

MONTECITO BANK & TRUST
CHECKCAPTURE SERVICE DESCRIPTION

1. Introduction. Montecito Bank & Trust (“Bank”) hereby offers its Client and Client hereby accepts the “CheckCapture Service” described in this Service Description. The CheckCapture Service allows Client to transmit paper checks converted to Imaged Items to Bank for processing and deposit into the designated account of Client maintained at Bank. Client desires to use the CheckCapture Service to facilitate the services as identified in and subject to this Service Description. Bank reserves the right, with prior written notice to Client, to place, from time to time, limits on Client's right to use the CheckCapture Service.

2. Master Treasury Management Services Agreement. Bank will provide to Client the CheckCapture Services described in this Service Description to enable Client to transmit Imaged Items to Bank or Bank’s designated processor to be cleared as Substitute Checks or Image Exchange Items. This Service Description forms part of the Master Treasury Management Services Agreement (“Master Agreement”) agreed to by Client. In the event of conflicts between the terms of this Service Description and the terms of the Master Agreement, the terms of this Service Description shall control. To the extent Client accesses the CheckCapture Services using Bank’s online services, Client’s use of the CheckCapture Services must also be facilitated pursuant to the separate Business Online Banking Service Description or Commercial Center Service Description, based on the Services used.

3. Access. The CheckCapture Service enables Client to use an approved Software application together with compatible scanning hardware maintained by Client 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 Bank for review and processing in accordance with this Service Description.

Client agrees to exercise due care in preserving the confidentiality of any user identification, password, test key, or other code or authentication method provided by Bank or otherwise required for use of the CheckCapture Service and shall further prevent the use of the same by unauthorized persons. Client assumes full responsibility for the consequences of any missing or unauthorized use of or access to the CheckCapture Service or disclosure of any confidential information or instructions by Client, or anyone acting on Client’s behalf.

4. Primary Account Designation. Client may use the CheckCapture Services to facilitate a deposit to any deposit account Client has with Bank (other than those with deposit restrictions, such as certificate of deposits). The account to which Client designates a deposit shall be referred to as the “RDC Account” for the purpose of this Service Description and the deposit transaction. Client authorizes Bank to debit the RDC Account (or any other account maintained by Client at Bank) for any fees or other amounts due Bank in connection with the CheckCapture Services. If the RDC Account is closed for any reason, Client's CheckCapture Services will be stopped along with any unprocessed CheckCapture Services transfers. To reinstate its CheckCapture Services, Client must designate a new RDC Account.

5. Client Rights. Subject to the terms of this Service Description, Bank hereby grants Client a non-exclusive, non-transferable right to access and use the CheckCapture Service in connection with Client'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 Master Agreement. For the purpose of this Service Description, the term “Communications” shall have the meaning provided in the Master Agreement and shall include Communications to Bank in connection with the CheckCapture Service, including transmission of output files from Client to Bank; the terms “Security Procedures” and “Security Devices” shall have the meaning provided in the Master Agreement and shall include but not be limited to any Security Procedures and Security Devices used to access the RDC Account and to use the CheckCapture 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 Client and transmitted to Bank using the CheckCapture 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 Client, 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 Client's transaction limitations as established by Bank 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. "CheckCapture Services" means the services described in this Service Description, to be provided by Bank to Client 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 Bank 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 Bank for use in receiving, validating and packaging images and data from a bulk file to be forwarded to Bank 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 Service.

7.1. Client will create images of Checks at Client's location by use of scanning hardware and Software, if any, approved or provided by Bank (as applicable). Client 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 Client to Bank, or Bank's authorized processor, over the Internet through a secure web-based interface.

7.3. Client's RDC Account will be provisionally credited upon Bank's acceptance of the Imaged Items for deposit which are received by Bank from Client through the CheckCapture Service.

7.4. Client will maintain the RDC Account for Client to receive credit and provide other specific information required by Bank related to the CheckCapture Service. As set forth in this Service Description, all deposits received by Bank are accepted subject to Bank's verification and final inspection and may be rejected by Bank in Bank's sole discretion. All deposits are subject to the terms of the deposit account agreement governing Client's accounts.

8. Client Responsibilities. In connection with the CheckCapture Services, Client shall comply with the following:

8.1. Client shall maintain the RDC Account at Bank for the receipt of deposits of Items.

8.2. Client will create images of Checks at Client's location by use of scanning hardware and Software approved or provided by Bank. Client will enter all amounts and any other required information correctly.

8.3. Client will only submit Checks for processing to Bank 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 Bank or applicable law, as amended from time to time. Client will not process any Non-qualifying Items. Bank's processing of any Non-qualifying Items shall not constitute a waiver by Bank or obligate it to process such Non-qualifying Items in the future. Bank may discontinue processing of Non-qualifying Items at any time, without cause or prior notice.

8.4. Unless prior approval by Bank in writing, Client will not attempt to scan and transmit to Bank any Item which is drawn on a deposit account of Client at Bank or any other financial institution, or a deposit account of any business entity of which Client is a principal, officer or authorized signer. Client will only use the CheckCapture Service for its own purposes and in accordance with this Service Description.

8.5. Client will not attempt to scan and transmit to Bank any previously truncated and reconverted Substitute Check. Any previously truncated and reconverted Substituted Check must be physically deposited with the Bank. Notwithstanding the foregoing, Bank may redeposit any returned Substitute Check or Image Exchange Item consistent with the terms of the deposit account agreement governing Client's accounts.

8.6. Client will (i) ensure that, prior to scanning, Items are restrictively indorsed "FOR REMOTE DEPOSIT TO MONTECITO BANK & TRUST," (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 endorser receives presentment or return of, or otherwise is charged for an Item more than once in any form (no second presentment);

8.7. Except to the extent otherwise expressly agreed by Bank, Client 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 CheckCapture Service, all of which must satisfy any minimum requirements set forth in the Supporting Documents or as otherwise may be acceptable to Bank. Except to the extent otherwise provided in this Service Description or the Supporting Documents, Client will provide, or obtain from another party selected by Client at Client's expense, support and maintenance of such Internet connection and all other computer hardware, software, and equipment required to use the CheckCapture Service, including without limitation troubleshooting Internet connectivity issues with Client's internet service provider (ISP).

8.8. Client will balance the dollar amount of each deposit to the sum of Checks prior to transmitting to Bank.

8.9. Client 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 Bank of any error or discrepancy discovered.

8.10. Unless Bank specifically agrees otherwise in writing, Client will not use the Service to deposit any Check or Checks that exceed the transaction limits established by Bank from time to time. Bank may communicate the transaction limits, including changes to the same, by written or electronic notice to Client.

8.11. Client will be responsible for verifying Bank's receipt of Client'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 Bank.

8.12. Client will maintain fully qualified, properly trained and experienced administrative staff and employees sufficient to perform its obligations under this Service Description.

8.13. Client shall exercise due care in preserving the confidentiality of any user identification, password, test key, or other code or authentication method provided by the Bank or otherwise required for use of the CheckCapture Service and shall further prevent the use of the same by unauthorized persons. Client assumes full responsibility for the consequences of any missing or unauthorized use of or access to the CheckCapture Service or disclosure of any confidential information or instructions by Client, its employees and agents (as applicable).

9. Equipment.

9.1. To the extent client purchases their own equipment, Client is responsible for obtaining and maintaining the compatible and Bank approved scanner equipment to facilitate the CheckCapture Service. Client agrees to use only scanner equipment and software that meet Bank's service specifications, and shall not use any scanner equipment purchased or provided by a third parties without Bank's prior written consent. "Scanner equipment" will mean any compatible and Bank approved hardware. Client 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. Client will be solely responsible for verifying the compatibility of any equipment used with the CheckCapture Service.

9.2. To the extent Bank provides access to equipment for Client's use of the CheckCapture Service ("Bank-Provided Equipment"), Client agrees not to remove the Bank-Provided Equipment from Client's place of business, Client is responsible for the maintenance of the Bank-Provided Equipment and Bank may require Client's use of the same to be subject to additional terms. Bank's provision of Bank-Provided Equipment may be subject to separate terms and conditions. If any Bank-Provided Equipment is lost, stolen, or damaged in such a manner that Client cannot comply with the capture, transmission, processing, and other applicable procedures and requirements of this Service Description, Client agrees to inform Bank and to then obtain and substitute new equipment that is acceptable as shown in the supporting documentation, before Client continues using the equipment and the CheckCapture Services. If Client's use or maintenance resulted in damage to any Bank-Provided Equipment, Client agrees to reimburse Bank on demand for Bank's costs to repair the equipment, or to replace the equipment if repair is not reasonably feasible. Upon termination of this Service Description, Client's right to use the Bank-Provided Equipment shall terminate and Client agrees to return the scanner and all program materials within 10 calendar days (or Bank shall charge Client the replacement cost of the scanner).

9.3. Bank assumes no liability for any computer virus or related problems arising in connection with Client's use of equipment, including Bank-Provided Equipment, and Client shall indemnify, defend and hold harmless the Bank for any losses, damages, costs and expenses resulting directly from any computer virus or related problems the Bank may suffer or incur from any computer virus or related problem caused by Client.

10. Software. At any time during the term of this Service Description, Bank may require in its sole discretion the use of Software in connection with the CheckCapture Services. Bank may require Client to upgrade the Software which client agrees to do within 30 days of notice, or sooner if directed by Bank.

10.1. Client 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 Bank.

10.2. To the extent the CheckCapture Service involves Bank's having granted Client Software license usage rights, such grant shall be a personal, non-exclusive, non-transferable right to access and use the CheckCapture Service in connection with Client's use in accordance with this Service Description. The

CheckCapture Service does not involve the sale of software. Nothing in this Service Description will entitle Client to receive technical support, telephone assistance regarding the Software, or updates to Software.

10.3. Client acknowledges that (i) its license to any Software that may be required for the CheckCapture Service is directly from the Software provider, pursuant to the license agreement that appears when any such Software is electronically accessed by Client or otherwise provided to Client, (ii) Bank may but is not obligated to provide certain "first level" support to Client with respect to the Software, but that Bank will have no responsibility, for maintenance, support, infringement protection, or otherwise, to Client with respect to the Software, and (iii) Client will look strictly to the Software provider, or its successors, with respect to any issues concerning the Software that cannot be satisfactorily resolved with Bank's assistance.

10.4. Client will use the Software solely for the purpose of transmitting output files to Bank consistent with this Service Description and not for communications with any other party. Client will not allow access to the Software or the use of the CheckCapture Service by any person other than Client, and will only process Items arising from a transaction or obligation between Client and its direct payor. Without limiting the foregoing, Client agrees to implement and maintain separation of duties and dual control procedures at Client's location(s) to ensure compliance with the limitation on access commitments provided under this Service Description.

10.5. Client acknowledges and agrees that the Software and content used by Bank in the operation of Bank's website and provision of the CheckCapture 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 Bank on Bank's website and as part of the CheckCapture Service and Bank's name and product names and the website's URL (collectively, by the "Intellectual Property"), are owned by Bank and Bank's licensors. As such, Client 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. Client may not use, reproduce, duplicate, copy or distribute the content found at Bank's website or provided by the CheckCapture Service.

10.6. Client may not distribute, reuse, reproduce, duplicate, copy, publish, sell, or otherwise transfer (i) any portion or element of the CheckCapture Service or the Intellectual Property or (ii) access to Bank's CheckCapture Service or Intellectual Property. Further, Client may not (a) create derivative works of any portion or element of the CheckCapture 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 Bank incorporates in the CheckCapture Service; (d) modify or erase any copyright or trademark notice Bank places in connection with the CheckCapture Service; (e) engage in the practice known as "screen-scraping" or otherwise attempt to, or actually, obtain copies of content provided through the CheckCapture Service (sometimes known as "scrapers," "spiders," "robots" or "bots") to systematically access and download data; (f) access the CheckCapture Service by any means other than via Client's Wireless Access Device; (g) frame any content provided through the CheckCapture Service or any Intellectual Property; or (h) use any circumvention tools, meta tags or any other "hidden text" utilizing Bank's name, trademark, URL, product name or other Intellectual Property. Client agrees to comply with the terms of any license agreement made available to Client through the CheckCapture Service.

10.7. Client will promptly return all copies of the Software and Supporting Documents, including materials related to the Supporting Documents, to Bank upon termination of the Service Description.

10.8. To ensure Client's retention obligations under this Service Description, Client 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. Bank reserves the right to change, add to, or terminate services with Bank's third-party software providers, to substitute different software providers, and to enter into or arrange for the provision CheckCapture Services by other licensors and third-parties.

11. Retention and Destruction of Original Check. Client will retain each Original Check in accordance with the Supporting Documents. If not directed otherwise by the Bank, Client will store Original Checks in a safe and secure environment for 60 days after such Item has been digitized and processed. Client 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. Client 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 Bank as requested to aid in the clearing and collection process to resolve claims by third parties with respect to any Item or as Bank otherwise deems necessary. If Client fails to produce the Original Check upon Bank's request, Client agrees that Bank may deduct the amount of the Original Check from any of Client's accounts. Client will use a commercially reasonable method which is consistent with any requirements of Regulation CC and approved by Bank to securely and permanently destroy Original Checks after Client's retention period has expired. Client 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 Client's transmitted Imaged Items, Imaged Items processed for deposit through the CheckCapture Service will be deemed to have been received by Bank for deposit at the time the Imaged Items are actually received and accepted at the location where Bank 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 Bank for deposit when all of the following have occurred: (i) Bank has preliminarily verified that the image quality of the Imaged Items is acceptable to Bank in its discretion, all Item information is complete and the deposit totals are balanced to the Item information provided for the deposit; and (ii) Bank has successfully performed all further validation routines with respect to the deposit. Notwithstanding the foregoing, Imaged Items received by Bank for deposit may be rejected by Bank in Bank's sole discretion.

12.2. Items will be processed and ready for presentment by Bank after Bank receives all good digitized images and associated data for any given transmission from Client. Client agrees to view the images of each scanned Item that is sent to Bank. If Item information received by Bank is not complete or cannot be processed by Bank for any reason, Bank may reject the Imaged Item, notwithstanding any transmission confirmation and charge the amount back against any provisional credit to Client's RDC Account. Client will be responsible for verifying Bank's receipt of Client's transmissions by verifying that deposits have been posted to Client's RDC Account. Bank 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, Client may then submit the Original Check to Bank for processing or contact the maker to reissue the Check. If Client submits the Original Check for processing, Bank reserves the right to refuse to process the Check for deposit and presentment to the Paying Bank and may instead require Client to have the maker reissue the Check.

12.4. It is Client's responsibility to understand and build into its transmission schedules the appropriate deadlines necessary to meet the availability schedules of Bank as set forth in the Master Agreement or as otherwise established by Bank. Client 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. Client understands and agrees that an Item that is not paid by a Paying Bank, or is otherwise returned for any reason, will in Bank's discretion be: (i) re-presented to the Paying Bank; or (ii) returned to Client and Client's RDC Account charged for the amount of the Item plus any associated fees as disclosed in Bank's applicable fee schedule, which may be changed from time to time in Bank's discretion. Client agrees that Items may be returned as Image Exchange Items, rather than Substitute Checks. Bank's right to charge the RDC Account of Client will apply without regard to whether the Item is timely returned to Bank or whether there is any other claim or defense that the Item has been improperly returned to Bank.

14. Bank Rights and Responsibilities.

14.1. For all Imaged Items processed by Client 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. Bank 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 Bank from time to time.

14.2. Unless otherwise agreed by Client and Bank, Bank will process any returned Items in accordance with applicable law and the Master Agreement.

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 Bank, which may be amended from time to time.

14.4. Bank may at its sole option, with or without cause, at any time and from time to time, refuse to process any Imaged Items. Bank may from time to time establish transaction limitations and assign them to Client.

14.5. Bank 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 Bank's control. In addition, Bank shall be excused from failing to transmit or delay in transmitting an Item for presentment if such transmittal would result in Bank's having exceeded any limitation upon its intraday net funds position established pursuant to Federal Reserve guidelines or if Bank'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, Client acknowledges that it may instead deposit directly with Bank any Original Items for processing and presentment, provided such Original Items have not been previously imaged and processed in connection with the CheckCapture Services.

14.6. In addition to any other rights Bank may have with regards to the accounts of Client, Bank may hold and use funds in any Client account following termination of this Service Description for such time as Bank reasonably determines that any Item processed by Bank prior to termination may be returned, charged back or otherwise a cause for any loss, liability, cost, exposure or other action for which Bank may be responsible. Without limitation, Client 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. Client Representations and Warranties. Client makes the following representations and warranties with respect to each Item, including Non-qualifying Items, processed by Client 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 Client 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 Bank, Client is not now engaged, and will not during the term of this Service Description engage, in any business that would result in Client 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 Bank 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 Client will be liable for and otherwise assume responsibility for any such duplicate presentment of any Check. Client agrees to indemnify and defend Bank 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. Client will not engage in any activity directly or indirectly related to the use of the CheckCapture Service that is illegal or fraudulent.

16. Client's Indemnification Obligation. In addition to any indemnification obligations Client has under the Master Agreement, and except to the extent expressly prohibited by applicable law, Client agrees that Client will

indemnify and hold Bank 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 Bank by, any clearing house, or any governmental entity, arising out of or connected with any Imaged Item processed by Bank for Client or at Client'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 Bank; (iii) any loss or corruption of data in transit from Client to Bank; (iv) any claim by a third party resulting from Bank's breach of warranty regarding the paid status or image quality of a check Client has presented through the Service; or (v) any claim by any recipient of a Substitute Check corresponding to a Check processed by Client under this Service Description, that such recipient incurred loss due to the receipt of the Substitute Check instead of the Original Check.

17. Bank's Liability. In addition to any limitations in the Master Agreement, Bank will not be liable to Client 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 Bank), 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) Bank 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.