

POCKETBOOK, INC.

**SERVICE-SPECIFIC TERMS
MOBILE REMOTE DEPOSIT CAPTURE**

Effective Date: April 24, 2025

These Service-Specific Terms (“SSTs”) are a part of and supplement the Terms of Service between Pocketbook and you (the “Terms of Service”) and set forth the specific terms governing your use of the Pocketbook’s Mobile Remote Deposit Capture service (“MRDC” or the “MRDC Service”). In the event of a conflict between these SSTs and the Terms of Service, these SSTs will control, but only to the extent of the conflict. By registering for or using the MRDC service, you are accepting and agreeing to these SSTs.

(a) **General Description of MRDC Services**

Subject to the terms, provisions and conditions of Pocketbook’s Terms of Service and these SSTs, Pocketbook will provide MRDC Services to you. Utilizing MDRC, you may make deposits to your Processing Account from a remote location using a compatible camera-enabled smartphone or tablet (the “Device”) in connection with Pocketbook’s web-based Services. Pocketbook is not responsible for providing the Device, and you must ensure that any computer hardware, software or web-based application or other intellectual property used in connection with the MRDC Service does not infringe on the intellectual property of any entity or natural person (each, a “Person”). You may use the MRDC Service to prepare accurate electronic pictures or replicas of the front and back of Eligible Items (each, an “Image”) and deliver the Image and associated deposit information to the Bank for deposit into your Processing Account. For purposes of the MRDC Service, “Eligible Items” are checks or other paper items (that are not Prohibited Items under these SSTs or other items rejected by the Bank), payable on demand and drawn on (or payable through) an office of a United States bank, to be converted to Images and deposited into your Processing Account. Each Image must accurately capture the front and back of the check to be deposited. After capturing the Image and all other required data and information from each check, you will transmit one or more files containing the Images and all other required information pertaining to all checks (each, a “File”) to Pocketbook. Subject to the terms and conditions herein, Pocketbook will cause the Bank to process the File(s) in accordance with these SSTs.

(b) **Limitations for the MRDC Service**

- (i) Your use of the MRDC Service is subject to limits, including daily, weekly and monthly limits on the dollar amounts of Images you may transmit or submit and limits on the value of each Eligible Item, which applies to each separate Image. These limits will be set out in the MRDC Service, and Pocketbook may modify these limits and add others at any time at its option. You agree to provide Pocketbook with any and all information needed to establish such limitations and will not accept or attempt to process checks in excess of the maximum limitations established by Pocketbook.
- (ii) Pocketbook may prohibit use of the MRDC Services if the current balance of your Processing Account is negative, there are restrictions on your Processing Account that prevent the depositing or withdrawing of funds, or there are more than (2) two returned deposited items in the last two (2) statement cycles. You must further ensure you do not request Pocketbook to process any check transaction in the event of the foregoing.
- (iii) Once an Image has been accepted for deposit, neither Pocketbook nor the Bank is able to delete or remove the item from the collection process.

Image Requirements.

- (i) You must only submit to Pocketbook for processing Files based on the following Eligible Items as source documents, and must ensure you use only Eligible Items as source documents that comply with the following:

- (a) all instruments must be drawn on or payable through a federally insured depository financial institution;
- (b) no instrument may be a starter check;
- (c) each instrument must be machine-readable full-field magnetic ink character recognition (“MICR”) encoded with the bank routing number, account number and check serial number printed on the check;
- (d) each instrument must be for an amount less than or equal to the approved check limit assigned by Pocketbook; and
- (e) unless otherwise permitted by Pocketbook, each instrument must be in an amount equal to the amount of an invoice designated by you.

When Pocketbook receives an Image of a check transmitted from you that that has been converted to a digital version of the original check for subsequent presentment and collection, it shall thereafter be deemed an “item” within the meaning of Articles 3 and 4 of the Uniform Commercial Code.

- (ii) Each File transmitted to Pocketbook must contain Images of the front and the back of checks that are of minimum required size, not too dark, too light, or too bright, and must be legible and scanned and remotely deposited by you. The check MICR information must be machine-readable. Each Image of each check must be of such quality so that the following information (which must be included on the Image) can be clearly read and understood from sight review of the Image:
 - (a) the amount of the check;
 - (b) the payee of the check;
 - (c) the signature of the drawer of the check;
 - (d) the date of the check;
 - (e) the check number;
 - (f) information identifying the drawer and paying bank that is preprinted on the check; and
 - (g) all other information placed on the check prior to the Image being captured (including, but not limited to, any identification (current phone number and driver’s license number) written on the front of the check or any endorsements on the back of the check).

An Image must not be missing or incomplete and the check must be filled out in its entirety for the check to be processed, and each check and Image shall contain all proper endorsements. Each Image must meet all standards of image quality, all requirements necessary to create a check and must meet all technical requirements of an “electronic item” established by applicable law (including Regulation J of the Board of Governors of the Federal Reserve System). Any check or Image not meeting these minimal requirements or that fails to comply or violates applicable law will be ground for immediate suspension or termination of the MRDC Service and you will indemnify Pocketbook and the Bank for all losses suffered as a result of or in connection with such failure or violation.

- (iii) You must ensure that each Image or File submitted to Pocketbook is the legal equivalent of the Eligible Item for all purposes, including that Pocketbook or the Bank qualifies as a holder-in-due-course of the check represented in the Image under the Uniform Commercial Code.
- (iv) Notwithstanding anything to the contrary, Pocketbook reserves the right, in its reasonable discretion, to reject or deny, for any reason and without liability, the processing of any check or Image scanned or deposited using the MRDC Service even where Pocketbook or the Bank has provided you with a confirmation notice. If an Image does not comply with the requirements set forth in this Section (c) (Image

Requirements) and Pocketbook's processing requirements, Pocketbook may (but shall be not be obligated to), in its reasonable discretion and without liability, process the Image as received for payment, correct the Image or its accompanying data and process the corrected Image for payment, process the deposit for payment in another format as allowed or chargeback (debit) the Processing Account for the amount of the Image. In addition, Pocketbook reserves the right to chargeback (or debit) your Processing Account for the amount of any item, an Image or any paper item or other electronic representation of an item that is rejected by Pocketbook or the Bank for any reason, including where Pocketbook determines the Eligible Item, Image or any paper item has or may have been previously submitted or deposited (whether with the Bank or with anyone else) or is returned. This is true even if there has been made any withdrawals against it. Pocketbook will not be liable for any losses, costs or fees you may incur as a result of chargebacks of ineligible items.

- (v) Pocketbook may supplement the requirements of this Section (c) (Image Requirements) at any time by providing written notice to you.

(d) **Restricted Images; Prohibited Items**

- (i) You must not submit Files for Prohibited Items. "Prohibited Item" means checks and other items that are not considered eligible, including the following:
 - (a) items payable to any person other than you or the person that owns the deposit account into which the check is being deposited;
 - (b) items containing any alteration or erasures, or which you know or suspect, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the deposit account on which the item is drawn;
 - (c) items not payable in U.S. currency;
 - (d) items not drawn on a financial institution located in the U.S.;
 - (e) items authorized over the telephone and created remotely;
 - (f) items payable jointly;
 - (g) items that never existed in paper form;
 - (h) items previously converted to a Substitute Check and pre-existing Substitute Checks (as defined in Regulation CC of the Board of Governors of the Federal Reserve System);
 - (i) items that are dated, post-dated, or more than six (6) months old when transmitted;
 - (j) items that are not legible (as determined by Pocketbook or the Bank) or do not conform to Section (c) (Image Requirements) herein or any standard established by the Board of Governors of the Federal Reserve System or any other regulatory agency, clearinghouse or association;
 - (k) items payable on sight or payable through drafts;
 - (l) items with any endorsement on the back other than as required by these SSTs;
 - (m) items that are drawn or otherwise issued by the U.S. Treasury Department;
 - (n) non-cash items;
 - (o) promissory notes and similar obligations, such as savings bonds;
 - (p) items that have previously been submitted through the MRDC Service or through remote deposit capture service offered by another party or institution;

- (q) third party checks;
 - (r) checks that have been previously returned as unpaid or uncollected;
 - (s) checks drawn on a bank trust account;
 - (t) checks where the written and numerical amounts or customer name on the Image do not match;
 - (u) checks not signed by the payee;
 - (v) items that are missing processing information (examples: missing or illegible routing numbers or account numbers);
 - (w) any other class of checks or drafts as communicated to you by Pocketbook from time to time; or
 - (x) checks not acceptable under applicable law.
- (ii) In addition to the restrictions set out above and, in any event, the following transactions are unacceptable for remote check deposit processing using the MRDC Service, which shall also be considered Prohibited Items, and you agree not to submit any of the following transactions to Pocketbook for processing:
- (a) temporary checks or checks that do not have the drawer's current name, address and phone number pre-printed on its face;
 - (b) any checks drawn on any depository institution that is not federally insured or part of the automated clearinghouse ("ACH") network;
 - (c) any checks drawn on the personal checking account of you or any of your respective agents or employees (including, without limitation, your Administrator or your Users);
 - (d) any third-party items for electronic remote check deposit processing or checks made payable to "cash" or "bearer";
 - (e) traveler's check, money order, payroll check, counter check or sight draft;
 - (f) any check dishonored as a result of a "stop payment" order;
 - (g) any transaction representing the financing of an existing obligation whether previously owed to you or arising from the dishonor of a check or dispute with you;
 - (h) in an attempt to collect a debt or financed obligation;
 - (i) any check that was one of multiple instruments or payment methods presented that day;
 - (j) any check written for goods or services that are not concurrently provided to the customer, including any check given for a service contract, gift certificate, a layaway (except for the final payment) or for a similar transaction, or for goods or services provided to a third party;
 - (k) any check that contains erasures, or which is altered, unless the alteration is initialed by the customer at time of presentation;
 - (l) any check that is likely to be dishonored or appears forged, stolen or otherwise fraudulent; and/or
 - (m) any check on an account which Pocketbook or the Bank has previously denied authorization.

You and your Administrator(s), Users, agents, or employees must not submit or process any item with prior knowledge that the item is likely to be dishonored or that the identification used was forged, stolen, or otherwise did not belong to the check writer, or that the transaction for which the item was tendered is illegal, void or invalid. Your submissions of any of the above transactions for remote deposit check

processing may subject the MRDC Services to immediate suspension or termination, and all of your funds, including those in the relevant Processing Account, may be placed on hold.

- (iii) In addition to your other indemnification obligations under the Terms of Service, if you submit or process a Prohibited Item you agree to indemnify and reimburse Pocketbook and the Bank for, and hold Pocketbook and the Bank harmless from and against, any and all losses, costs and expenses (including reasonable attorney's fees) that Pocketbook or the Bank may incur as a result of or in connection with the Prohibited Item.

Handling of Original Item and Creating the Image. You agree that you will only submit Images of the original Eligible Items that are still in your possession. You must follow any and all other procedures and instructions set forth in these SSTs.

- (i) **Restrictive Endorsements.** Prior to transmitting an image of an item using the MRDC Service, you must ensure your endorsement is affixed to the back of the Eligible Item and restrictively endorses any Eligible Item transmitted Pocketbook as "FOR REMOTE DEPOSIT ONLY – GRASSHOPPER BANK – [CLIENT NAME]" or as otherwise instructed by Pocketbook. Neither Pocketbook nor the Bank is responsible or liable for any losses, claims, damages or expenses that result from placement of any other special instructions on any checks submitted or transmitted for deposit related to the MRDC Service, and you will be responsible for such losses, claims, damages or expenses. You understand that any message text or other information added to the Image transmitted to Pocketbook may cause the depository bank's endorsement not to be legible which may result in the delayed return of the check or electronic representation if it is not paid, and, as between Pocketbook or the Bank, on the one hand, and you, on the other hand, you will be responsible for any liability, losses, or incurred costs (collectively, "Losses") resulting from such delay. After the check has been submitted for deposit through the MRDC Service, you agree to indicate that the Item has been deposited via the MRDC Service by writing "For Remote Deposit Only – Grasshopper Bank – [Client Name]," the word "Processed," the phrase "remote deposit XX/XX/XXXX [date] to Account [XXXX]" or similar on the back of the Item.
- (ii) **Creating the Image.** Prior to submitting a File, you must accurately create an Image and input the correct dollar amount of the check into the Device and shall ensure the MICR data, check number, and name of the maker of the check are commercially printed on any check and included in the File. You also acknowledge and agree that the appearance of the original check and the use of certain background colors, decorative images, and choices in ink on the original check may affect the ability to produce a readable digital image of the check or the creation of a Substitute Check that meets legal equivalence requirements which may require the original check to be processed for collection, and any such liability or Losses related to the foregoing shall be your responsibility. You are responsible for the inspection of all Images to ensure the legibility of the Images including without limitation the dollar amount, the signature of the maker of the Eligible Item, and for ensuring that any and all information on the Eligible Item is accurately captured and legible in the resulting Image.

(f) **Processing, Transmission of Files and Returns**

(i) **Processing.**

- (a) Pocketbook may attempt to process, collect, present for payment, return or re-present Images in any way in Pocketbook's discretion, including, as Images under private agreement or clearinghouse rules, as automated ACH entries under the National Automated Clearinghouse Rules, through a Federal Reserve payment service under Regulation J and Federal Reserve Operating Circulars, as Substitute Checks or as permitted under applicable law. Upon Pocketbook's request, you will provide Pocketbook with the Eligible Item from which the Image was created and Pocketbook may collect the item. Without limiting anything herein, Pocketbook or the Bank may, in their reasonable discretion, reject, repair, alter, amend, re-format or convert the Image or MICR data submitted in a deposit through the MRDC Service in accordance with general check collection practices and industry presentment standards, but neither Pocketbook nor the Bank has no obligation to do so, and neither Pocketbook nor the Bank shall be liable to you for doing so or failing to do so. If Pocketbook requires that you comply with certain formatting

standards or other guidelines when submitting a File or Image through the MRDC Service and you decline to implement, or comply with such standards or guidelines, you acknowledge and agree that you will be liable for any error or Losses that result from your transmitting such Images through the MRDC Service or any delays caused from Pocketbook's or the Bank's re-formatting or conversion of Eligible Items prior to processing the deposit. Neither Pocketbook nor the Bank shall have liability to you or any other person in the event that any deposited item is processed as, or converted by Pocketbook or the Bank to, an Image or Substitute Check.

- (b) Pocketbook is authorized to process transactions hereunder and to disseminate information in accordance with the information Pocketbook receives electronically from you. Pocketbook shall have no responsibility for erroneous data provided by you or any third party acting on your behalf. You will bear all Losses and liability related to the erroneous data provided in connection with a check, Image, File data or information that is transmitted to Pocketbook in connection with the MRDC Service.
- (c) All settlements related to the MRDC Service are provisional and are subject to the right to dispute the debits and/or credits to the applicable Processing Account, if any, and are subject to Pocketbook's right to revoke the same without prior notice in the event one or more of the transactions are rejected or returned to Pocketbook or the Bank for any reason. You acknowledge that if for any reason funds are credited to you in excess of the amount that you are entitled to receive in connection with an Eligible Image, you shall provide to Pocketbook or the Bank the excess funds upon demand by Pocketbook or the Bank. Such excess funds may be collected by Pocketbook or the Bank by a debit to the applicable Processing Account initiated by Pocketbook.
- (d) In the event a File or information contained therein cannot be processed hereunder, you must notify Pocketbook in writing in accordance with the Terms of Service. Once notification is received by Pocketbook, you must not submit the File for processing without Pocketbook's prior written approval.
- (e) Pocketbook reserves the right to permit you to only scan Eligible Items and submit Images or Files through the MRDC Service through an approved Device. You acknowledge and agree that it is a violation of applicable law, these SSTs and the Terms of Service to process debit requests against a person's account without the person's express, written consent and authorization. You will be exclusively responsible and liable for any such counterfeit, fictitious, lost, stolen or fraudulently obtained debit instrument. You also acknowledge and agree that any transaction initiated as an unauthorized entry or deposit is unlawful. In the event of a violation of applicable law or the processing of a counterfeit, fictitious, lost, stolen or fraudulently obtained debit instrument or item, you will be liable to Pocketbook and the Bank for any Losses or liability related to or arising out of or in connection with such transaction and shall reimburse Pocketbook for such transaction and any Losses immediately.

(ii) Receipt and Transmission of a File

- (a) You will be solely liable for any File, Image or other information contained therein that is not received by Pocketbook, that is dropped during transmission of any File, Image or other information contained therein, or that is intercepted or altered by an unauthorized third party. You agree that Pocketbook will have no obligation to accept a File or Image if it violates the terms of this Agreement. Pocketbook will have no liability to you or any Person for the rejection of a File, an Image or other information contained therein or for the failure to notify you or any Person of such rejection.
- (b) Upon receipt of a File or Image submitted by you, Pocketbook or the Bank may examine such File and Image and other information contained therein to ensure that it complies with the terms of these SSTs, the Terms of Service and applicable law. If Pocketbook or the Bank determines that the File and/or Image does not comply with these SSTs, the Terms of Service or applicable law, or if errors exist in the Images or other information contained in the File, Pocketbook or the Bank may, in their respective reasonable discretion, either reject the File or elect to correct the error and

accept and process the corrected File. As a form of correction, Pocketbook may or may cause you to correct the error. If after examination of a File and the Images and other information contained therein, Pocketbook determines that the File, Image or other information contained therein complies with and was processed and transmitted in accordance with these SSTs, the Terms of Service and applicable law, the File is balanced and the Images meet the requirements of this Agreement, then Pocketbook will accept the File for deposit. Upon acceptance of the File, Pocketbook may notify you of receipt and acceptance of the File for deposit; provided, however, that such confirmation and acceptance does not mean the transmission or deposit is error free or complete. Notwithstanding the fact that Pocketbook has accepted a File for deposit, you will remain liable to Pocketbook and the Bank for any inaccuracies, breaches of warranties, and any other Losses sustained by or claims made against Pocketbook or the Bank in relation to any credit made to your Processing Account.

- (c) At the time you initiate authorization or processing with Pocketbook of any File, including any check or Image through the use of the MRDC Service, you represent and warrant that:
 - (1) you have endorsed all checks and other cash items for collection;
 - (2) the preparation and presentment of the transaction complies with the terms and conditions set forth in these SSTs and the Terms of Service;
 - (3) the Image of the check transmitted to Pocketbook is a sufficient copy that is a true, correct, and an accurate Image that represents all the information on the front and back of the original check at the time the original check was truncated so that a Substitute Check created from the Image will satisfy legal equivalence requirements and the Image has not been altered in any manner by any Person;
 - (4) you or any third party acting on your behalf has reviewed and confirmed that the transmission of MICR line information is identical in all respects to the original check and that the encoded check amount is accurate;
 - (5) the original check, or a paper or electronic representation, has not previously been deposited for collection with any financial institution, and no depository bank, drawee, drawer, or endorser will be asked to pay a check that it already has paid;
 - (6) you will to retain the original check until final settlement of the transaction and for such additional period as may be required in the event of a disputed truncated or Substitute Check, including claims that the check or electronic representation does not satisfy legal equivalence requirements, so that the original check can be processed for collection, and that you will make reasonable efforts to safeguard any original checks until they are destroyed;
 - (7) you have no knowledge or notice of information to indicate that the transaction is fraudulent;
 - (8) that each check is for an amount agreed to by you;
 - (9) neither you nor any of your employees or third party designees have submitted checks drawn from their personal checking accounts; and
 - (10) no transaction submitted for authorization to Pocketbook is with or through a Person other than you.
- (d) Pocketbook shall be conclusively entitled to deem the MRDC transaction authorized and binding upon you if:
 - (1) the electronic transmission of the check, Image or File is made by, or Pocketbook reasonably believes the transmission of the check, Image or File was made by, you, an Administrator or a User, or any of their apparent agents or authorized representatives;

- (2) you utilize the services of a third party to facilitate the processing of the check, Image or File, and Pocketbook reasonably believes that such transaction and transmission by such third party are sent on your behalf;
- (3) you, or any off your affiliates, principals, employees, representatives or agents (including, without limitation, any Administrator or any User) benefit from the transaction or transmission of such check, Image of File, whether directly or indirectly; or
- (4) the check, Image or File is transmitted through the application program interface (API) made available by Pocketbook. In addition, where the check, Image or File is transmitted through such API, you agree that such API is a commercially reasonable security procedure as contemplated by Article 4A of the Uniform Commercial Code.

(iii) Returned Items

- (a) You authorize Pocketbook and the Bank to re-present all items that are returned to the Bank and to originate an electronic entry for the amount of any allowable recovery fee. Pocketbook shall cause any such item to be re-presented no more than two (2) times. Pocketbook shall be entitled to assess a transaction fee from you for each representment. If a check is returned unpaid after presentment, Pocketbook shall be entitled to debit your Processing Account (or any of your Processing Accounts, if more than one) or exercise any other rights it has under these SSTs or the Terms of Service or under applicable law. You acknowledge and agree that the Bank may have other, additional remedies with respect to such returned items under the terms and conditions of your deposit agreement with the Bank.
- (b) Neither Pocketbook nor the Bank shall have any liability or obligation regarding any transaction processed at your request for any dishonored or returned check transaction, including, if any check is: not honored by a customer's or drawee's financial institution; fraudulent, whether you or your employees or agents are involved, either as a principal or as an accessory, in the issuance; lost, stolen, altered or counterfeit; given as a substitute for a previously accepted check, whether or not the previous check was authorized by the maker or, any check upon which you have accepted full or partial payment; one of multiple checks presented in a single transaction; for goods, if the goods are subsequently returned by customer or repossessed; previously denied authorization; related to a transaction for which cash is returned back to a customer; not in compliance with these SSTs, the Terms of Service, or applicable law and not processed in accordance with these SSTs; or illegible or not permitted for deposit, including checks with incorrect MICR data scans or reads.
- (c) If an Eligible Item deposited using the MRDC Service is dishonored or otherwise returned to Pocketbook or the Bank as unpaid, for non-sufficient funds, or for any other reason, including by a clearing agent for any reason (including but not limited to, issues relating to the quality of the Image) and the original check was destroyed, the original check will not be returned, and Pocketbook may charge back an Image of the check and all fees associated with the returned item to your Processing Account (or any of your Processing Accounts, if more than one). You authorize Pocketbook to process the Image of any replacement of an original check in the form of an electronic or paper reproduction of the original check. Unless otherwise instructed by Pocketbook, you agree not to deposit or submit the original check if an Image or other debit is charged back to your Processing Account.
- (d) If these SSTs are terminated for any reason, Pocketbook will retain the right to complete the re-presentment process for all returned check items prior to said termination. Any collection fees received by Pocketbook in collecting returned checks shall be the sole property of Pocketbook.

(g) **Maintenance, Retention and Destruction of Original check**

- (i) After the check is deposited using the MRDC Service, you must securely store all original checks for a minimum of ninety (90) days after the check has been posted to the Processing Account (such period is the

“Retention Period”). During the Retention Period, you must take appropriate security measures to ensure that: such deposited checks are stored in a location away from daily processing activity; only authorized individuals or personnel have access to original checks, the information contained on such checks shall not be disclosed, such checks will not be duplicated or scanned more than one time or physically deposited with the Bank after being electronically deposited and such checks will not be deposited or negotiated in any form.

- (ii) You must destroy original checks upon the expiration of the Retention Period applicable to such checks. You will use commercially reasonable methods to destroy original checks after expiration of the Retention Period, including cross-cut shredding. You are responsible and liable for any claims, Losses or damages incurred by Pocketbook or the Bank resulting from or in connection with the destruction of original checks.
- (iii) You will promptly (but in all events within forty-eight (48) hours) provide any retained original check or other information to Pocketbook as requested by Pocketbook to aid in the clearing and collection process or to resolve claims by third parties with respect to any check or in connection with any deposit using the MRDC Service. If the original check has been destroyed and Pocketbook needs the original check to process a payment, re-present a check in order to collect a returned Image or Substitute Check, or resolve a dispute arising from a deposit through the MRDC Service, you will be responsible for providing Pocketbook with a replacement check. However, if the original check was not retained and not able to be replaced, or was lost by you, neither Pocketbook nor the Bank will be able to process or re-present the transaction.

(h) **Hardware and Software**

- (i) You must scan each check through a Pocketbook-approved Device to utilize the MRDC Service; provided, however, Pocketbook shall not be liable for any Losses related to the Device (it being understood that you are completely liable for all Losses and obligations associated with a Device). You must provide your Administrator and any User a Device in order to initiate deposits through the MRDC Service. You must ensure you have all intellectual property rights to a Device and have otherwise obtained all licenses necessary for you, your Administrator(s) and each User and Pocketbook and the Bank (to the extent applicable) to use a Device in connection with the MRDC Service, and you represent and warrant that the Device and any related software used in connection with your access of the MRDC Service shall not infringe upon the intellectual property rights of any Person. You will defend, indemnify and hold Pocketbook and the Bank harmless for any losses arising out of or in connection with any claim that the Device or any related intellectual property (including any technology to capture or create an image of a check) infringes or misappropriates the intellectual property of any third Party. Upon approval of such Device by Pocketbook, you must assign an identification number to the Device. As between Pocketbook and you, you are responsible for all telecommunication fees and charges, including but not limited to telephone fees, associated with and related to the use of the software or Device. You must maintain all equipment related to electronic check processing in good working order and shall monitor such equipment for viruses, defects, malfunctions, Device, system or software failures or interruptions at your sole expense. You must advise Pocketbook immediately in the event of a breakdown of a Device, software, or of any other system failure. You acknowledge that Pocketbook is not responsible for any equipment or software problems. Moreover, Pocketbook’s approval of such equipment does not constitute nor express an implied warranty, representation or endorsement of such equipment. You agree to utilize only equipment approved by Pocketbook for the processing of checks and in a format and medium of transmission acceptable to Pocketbook.
- (ii) You acknowledge that a Device may not capture all security features (e.g., watermarks) contained in or on an Eligible Item, and that you will manually examine the paper item to determine the authenticity prior to creating an Image. You assume all responsibility for any losses resulting or in connection with any claims based on the security features that do not survive the processing of the Image.
- (iii) If Pocketbook determines to provide any software or user materials (“Pocketbook Software”) for use with the MRDC Service, Pocketbook may from time to time, make modifications or updates to any Pocketbook Software and you agree to adopt and implement such updates or modifications as they become available. Any Pocketbook Software shall be subject to a separate software licensing agreement. Any Pocketbook

Software may only be used to submit transactions to Pocketbook as contemplated herein. Any license of and permission to use any Pocketbook Software is non-exclusive and nontransferable, and it extends only to your use for the purpose of processing transactions hereunder in accordance with these SSTs and the Terms of Service. Any Pocketbook Software may not be used to process transactions with or through any other party without the express written consent of Pocketbook, which may be withheld in its sole discretion, and may not be exported in contravention of U.S. or foreign export laws.

(i) **Funds Availability**

- (i) You acknowledge and agree that items transmitted using the MRDC Service are not subject to the funds availability requirements of Regulation CC of the Board of Governors of the Federal Reserve System. Pocketbook, in its reasonable discretion, may make funds available sooner or may extend the hold period based on such factors as credit worthiness, the length and extent of your relationship with Pocketbook, transaction and experience information, risk associated with the item and such other factors as Pocketbook, in its sole discretion, deems relevant. Pocketbook may also delay availability if there is an emergency, such as failure of computer or communications equipment.
- (ii) Funds may not be available for use before Pocketbook receives funds for any check deposited through the MRDC Service. Until you receive confirmation that the funds are made available, you may not be permitted to withdraw funds. If Pocketbook causes items to be paid or honors other withdrawals before funds are available, Pocketbook may charge a fee for this. If you successfully transmit an Image to Pocketbook before the applicable cut-off time on a business day, Pocketbook will consider that day to be the day of the deposit. After that time, Pocketbook will consider the deposit to be made on the next business day. Even after the item has “cleared,” Pocketbook has made funds available to you, and you have withdrawn the funds, you are still responsible for items deposited that are returned to Pocketbook or the Bank unpaid and for any other problems involving the deposit.

Modification and Amendment of Service-Specific Terms. These SSTs may be modified or amended by Pocketbook from time to time as provided in the Terms of Service. Your continued use of the MRDC Service following the effective time provided in such notice will constitute your agreement to such modified and amended terms.

- (k) **Fees.** You are responsible for paying the fees for use of the MRDC Service as [set forth here](#). Pocketbook may change the fees for use of the MRDC Service at any time and in the manner set forth in the Terms of Service.