment of any Check; and
- 15.6. Customer will not engage in any activity directly or indirectly related to the use of the Remote Deposit Capture Service that is illegal or fraudulent.

16. Customer's Indemnification Obligation. In addition to any indemnification obligations Customer has under the Disclosure, and except to the extent expressly prohibited by applicable law, Customer agrees that Customer will indemnify and hold Banc harmless against any and all third party suits, proceedings, claims, demands, causes of action, damages, expenses (including reasonable attorneys' fees and other legal expenses), liabilities and other losses that result from or arise out of: (i) any fine, penalty or sanction imposed on Banc by, any clearing house, or any governmental entity, arising out of or connected with any Imaged Item processed by Banc for Customer or at Customer's instruction; (ii) actions by third parties, such as the introduction of a virus that delay, alter or corrupt the transmission of an Imaged Item to Banc; (iii) any loss or corruption of data in transit from Customer to Banc; (iv) any claim by a third party resulting from Banc's breach of warranty regarding the paid status or image quality of a check Customer has presented through the Remote Deposit Capture Service; or (v) any claim by any recipient of a Substitute Check corresponding to a Check processed by Customer under this Service Description, that such recipient incurred loss due to the receipt of the Substitute Check instead of the Original Check. Customer's indemnification obligations will survive termination of this Service Description and the Disclosure.

17. Banc's Liability. In addition to any limitations in the Disclosure, Banc will not be liable to Customer for: (i) any refusal of a Paying Bank to pay an Image Exchange Item or Substitute Check for any reason (other than the gross negligence or willful misconduct of Banc), including without limitation, that the Original Check, Image Exchange Item or Substitute Check was allegedly unauthorized, was a counterfeit, had been altered, or had a forged signature; or (ii) Banc acting as a "reconverting bank" under the Check 21 Act through the creation of Substitute Checks or purported substitute checks using an electronic image or an illegible electronic image or an Image Exchange Item. Furthermore, Banc's liability for errors or omissions with respect to the data transmitted or printed by Banc in connection with this Service Description will be limited to correcting the errors or omissions. Correction will be limited to reprocessing, reprinting and/or representing the Image Exchange Item or Substitute Checks to the Paying Bank.

Customer's execution of the Acceptance constitutes Customer's acknowledgement and acceptance of the terms and conditions of the Disclosure, together with each applicable Service Description, including any Supporting Documents, corresponding exhibits, schedules, enrollments, or attachments to the same, each as amended by Banc from time to time.